

**TOWN OF WEST UNION
COMBINED WATERWORKS
AND
SEWERAGE SYSTEM REVENUE BONDS
SERIES 2002
(WEST VIRGINIA INFRASTRUCTURE FUND)
Date of Closing: August 29, 2002**

BOWLES RICE McDAVID GRAFF & LOVE PLLC

**TOWN OF WEST UNION
COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS,
SERIES 2002
(WEST VIRGINIA INFRASTRUCTURE FUND)**

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**TOWN OF WEST UNION
COMBINED WATERWORKS AND SEWERAGE SYSTEM
REVENUE BONDS, SERIES 2002**

(WEST VIRGINIA INFRASTRUCTURE FUND)

BOND ORDINANCE

TOWN OF WEST UNION
COMBINED WATERWORKS AND SEWERAGE SYSTEM
REVENUE BONDS, SERIES 2002
(WEST VIRGINIA INFRASTRUCTURE FUND)

BOND ORDINANCE

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE WATERWORKS PORTION OF THE EXISTING PUBLIC COMBINED WATERWORKS AND SEWERAGE SYSTEM OF THE TOWN OF WEST UNION AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE TOWN OF WEST UNION OF NOT MORE THAN EIGHT HUNDRED TEN THOUSAND DOLLARS (\$810,000.00) IN AGGREGATE PRINCIPAL AMOUNT OF TOWN OF WEST UNION COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2002 (WEST VIRGINIA INFRASTRUCTURE FUND); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE HOLDERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT WITH THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY ACTING ON BEHALF OF THE WEST VIRGINIA INFRASTRUCTURE AND JOBS DEVELOPMENT COUNCIL RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

BE IT ENACTED AND ORDAINED BY THE COUNCIL OF THE TOWN OF WEST UNION:

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

Section 1.01. Authority for this Ordinance. This Ordinance (together with any order, ordinance or resolution supplemental hereto or amendatory hereof, the "Bond Legislation") is enacted pursuant to the provisions of Chapter 8, Article 20 and Chapter 31, Article 15A of the West Virginia Code of 1931, as amended (collectively, the "Act") and other applicable provisions of law.

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

A. Town of West Union (the "Issuer") is a municipal corporation and political subdivision of the State of West Virginia in Doddridge County of said State.

B. 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 to the waterworks portion of the existing public combined waterworks and sewerage system of the Issuer, including the additions, betterments and improvements described in Exhibit A hereto (collectively, the "Project") (the existing combined waterworks and sewerage system of the Issuer, the Project and any further additions thereto or extensions thereof are herein called the "System") in accordance with the plans and specifications prepared by Hornor Brothers Engineers, which plans and specifications have heretofore been filed with the Issuer.

C. The acquisition and construction of the System was financed in part with the proceeds from \$348,000 in aggregate principal amount of the Issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 1987 (the "Series 1987 Bonds"), dated May 24, 1988, authorized pursuant to a Bond Ordinance enacted by the Issuer on November 10, 1987, as supplemented and amended (the "Series 1987 Bonds Ordinance"); \$900,000 in aggregate principal amount of the Issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 1998A (United States Department of Agriculture) (the "Series 1998A Bonds"), dated December 15, 1998, authorized pursuant to a Bond Ordinance enacted by the Issuer on December 1, 1998, as supplemented and amended (the "Series 1998 Bonds Ordinance"); \$150,000 in aggregate principal amount of the Issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 1998B (United States Department of Agriculture) (the "Series 1998B Bonds"), dated December 15, 1998, authorized pursuant to the Series 1998 Bonds Ordinance; and \$2,075,000 in aggregate principal amount of the Issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 1998C (West Virginia Infrastructure Fund) (the "Series 1998C Bonds"), dated December 15, 1998, authorized pursuant to the Series 1998 Bonds Ordinance (the Series 1987 Bonds Ordinance and the Series 1998 Bonds Ordinance are collectively referred to herein as the "Prior Ordinances").

D. The Issuer derives revenues from the System, and, except for the pledges thereof to secure and pay the Series 1987 Bonds, the Series 1998A Bonds, the Series 1998B Bonds

and the Series 1998C Bonds (collectively, the "Prior Bonds"), said revenues are not pledged or encumbered in any manner.

E. The estimated maximum cost of the construction and acquisition of the Project and issuance of the Series 2002 Bonds, as hereinafter defined, is \$810,000, which will be permanently financed with the proceeds of the Issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 2002 (West Virginia Infrastructure Fund) (the "Series 2002 Bonds") herein authorized.

F. 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 Series 2002 Bonds and the Prior Bonds, and all sinking funds, reserve accounts and other payments provided for herein and in the Prior Ordinances.

G. It is further deemed necessary for the Issuer to issue the Series 2002 Bonds, in the total aggregate principal amount of not more than \$810,000, to permanently finance the costs of acquisition and construction of the Project, as hereinafter defined. Said costs shall be deemed to include the cost of all property rights, easements and franchises deemed necessary or convenient therefor; interest upon the Series 2002 Bonds prior to and during construction and acquisition and for a period not exceeding 6 months after completion of construction of the Project; amounts which may be deposited in the Series 2002 Bonds Reserve Account, as hereinafter defined; 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 and expenses 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 Series 2002 Bonds and such other expenses as may be necessary or incidental to the financing herein authorized, the acquisition or construction of the Project and the placing of same in operation, and the performance of the things herein required or permitted, in connection with any thereof, provided, that reimbursement to the Issuer for any amounts expended by it for allowable costs prior to the issuance of the Series 2002 Bonds or the repayment of indebtedness incurred by the Issuer for such purposes, shall be deemed Costs of the Project, as hereinafter defined.

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

I. It is in the best interest of the Issuer that its Series 2002 Bonds be issued and sold to the Authority (as hereinafter defined) pursuant to the terms and provisions of a loan agreement by and between the Issuer and the Authority, on behalf of the Council (as hereinafter defined), the execution, delivery and form of which are ratified and approved herein.

J. The Issuer has met the requirements of the Prior Ordinances for the issuance of the Series 2002 Bonds on a parity with the Prior Bonds and has received, or will receive prior to the bond closing date, written consent from the respective Holders of the Prior Bonds to issue the Series 2002 Bonds on a parity with the liens of the Prior Bonds and a certificate of an Independent Certified Public Accountant stating that the coverage and parity tests of the Prior Bonds have been met. There are no outstanding obligations of the Issuer other than the Prior Bonds which will rank either senior and prior to or on parity with the Series 2002 Bonds as to liens and sources of and security for payment.

K. The Series 2002 Bonds shall be issued with a lien on the Net Revenues, as hereinafter defined, on a parity with the lien held by the Holders of the Prior Bonds.

L. The Issuer has complied with all requirements of West Virginia law and the Loan Agreement relating to authorization of the acquisition, construction and operation of the Project and the System, and issuance of the Series 2002 Bonds or will have so complied prior to issuance of any thereof, including, among other things, the obtaining of a Certificate of Public Convenience and Necessity from the Public Service Commission of West Virginia by final order, the time for rehearing and appeal of which has expired prior to the issuance of the Series 2002 Bonds or has been waived by all necessary parties.

M. It is in the best interests of the Issuer that the Issuer enter into an interim financing agreement with the Interim Financing Bank as further provided in Article IV hereof.

N. The Project has been reviewed and determined to be technically and financially feasible by the Council (as hereinafter defined) as required under Chapter 31, Article 15A of the West Virginia Code of 1931, as amended.

Section 1.03. Bond Legislation Constitutes Contract. In consideration of the acceptance of the Series 2002 Bonds 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 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, as the case may be, 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 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, collectively, Chapter 8 Article 20 and Chapter 31, Article 15A of the Code of West Virginia 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 and Registered Owner of the Series 2002 Bonds, or any other agency, board or department of the State of West Virginia that succeeds to the functions of the Authority, acting in its administrative capacity and upon authorization from the Council under the Act.

“Authorized Officer” means the Mayor or any other officer, employee or agent of the Issuer specifically designated by resolution adopted by the Governing Body.

“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 Ordinance” or “Local Act” means this Bond 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.

“Bonds” means, collectively, the Series 2002 Bonds, the Prior Bonds and, where appropriate, any bonds on a parity therewith subsequently authorized to be issued hereunder or by another ordinance of the Issuer.

“Certificate of Authentication and Registration” means the certificate of authentication and registration on the Series 2002 Bonds in substantially the form set forth in the bond form contained herein.

“Closing Date” means the date upon which there is an exchange of the Series 2002 Bonds for an advance of more than a de minimis amount of the principal of the Series 2002 Bonds by the Authority.

“Code” means the Internal Revenue Code of 1986, as amended, and the Regulations, as hereinafter defined.

“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.

“Completion Date” means the completion date of the Project.

“Consulting Engineers” means Hornor Brothers Engineers, Clarksburg, West Virginia, or any professional engineer or firm of professional engineers, licensed by the State, who

shall not be a regular, full-time employee of the State or any of its agencies, commissions or political subdivisions, that shall at any time hereafter be retained by the Issuer as Consulting Engineers for the System, or portion thereof in accordance with Chapter 5G, Article 1 of the West Virginia Code of 1931, as amended.

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

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

“Depository Bank” means the bank designated as such in the Supplemental Resolution, and its successors and assigns, which shall be a member of the FDIC.

“Depreciation Reserve” means the Depreciation Reserve created by the Series 1987 Bond Ordinance and continued by Section 5.01 hereof.

“Event of Default” means any occurrence or event specified in Section 9.01.

“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 it may now or hereafter be constituted or any other governing body of the Issuer that succeeds to the functions of the council as presently 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, including without limitation (i) such obligations which have been stripped from their unmatured interest coupons, interest coupons stripped from such obligations and receipts or certificates evidencing payments from such obligations or interest coupons stripped from such obligations, (ii) evidences of ownership of a proportionate interest in specified direct obligations of, or specified obligations which are unconditionally and fully guaranteed by, the United States of America, which obligations are held by a bank or trust company organized and existing under the laws of the United States of America or any state thereof in the capacity of custodian and (iii) obligations, the sole source of the payment of the principal of and interest on which are obligations of the nature of those described in clause (i), which are irrevocably pledged for such purposes.

“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 Section 8.01 hereof).

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

“Independent Certified Public Accountants” shall mean any public accountant or certified public accountant or firm of public accountants or 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.

“Interim Financing Bank” means the bank providing the interim financing authorized and approved in Article IV hereof, which bank shall be designated in a resolution supplemental hereto.

“Issuer” means Town of West Union, a municipal corporation and political subdivision of the State of West Virginia, in Doddridge County, West Virginia, and, unless the context clearly indicates otherwise, includes the Governing Body of the Issuer.

“Loan Agreement” shall mean the Loan Agreement entered into or to be entered into by and between the Issuer and the Authority, on behalf of the Council, providing for the purchase of the Series 2002 Bonds from the Issuer by the Authority, attached hereto as Exhibit B, the form of which is approved, and the execution and delivery by the Issuer are authorized and directed by Section 3.11 hereof and/or by the Supplemental Resolution.

“Mayor” means the Mayor of the Issuer.

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

“Notes” means the line of credit notes of the Issuer described in Section 4.01 hereof.

“Operating Expenses” means the reasonable, proper and necessary costs of repair, maintenance and operation of the System and includes, without limiting the generality of the foregoing, administrative, engineering, legal, auditing and insurance expenses, other than those capitalized as part of the Costs, the fees and expenses of the Authority, fiscal agents, the Depository Bank, Registrar and Paying Agent (all as herein defined), other than those capitalized as part of the Costs, payments to pension or retirement funds, taxes and such other reasonable operating costs and

expenses as should normally and regularly be included under generally accepted accounting principles; provided, that "Operating Expenses" does not include payments on account of the principal of or redemption premium, if any, or interest on the Bonds, charges for depreciation, losses from the sale or other disposition of, or from any decrease in the value of, capital assets, amortization of debt discount or such miscellaneous deductions as are applicable to prior accounting periods.

"Outstanding," when used with reference to Bonds as of any particular date, describes all Bonds theretofore and thereupon being authenticated and delivered except (i) any Bond cancelled by the Bond Registrar at or prior to said date; (ii) any Bond 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 and set aside for such payment (whether upon or prior to maturity); (iii) any Bond deemed to have been paid as provided in Article X and (iv) for purposes of consents or other action by a specified percentage of Bondholders, Bonds registered to the Issuer.

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

"Paying Agent" means the West Virginia Municipal Bond Commission, or such entity or authority as may be designated by the Issuer with the consent of the Authority.

"Prior Bonds" means the Series 1987 Bonds and the Series 1998 Bonds.

"Prior Bonds Reserve Accounts" means the Reserve Fund, the Series 1998 A Bonds Reserve Account, the Series 1998 B Bonds Reserve Account and the Series 1998 C Bonds Reserve Account established for the respective Prior Bonds in the Prior Ordinances.

"Prior Bonds Sinking Funds" means the Sinking Fund or Funds established for the Prior Bonds in the Prior Ordinances.

"Prior Ordinances" means the Series 1987 Bonds Ordinance and the Series 1998 Bonds Ordinance.

"Project" means the project described in Exhibit A attached hereto, constituting additions, betterments and improvements to the waterworks portion of the existing combined waterworks and sewerage system of the Issuer.

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

- A. Government Obligations;
- B. 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;

C. 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;

D. 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, 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;

E. Money market funds or similar funds whose only assets are investments of the type described in paragraphs (A) through (D) above;

F. Repurchase agreements, fully secured by investments of the types described in paragraphs (A) through (D) 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;

G. The West Virginia "consolidated fund" managed by the West Virginia Investment Management Board pursuant to Chapter 12, Article 6 of the West Virginia Code of 1931, as amended; and

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

"Recorder" means the Recorder of the Issuer.

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

“Registrar” means the Bond Registrar.

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

“Reserve Accounts” means, collectively, the Prior Bonds Reserve Accounts and the Series 2002 Bonds Reserve Account.

“Reserve Fund” means the Reserve Fund established for the Series 1987 Bonds in Section 3.02(B)(2) of the Series 1987 Bonds Ordinance.

“Reserve Requirement” means, collectively, the respective amount required to be on deposit in the Reserve Accounts for the Bonds.

“Revenue Fund” means the Revenue Fund established or continued by Section 5.01 hereof.

“Series 1987 Bonds” means the Issuer’s Combined Waterworks and Sewerage System Revenue Bonds, Series 1987, dated May 24, 1988, issued in the original principal amount of \$348,000.

“Series 1987 Bonds Ordinance” means the Bond Ordinance enacted by the Issuer on November 10, 1987, authorizing, among other things, the issuance of the Series 1987 Bonds, as supplemented and amended.

“Series 1998 Bonds” means, collectively, the Series 1998 A Bonds, the Series 1998 B Bonds and the Series 1998 C Bonds.

“Series 1998 Bonds Ordinance” means the Bond Ordinance enacted by the Issuer on December 1, 1998, authorizing the issuance of the Series 1998 Bonds, as supplemented and amended.

“Series 1998 A Bonds” means the Issuer’s Combined Waterworks and Sewerage System Revenue Bonds, Series 1998 A (United States Department of Agriculture), dated December 15, 1998, issued in the original principal amount of \$900,000.

“Series 1998 A Bonds Reserve Account” means the Series 1998 A Bonds Reserve Account established by Section 5.01 of the Series 1998 Bonds Ordinance.

“Series 1998 B Bonds” means the Issuer’s Combined Waterworks and Sewerage System Revenue Bonds, Series 1998 B (United States Department of Agriculture), dated December 15, 1998, issued in the original principal amount of \$150,000.

“Series 1998 B Bonds Reserve Account” means the Series 1998 B Bonds Reserve Account established by Section 5.01 of the Series 1998 Bonds Ordinance.

“Series 1998 C Bonds” means the Issuer’s Combined Waterworks and Sewerage System Revenue Bonds, Series 1998 C (West Virginia Infrastructure Fund), dated December 15, 1998, issued in the original principal amount of \$2,075,000.

“Series 1998 C Bonds Reserve Account” means the Series 1998 C Bonds Reserve Account established in the Series 1998 C Bonds Sinking Fund pursuant to Section 5.02 of the Series 1998 Bonds Ordinance.

“Series 1998 C Bonds Sinking Fund” means the Series 1998 C Bonds Sinking Fund established for the Series 1998 C Bonds by Section 5.02 of the Series 1998 Bonds Ordinance.

“Series 2002 Bonds” means the not more than \$810,000 in aggregate principal amount of Combined Waterworks and Sewerage System Revenue Bonds, Series 2002 (West Virginia Infrastructure Fund), of the Issuer, authorized by this Ordinance.

“Series 2002 Bonds Construction Trust Fund” means the Series 2002 Bonds Construction Trust Fund established by Section 5.01 hereof.

“Series 2002 Bonds Reserve Account” means the Series 2002 Bonds Reserve Account established in the Series 2002 Bonds Sinking Fund pursuant to Section 5.02 hereof.

“Series 2002 Bonds Reserve Requirement” means, as of any date of calculation, the maximum amount of principal and interest, if any, which will become due on the Series 2002 Bonds in the then concurrent or any succeeding year.

“Series 2002 Bonds Sinking Fund” means the Series 2002 Bonds Sinking Fund established by Section 5.02 hereof.

“Sinking Funds” means, collectively, the Prior Bonds Sinking Funds and the Series 2002 Bonds Sinking Fund.

“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 Resolution authorizing the sale of the Series 2002 Bonds; provided, that any matter intended by this Ordinance to be included in the Supplemental Resolution with respect to the Series 2002 Bonds 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 Sinking Funds, the Reserve Accounts and the Depreciation Reserve, as further defined in Section 5.03(D) hereof.

“System” means, collectively, the complete existing combined waterworks and sewerage system of the Issuer, as presently existing in its entirety or any integral part thereof, and shall include the Project and any additions, betterments and improvements thereto or extensions thereof hereafter acquired or constructed from any sources whatsoever, both within and without said Issuer.

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

“West Virginia Infrastructure Fund” means the West Virginia Infrastructure Fund established in accordance with Chapter 31, Article 15A, Section 9 of the West Virginia Code of 1931, as amended and in effect on the date of enactment hereof.

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

Words importing singular number 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.

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

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

ARTICLE II

AUTHORIZATION OF ACQUISITION AND CONSTRUCTION OF THE PROJECT

Section 2.01. Authorization of Acquisition and Construction of the Project. There is hereby authorized the acquisition and construction of the Project, at an estimated cost of \$810,000, 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 Series 2002 Bonds hereby authorized shall be applied as provided in Article VI hereof.

The Issuer has received bids or entered into contracts for the acquisition and construction of the Project, compatible with the financing plan submitted to the Council. The Issuer will enter into a contract for the acquisition and construction of the Project simultaneously with the issuance of the Series 2002 Bonds.

The cost of the Project is estimated not to exceed \$810,000, which is to be paid with the proceeds of the Series 2002 Bonds.

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 2002 Bonds, funding a reserve account for the Series 2002 Bonds, paying Costs of the Project not otherwise provided for, and paying certain costs of issuance of the Series 2002 Bonds and related costs, or any or all of such purposes, as determined by the Supplemental Resolution, there shall be and hereby are authorized to be issued negotiable Series 2002 Bonds of the Issuer, in an aggregate principal amount of not more than \$810,000. Said Series 2002 Bonds shall be issued in one series to be designated "Combined Waterworks and Sewerage System Revenue Bonds, Series 2002 (West Virginia Infrastructure Fund)," in the aggregate principal amount of not more than \$810,000, and shall have such terms as set forth hereinafter and in the Supplemental Resolution. The proceeds of the Series 2002 Bonds remaining after the funding of the Series 2002 Bonds Reserve Account (if funded from the Bond proceeds) and capitalization of interest, if any, shall be deposited in or credited to the Series 2002 Bonds Construction Trust Fund established by Section 5.01 hereof and applied as set forth in Article VI hereof.

Section 3.02. Terms of Bonds. The Series 2002 Bonds shall be issued in such principal amount; shall bear interest, if any, at such rate or rates, not exceeding the then legal maximum rate, payable quarterly 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 or as specifically provided in the Loan Agreement. The Series 2002 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 Series 2002 Bonds, if any, 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 Series 2002 Bonds shall be issued in the form of a single bond, fully registered to the Authority, with a record of advances and a debt service schedule attached, representing the aggregate principal amount of the Series 2002 Bonds, and shall mature in principal installments, all as provided in the Supplemental Resolution. The Series 2002 Bonds 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 such denominations, dated such dates and bear interest at such rates as determined by a Supplemental Resolution or subsequent ordinance enacted by the Issuer.

Section 3.03. Execution of Bonds. The Series 2002 Bonds shall be executed in the name of the Issuer by the Mayor, and the seal of the Issuer shall be affixed thereto or imprinted thereon and attested by the Recorder. In case any one or more of the officers who shall have signed or sealed any of the Series 2002 Bonds shall cease to be such officer of the Issuer before the Series 2002 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 Series 2002 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 Series 2002 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 form set forth in Section 3.10 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 Series 2002 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 Series 2002 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 Series 2002 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 Bond shall be incontestable in the hands of a bona fide holder for value.

So long as any of the Series 2002 Bonds remain Outstanding, the Issuer, through the Bond Registrar or its agent, shall keep and maintain the books for the registration and transfer of the Series 2002 Bonds.

The registered Series 2002 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,

Bonds. Such Net Revenues in an amount sufficient to pay the principal of and interest on and other payments for the Prior Bonds and the Series 2002 Bonds and to make the payments into the Sinking Funds and the Reserve Accounts therein, are hereby irrevocably pledged to the payment of the principal of and interest on the Prior Bonds and the Series 2002 Bonds as the same become due.

Section 3.09. Delivery of Bonds. The Issuer shall execute and deliver the Series 2002 Bonds to the Bond Registrar, and the Bond Registrar shall authenticate, register and deliver the Series 2002 Bonds to the original purchasers upon receipt of the documents set forth below:

A. If other than the Authority, a list of the names in which the Series 2002 Bonds are to be registered upon original issuance, together with such taxpayer identification and other information as the Bond Registrar may reasonably require;

B. A request and authorization to the Bond Registrar on behalf of the Issuer, signed by an Authorized Officer, to authenticate and deliver the Series 2002 Bonds to the original purchasers;

C. An executed and certified copy of the Bond Legislation;

D. An executed copy of the Loan Agreement; and

E. The approving opinion of bond counsel on the Series 2002 Bonds.

Section 3.10. Form of Series 2002 Bonds. The text of the Series 2002 Bonds shall be in substantially the following form, 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 2002 Bond]

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
TOWN OF WEST UNION
COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BOND,
SERIES 2002
(WEST VIRGINIA INFRASTRUCTURE FUND)

No. R- _____

\$ _____

KNOW ALL MEN BY THESE PRESENTS: That TOWN OF WEST UNION, a municipal corporation and political subdivision of the State of West Virginia in Doddridge County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the West Virginia Water Development Authority (the "Authority") or registered assigns the sum of _____ DOLLARS (\$ _____), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as Exhibit A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing on _____, _____, as set forth on the "Debt Service Schedule" attached as Exhibit B hereto and incorporated herein by reference.

This Bond shall bear no 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 the West Virginia Infrastructure and Jobs Development Council (the "Council"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement by and between the Issuer and the Authority, on behalf of the Council, dated _____, 200__.

This Bond is issued (i) to permanently finance the costs of acquisition and construction of certain additions, betterments and improvements to the waterworks portion of the existing public combined waterworks and sewerage system of the Issuer (the "Project"); and (ii) to pay certain costs of issuance of the Bonds of this series (the "Bonds") and related costs. The existing public combined waterworks and sewerage system of the Issuer, the Project and any further additions, betterments or improvements thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 8, Article 20 and Chapter 31, Article 15A of the West

Virginia Code of 1931, as amended (collectively, the "Act"), an Ordinance duly enacted by the Issuer on _____, 200__ and a Supplemental Resolution duly adopted by the Issuer on _____, 200__ (collectively called the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds of this Series (the "Bonds") under the Bond Legislation.

THIS BOND IS ISSUED ON PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH (1) THE COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1987, OF THE ISSUER, DATED MAY 24, 1988, ISSUED IN THE ORIGINAL PRINCIPAL AMOUNT OF \$348,000 (THE "SERIES 1987 BONDS"); (2) THE COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1998 A (UNITED STATES DEPARTMENT OF AGRICULTURE), OF THE ISSUER, DATED DECEMBER 15, 1998, ISSUED IN THE ORIGINAL PRINCIPAL AMOUNT OF \$900,000 (THE "SERIES 1998 A BONDS"); (3) THE COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1998 B (UNITED STATES DEPARTMENT OF AGRICULTURE), OF THE ISSUER, DATED DECEMBER 15, 1998, ISSUED IN THE ORIGINAL PRINCIPAL AMOUNT OF \$150,000 (THE "SERIES 1998 B BONDS"); AND (4) THE COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1998 C (WEST VIRGINIA INFRASTRUCTURE FUND), OF THE ISSUER, DATED DECEMBER 15, 1998, ISSUED IN THE ORIGINAL PRINCIPAL AMOUNT OF \$2,075,000 (THE "SERIES 1998 C BONDS" AND COLLECTIVELY WITH THE SERIES 1987 BONDS, THE SERIES 1998 A BONDS AND THE SERIES 1998 B BONDS, THE "PRIOR BONDS").

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation), on a parity with the pledge of the Net Revenues in favor of the holders of the Prior Bonds, to be derived from the operation of the System, and from moneys in the Reserve Account created under the Bond Legislation for the Bonds (the "Series 2002 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 an 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, if any, hereon except from said special fund provided from the Net Revenues, the moneys in the Series 2002 Bonds Reserve Account and unexpended proceeds of the 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, if any, on the Bonds, and all other obligations

secured by a lien on or payable from such revenues prior to or on a parity with the Bonds, including the Prior Bonds, provided however, that so long as there exists in the Series 2002 Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest, if any, which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding prior to or on a parity with the Bonds, including the Prior 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 _____, as registrar (the "Registrar"), by the registered owner, or by its attorney duly authorized in writing, upon the surrender of this Bond, together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered owner or its attorney duly authorized in writing.

Subject to the registration requirements 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 and the Bond Legislation, shall be applied solely to the payment of the Costs of the Project and the costs of issuance hereof as described in the Bond Legislation, and there shall be and hereby is created and granted a lien upon such moneys, until so applied, in favor of the registered owner of this Bond.

In accordance with the requirements of the United States Department of Agriculture for the issuance of parity obligations, the Bonds will be in default should any proceeds of the Bonds be used for a purpose that will contribute to excessive erosion of highly erodible land or to the conversion of wetlands to produce an agricultural commodity.

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 do exist, have happened, and have been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other obligations of the 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 Net 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, TOWN OF WEST UNION has caused this Bond to be signed by its Mayor and its corporate seal to be hereunto affixed and attested by its Recorder, and has caused this Bond to be dated _____, 2002.

TOWN OF WEST UNION

[SEAL]

Mayor

ATTEST:

Recorder

(Form of)

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2002 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: _____

as Registrar

By _____
Its Authorized Officer

EXHIBIT A

RECORD OF ADVANCES

	<u>Amount</u>	<u>Date</u>		<u>Amount</u>	<u>Date</u>
(1)	\$		(7)	\$	
(2)	\$		(8)	\$	
(3)	\$		(9)	\$	
(4)	\$		(10)	\$	
(5)	\$		(11)	\$	
(6)	\$		(12)	\$	

Total \$ _____

EXHIBIT B

DEBT SERVICE SCHEDULE

(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: _____, 2002.

In the presence of:

Section 3.11. Sale of Series 2002 Bonds: Approval and Ratification of Execution of Loan Agreement. The Loan Agreement, including all schedules and exhibits attached thereto, is hereby approved. The Series 2002 Bonds shall be sold to the Authority, pursuant to the terms and conditions of the Loan Agreement. If not so authorized by previous ordinance, the Mayor is specifically authorized and directed to execute the Loan Agreement in the form attached hereto as "Exhibit B" 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, approved, ratified and confirmed.

Section 3.12. Series 2002 Bonds are Issued as Parity Bonds With Respect to Prior Bonds. The Series 2002 Bonds are issued as and shall constitute parity bonds with respect to the Prior Bonds. The Issuer has met the requirements of the Prior Ordinances for the issuance of the Series 2002 Bonds on a parity with the Prior Bonds.

Section 3.13. Filing of Amended Schedule. Within sixty (60) days following the Completion Date, the Issuer will file with the Council and the Authority a schedule, the form of which will be provided by the Council, setting forth the actual costs of the Project and sources of funds therefor.

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 proceeds of the Series 2002 Bonds, the Issuer is hereby authorized to issue and sell its line of credit notes (the "Notes"), in an aggregate principal amount not to exceed \$810,000. The Notes shall be issued as evidence of a line of credit from the Interim Financing Bank. The Notes shall bear interest from the date or dates, at such rate or rates, payable on such date or dates and shall mature on such date or dates and be subject to such prepayment or redemption, all as provided in the Credit Agreement, the form of which shall be approved in a Supplemental Resolution.

Section 4.02. Terms of and Security for Notes; Credit Agreement. The Notes shall be issued with such terms and secured in the manner set forth in the Credit Agreement, the form of which shall be approved in a Supplemental Resolution. The Mayor is hereby authorized and directed to execute and deliver the Credit Agreement on behalf of the Issuer.

Section 4.03. Notes are Special Obligations. The Notes shall be special obligations of the Issuer payable as to principal and interest solely from the surplus revenues, letter of credit proceeds, if any, and proceeds of the Series 2002 Bonds. The Notes do not and shall not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions. The general funds of the Issuer are not liable and neither the full faith and credit nor the taxing power, if any, of the Issuer is pledged for the payment of the Notes. The holders of the Notes shall never have the right to compel the forfeiture of any property of the Issuer. The Notes shall not be a debt of the Issuer, nor a legal or equitable pledge, charge, lien or encumbrance upon any property of the Issuer or upon any of its income, receipts or revenues except as set forth in the Credit Agreement.

Section 4.04. Letters of Credit. As additional security for the Notes, the Issuer may obtain a letter or letters of credit from a bank or banks, pursuant to which such bank or banks would agree to pay the trustee to be appointed by a supplemental resolution, upon presentation by the trustee of certain certificates, the sum or sums set forth therein but not to exceed \$810,000 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 credit shall be authorized and shall have such terms as shall be set forth in a resolution supplemental hereto.

ARTICLE V

FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION THEREOF

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

- A. Revenue Fund (established by the Series 1987 Bonds Ordinance);
- B. Reserve Fund (established for the Series 1987 Bonds by the Series 1987 Bonds Ordinance);
- C. Depreciation Reserve (established by the Series 1987 Bonds Ordinance);
- D. Series 1998 A Bonds Reserve Account (established by the Series 1998 Bonds Ordinance);
- E. Series 1998 B Bonds Reserve Account (established by the Series 1998 Bonds Ordinance); and
- F. Series 2002 Bonds Construction Trust Fund.

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

- A. Series 1998 C Bonds Sinking Fund (established by the Series 1998 Bonds Ordinance);
- B. Within the Series 1998 C Bonds Sinking Fund, the Series 1998 C Bonds Reserve Account (established by the Series 1998 Bonds Ordinance);
- C. Series 2002 Bonds Sinking Fund; and
- D. Within the Series 2002 Bonds Sinking Fund, the Series 2002 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. All revenues at any time on deposit in the Revenue Fund shall be disposed of only in the following order and priority:

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

2. The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and remit to the National Finance Office the amounts required by the Prior Ordinances for payment of interest on the Series 1987 Bonds, the Series 1998 A Bonds and the Series 1998 B Bonds.

3. The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously (i) remit to the National Finance Office the amounts required by the Prior Ordinances for payment of principal of the Series 1987 Bonds, the Series 1998 A Bonds and the Series 1998 B Bonds; (ii) remit to the Commission the amount required by the Series 1998 Bonds Ordinance for deposit in the Series 1998 C Bonds Sinking Fund for payment of principal of the Series 1998 C Bonds; and (iii) commencing 3 months prior to the first date of payment of principal of the Series 2002 Bonds, remit to the Commission for deposit in the Series 2002 Bonds Sinking Fund, a sum equal to 1/3rd of the amount of principal which will mature and become due on said Series 2002 Bonds on the next ensuing quarterly principal payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2002 Bonds Sinking Fund and the next quarterly principal payment date is less than 3 months, then such monthly payments shall be increased proportionately to provide, one month prior to the next quarterly principal payment date, the required amount of principal coming due on such date; provided that, if insufficient funds are available in the Revenue Fund to make all of the payments listed above, the Issuer shall make the payments pro rata.

4. The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously (i) remit to the Depository Bank the amount required by the Series 1987 Bonds Ordinance to be deposited in the Reserve Fund for the Series 1987 Bonds; (ii) remit to the Depository Bank the amount required by the Series 1998 Bonds Ordinance to be deposited in the Series 1998 A Bonds Reserve Account; (iii) remit to the Depository Bank the amount required by the Series 1998 Bonds Ordinance to be deposited in the Series 1998 B Bonds Reserve Account; (iv) remit to the Commission the amount required by the Series 1998 Bonds Ordinance to be deposited in the Series 1998 C Bonds Reserve Account, and (v) commencing 3 months prior to the first date of principal of the Series 2002 Bonds, if not fully funded upon the issuance of the Series 2002 Bonds, remit to the Commission for deposit in the Series 2002 Bonds Reserve Account, an amount equal to 1/120th of the Series 2002 Bonds Reserve Requirement; provided that no further payments

shall be made into the Series 2002 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 2002 Bonds Reserve Requirement.

5. The Issuer shall next, from the moneys remaining in the Revenue Fund, on the first day of each month, transfer from the Revenue Fund and remit to the Depository Bank for deposit in the Depreciation Reserve, (i) the amount required by the Series 1987 Bonds Ordinance so long as any of the Series 1987 Bonds remain Outstanding, (ii) as previously set forth in the Series 1998 Bonds Ordinance in Section 5.03(A)(4)(ii) and not in addition thereto, a sum equal to 2 1/2% of the Gross Revenues each month, exclusive of any payments for account of any Reserve Account, and (iii) the amounts required by Sections 5.03(A)(4)(iii) and 5.03(A)(4)(iv) of the Series 1998 Bonds Ordinance. All funds in the Depreciation Reserve 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 Depreciation Reserve for replacements, emergency repairs, improvements or extensions to the System; provided, that any deficiencies in any of the Reserve Accounts [except to the extent such deficiency exists because the required payments into such account have not, as of the date of determination of a deficiency, funded such account to the maximum extent required hereof] shall be promptly eliminated with moneys from the Depreciation Reserve.

Moneys in the Series 2002 Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest, if any, on the Series 2002 Bonds as the same shall become due. Moneys in the Series 2002 Bonds Reserve Account shall be used only for the purposes of paying principal of and interest, if any, on the Series 2002 Bonds, as the same shall come due, when other moneys in the Series 2002 Bonds Sinking Fund are insufficient therefor, and for no other purpose.

All investment earnings on moneys in the Series 2002 Bonds Sinking Fund and Series 2002 Bonds Reserve Account (if equal to the Series 2002 Bonds Reserve Requirement) 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 Series 2002 Bonds 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 payment, if any, due on the Series 2002 Bonds, and then to the next ensuing principal payment due thereon.

Any withdrawals from the Series 2002 Bonds Reserve Account which result in a reduction in the balance of the Series 2002 Bonds Reserve Account to below the Series 2002 Bonds Reserve Requirement shall be subsequently restored from the first Net Revenues available after all required payments have been made in full in the order set forth above.

As and when additional Bonds ranking on a parity with the Series 2002 Bonds are issued, provision shall be made for additional payments into the respective sinking funds sufficient to pay the interest on such additional parity Bonds and accomplish retirement thereof at maturity and

to accumulate a balance in the respective reserve accounts in an amount equal to the requirement thereof.

The Issuer shall not be required to make any further payments into the Series 2002 Bonds Sinking Fund or into the Series 2002 Bonds Reserve Account therein when the aggregate amount of funds in said Series 2002 Bonds Sinking Fund and Series 2002 Bonds Reserve Account are at least equal to the aggregate principal amount of the Series 2002 Bonds issued pursuant to this Bond Legislation then Outstanding and all interest to accrue until the respective maturities thereof. Whenever the aggregate amount of funds in said Series 2002 Bonds Sinking Fund and Series 2002 Bonds Reserve Account are sufficient to prepay the Series 2002 Bonds in, it shall be the mandatory duty of the Issuer, anything to the contrary herein notwithstanding, to prepay, at the earliest date and in accordance with the applicable provisions hereof, the Series 2002 Bonds and accrued interest, if any, thereon to such prepayment date.

Principal, interest and reserve payments, whether for a deficiency or otherwise, shall be made on a parity and pro rata, with respect to the Prior Bonds and the Series 2002 Bonds, in accordance with the respective principal amounts then Outstanding.

The Commission is hereby designated as the fiscal agent for the administration of the Series 2002 Bonds Sinking Fund and the Series 2002 Bonds Reserve Account created hereunder, and all amounts required for said accounts shall be remitted to the Commission from the Revenue Fund by the Issuer at the times provided herein. If required by the Authority at anytime, the Issuer shall make the necessary arrangements whereby required payments into said accounts shall be automatically debited from the Revenue Fund and electronically transferred to the Commission on the dates required hereunder.

Moneys in the Series 2002 Bonds Sinking Fund and the Series 2002 Bonds Reserve Account shall be invested and reinvested by the Commission in accordance with Section 8.01 hereof.

The Series 2002 Bonds Sinking Fund, including the Series 2002 Bonds Reserve Account therein, shall be used solely and only for, and are hereby pledged for, the purpose of servicing the Series 2002 Bonds under the conditions and restrictions hereinafter set forth.

B. The Issuer shall on the first day of each month (if the first day is not a business day, then the first business day of each month) deposit with the Commission the required principal, interest and reserve payments with respect to the Series 2002 Bonds 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.

C. The Issuer shall complete the "Monthly Payment Form," a form of which is attached to the Loan Agreement, and submit a copy of said form along with a copy of its payment check to the Authority by the 5th day of such calendar month.

D. Whenever all of the required and provided transfers and payments from the Revenue Fund into the several special funds and accounts, 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 such funds and accounts 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 debt service on the Notes.

E. 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 their respective charges and fees then due. With respect to the payments to the Commission under this paragraph, the Issuer shall, if required by the Authority, make the necessary arrangements whereby such required payments shall be automatically debited from the Revenue Fund and electronically transferred to the Commission on the due dates thereof.

F. The moneys in excess of the sum insured by the maximum amounts insured by FDIC in any of the funds and accounts 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.

G. 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.

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

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

ARTICLE VI

BOND PROCEEDS; CONSTRUCTION DISBURSEMENTS

Section 6.01. Application of Bond Proceeds; Pledge of Unexpended Bond Proceeds. From the moneys received from time to time from the sale of any or all of the Series 2002 Bonds, the following amounts shall be first deducted and deposited in the order set forth below:

A. From the proceeds of the Series 2002 Bonds, there shall first be deposited with the Commission in the Series 2002 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 2002 Bonds for the period commencing on the date of issuance of the Series 2002 Bonds and ending 6 months after the estimated date of completion of construction of the Project.

B. Next, from the proceeds of the Series 2002 Bonds, there shall be deposited with the Commission in the Series 2002 Bonds Reserve Account the sum, if any, set forth in the Supplemental Resolution for funding of the Series 2002 Bonds Reserve Account.

C. As the Issuer receives advances of the remaining moneys derived from the sale of the Series 2002 Bonds, such moneys shall be deposited with the Depository Bank in the Series 2002 Bonds Construction Trust Fund and applied solely to payment of Costs of the Project in the manner set forth in Section 6.02 and until so expended, are hereby pledged as additional security for the Series 2002 Bonds.

D. After completion of construction of the Project, as certified by the Consulting Engineers, and all Costs have been paid, any remaining proceeds of the Series 2002 Bonds shall be expended as directed by the Council.

Section 6.02. Disbursements From the Series 2002 Bonds Construction Trust Fund. The Issuer shall each month provide the Council with a requisition for the costs incurred for the Project, together with such documentation as the Council shall require. Payments for costs of the Project shall be made monthly.

Except as provided in Section 6.01 hereof, disbursements from the Series 2002 Bonds Construction Trust Fund shall be made only after submission to the Council of a certificate, signed by an Authorized Officer and the Consulting Engineers, stating that:

1. None of the items for which the payment is proposed to be made has formed the basis for any disbursement theretofore made;
2. 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;
3. Each of such costs has been otherwise properly incurred; and
4. Payment for each of the items proposed is then due and owing.

Pending such application, moneys in the Series 2002 Bonds Construction Trust Fund shall be invested and reinvested in Qualified Investments at the written direction of the Issuer.

The Issuer shall expend all proceeds of the Series 2002 Bonds within 3 years of the date of issuance of the Council's bonds, the proceeds of which were used to make the loan to the Issuer.

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 Series 2002 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 Series 2002 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 Series 2002 Bonds or the interest, if any, thereon is Outstanding and unpaid.

Section 7.02. Series 2002 Bonds not to be Indebtedness of the Issuer. The Series 2002 Bonds shall not be or constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory 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 of the Series 2002 Bonds shall ever have the right to compel the exercise of the taxing power, if any, of the Issuer to pay said Bonds or the interest, if any, thereon.

Section 7.03. Series 2002 Bonds Secured by Pledge of Net Revenues; Lien Positions With Respect to Prior Bonds. The payment of the debt service of the Series 2002 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 on a parity with the lien on such Net Revenues in favor of the Holders of the Prior Bonds. Net Revenues derived from the System, in an amount sufficient to pay the principal of and interest, if any, on the Prior Bonds and the Series 2002 Bonds and to make the payments into all funds and accounts, and all other payments provided for in the Bond Legislation and the Prior Ordinances are hereby irrevocably pledged, in the manner provided herein, to such payments 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 Issuer has obtained any and all approvals of rates and charges required by State law and has taken any other action required to establish and impose such rates and charges, with all requisite appeal periods having expired without successful appeal. Such rates and charges shall be sufficient to comply with the requirements of the Loan Agreement. The initial schedule of rates and charges for the services and facilities of the System shall be as set forth and approved and described in the sewer rate ordinance enacted by the Issuer on February 19, 1998, and the water rate ordinance enacted by the Issuer on July 3, 2001.

So long as the Series 2002 Bonds are outstanding, the Issuer covenants and agrees to fix and collect rates, fees and other charges for the use of the System and to take all such actions necessary

to provide funds sufficient to produce the required sums set forth in the Bond Legislation and in compliance with the Loan Agreement. In the event the schedule of rates and charges initially established for the System in connection with the Series 2002 Bonds shall prove to be insufficient to produce the required sums set forth in this Bond Legislation and the Loan Agreement, the Issuer hereby covenants and agrees that it will, to the extent and in the manner authorized by law, immediately adjust and increase such schedule of rates and charges and take all such actions necessary to provide funds sufficient to produce the required sums set forth in this Bond Legislation and the Loan Agreement.

Section 7.05. Sale of the System. So long as any of the Prior Bonds are Outstanding, the Issuer shall not sell, mortgage, lease or otherwise dispose of the System, or any part thereof, except as provided in the applicable Prior Ordinances. Additionally, so long as the Series 2002 Bonds are Outstanding and except as otherwise required by law or with the written consent of the Authority and the Council, 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 Outstanding, or to effectively defease this Bond Legislation in accordance with Article X hereof. The proceeds from any such sale, mortgage, lease or other disposition of the System shall immediately be remitted, with respect to the Series 1987 Bonds, the Series 1998 A Bonds and the Series 1998 B Bonds, to the National Finance Office designated in the Series 1987 Bonds, the Series 1998 A Bonds and the Series 1998 B Bonds, and with respect to the Series 1998 C Bonds and the Series 2002 Bonds, to the Commission for deposit in the Series 1998 C Bonds Sinking Fund and the Series 2002 Bonds Sinking Fund, respectively, pro rata, with respect to the principal amount of each of the Bonds then Outstanding, and, with the written permission of the Authority, or in the event the Authority is no longer a Bondholder, the Issuer shall direct said National Finance Office and the Commission to apply such proceeds to the payment of principal at maturity of and interest on the Bonds in such manner. Any balance remaining after the payment of all the Bonds and interest thereon shall be remitted to the Issuer unless necessary for the payment of other obligations of the Issuer payable out of the revenues of the System.

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 \$50,000, the Issuer shall, in writing, 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 Depreciation Reserve. 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 \$50,000 but not in excess of \$200,000, the Issuer shall first, in writing, 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 in accordance with the laws of the State. The proceeds derived from any such sale, lease or other disposition of such property shall be deposited in the Depreciation Reserve. Such payment of such proceeds into the Depreciation Reserve shall not reduce the amounts required to be paid into said fund 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 \$200,000 and insufficient to pay all Bonds then Outstanding without the prior approval and consent in writing of the Holders of the Bonds then outstanding. 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 7.07, so long as any of the Series 2002 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 Series 2002 Bonds. All obligations issued by the Issuer after the issuance of the Series 2002 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 2002 Bonds; provided, that no such subordinate obligations shall be issued unless all payments required to be made into all funds and accounts set forth herein 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 Series 2002 Bonds, and the interest thereon, if any, upon any of the income and revenues of the System pledged for payment of the Series 2002 Bonds and the interest thereon, if any, in this Bond Legislation, or upon the System or any part thereof.

The Issuer shall give the Authority and the Council prior written notice of its issuance of any other obligations to be used for the System, payable from the revenues of the System or from any grants, or any other obligations related to the Project or the System.

Section 7.07. Parity Bonds. So long as any of the Prior Bonds are Outstanding, the limitations on the issuance of parity obligations set forth in the respective Prior Ordinances shall be applicable. In addition, no Parity Bonds, payable out of the revenues of the System, shall be issued after the issuance of the Series 2002 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 2002 Bonds, and must have the prior written consent of the Authority and the Council.

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

So long as the Series 1987 Bonds, the Series 1998 A Bonds and the Series 1998 B Bonds are outstanding, no Parity Bonds shall be issued at any time, however, unless there has been procured and filed with the Recorder a written statement by the Independent Certified Public Accountants, reciting the conclusion that the Net Revenues for the Fiscal Year following the year in which such Parity Bonds are to be issued shall be at least 120% of the average annual debt service requirements on the following:

- (1) The Bonds 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 foregoing limitation may be waived or modified by the written consent of the Holders of the Series 1987 Bonds, the Series 1998 A Bonds and the Series 1998 B Bonds, representing 75% of the then-outstanding principal indebtedness. In the event the foregoing limitation is waived or when such Bonds are no longer outstanding, the following parity requirement shall be met:

No Parity Bonds shall be issued at any time, however, unless there has been procured and filed with the Recorder a written statement by the Independent Certified Public Accountants, based upon the necessary investigation and certification by the Consulting Engineers, reciting the conclusion that the Net Revenues actually derived, subject to the adjustments hereinafter provided for, from the System during any 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 enacted by the Issuer, the period for appeal of which has expired (without successful appeal) prior to the date of delivery of such Parity Bonds, and shall not exceed the amount to be stated in a certificate of the Independent Certified Public Accountants, which shall be filed in the office of the Recorder prior to the issuance of such Parity Bonds.

The Net Revenues actually derived from the System during the 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 said Independent Certified Public Accountants, as stated in a certificate filed with the Recorder, on account of increased rates, rentals, fees and charges for the System enacted by the Issuer, the period for appeal of which has expired (without successful appeal) prior to issuance of 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.

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 lien of the Series 2002 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 2002 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 and the Prior Ordinances 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.

C. The amount of any Bonds 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 in compliance with the applicable OMB Circular, or any successor thereto, and the Single Audit Act, or any successor thereto, to the extent legally required, 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 Series 2002 Bonds and shall submit said report to the Authority and the Council, or any other original purchaser of the Series 2002 Bonds. Such audit report submitted to the Authority and the Council shall include a statement that the Issuer is in compliance with the terms and provisions of the Loan Agreement and this Bond Legislation, and that the Issuer's revenues are adequate to meet its operation and maintenance expenses and debt service and reserve requirements.

Subject to the terms, conditions and provisions of the Loan Agreement and the Act, the Issuer 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 by the Consulting Engineers. 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 Issuer.

The Issuer shall permit the Authority and the Council, or their agents and representatives, to enter and inspect the Project site and Project facilities at all reasonable times. Prior to, during and after completion of construction and commencement of operation of the Project, the Issuer shall also provide the Authority and the Council, or their agents and representatives, with access to the System site and System facilities as may be reasonably necessary to accomplish all of the powers and rights of the Authority and the Council with respect to the System pursuant to the Act.

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 Operating Expenses 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, if any, on the Series 2002 Bonds and all other obligations secured by a lien on or payable from such revenues prior to or on a parity with the Series 2002 Bonds, including the Prior Bonds; provided that, in the event that

amounts equal to or in excess of the reserve requirements are on deposit, respectively, in the Series 2002 Bonds Reserve Account and reserve accounts for obligations prior to or on a parity with the Series 2002 Bonds, including the Prior Bonds, are funded at least at the requirement therefor, such balance each year need only equal at least 110% of the maximum amount required in any year for payment of principal of and interest, if any, on the Series 2002 Bonds and all other obligations secured by a lien on or payable from such revenues prior to or on a parity with the Series 2002 Bonds, including the Prior Bonds.

Section 7.10. Operating Budget and Monthly Financial Report. The Issuer shall annually, at least 45 days preceding the beginning of each Fiscal Year, prepare and adopt by resolution a detailed, balanced budget of the estimated revenues and expenditures for operation and maintenance of the System during the succeeding Fiscal Year and shall submit a copy of such budget to the Authority and the Council within 30 days of adoption thereof. The Issuer, with the approval of the Governing Body, may amend the budget during the subject Fiscal Year provided that the budget remains balanced after such amendment. If the budget is so amended, a copy of the amended budget shall be submitted to the Authority and the Council within 15 days of the adoption of such amendment. After the adoption of any such amendment, the budget, as amended, shall be the budget of the Issuer for the balance of the subject 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 a registered professional engineer, 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 a registered professional engineer that such increased expenditures are necessary for the continued operation of the System. The Issuer shall mail copies of such annual budget, any amendments thereto and all resolutions authorizing increased expenditures for operation and maintenance to the Authority and the Council and to any Holder of any Bonds who shall file his or her address with the Issuer and request in writing that copies of all such budgets, any amendments thereto and resolutions be furnished him or her and shall make available such budgets, any amendments thereto and all resolutions authorizing increased expenditures for operation and maintenance of the System at all reasonable times to any Holder of any Bonds or anyone acting for and in behalf of such Holder of any Bonds.

Commencing on the date contracts are executed for the acquisition and construction of the Project and for two years following the completion of the Project, the Issuer shall each month complete a "Monthly Financial Report," a form of which is attached to the Loan Agreement and forward a copy of such report to the Authority and the Council by the 10th day of each month.

Section 7.11. Engineering Services and Operating Personnel. The Issuer will obtain a certificate from the Consulting Engineers in the form attached to the Loan Agreement, stating, among other things, that the Project has been or will be constructed in accordance with the approved

plans, specifications and designs as submitted to the Authority and the Council, the Project is adequate for the purposes for which it was designed, the funding plan as submitted to the Authority and the Council is sufficient to pay the costs of acquisition and construction of the Project, and all permits required by federal and state laws for construction of the Project have been obtained.

The Issuer shall provide and maintain competent and adequate engineering services satisfactory to the Authority and the Council 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 engineer shall certify to the Authority, the Council and the Issuer at the completion of construction that construction of the Project is in accordance with the approved plans, specifications and designs, or amendments thereto, approved by all necessary governmental bodies.

The Issuer shall employ qualified operating personnel properly certified by the State to operate the System so long as the Series 2002 Bonds are Outstanding.

Section 7.12. 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 7.13. 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. If the water facilities are not owned by the Issuer, the Issuer shall enter into a

termination agreement with the water provider, subject to any required approval of such agreement by the Public Service Commission of West Virginia and all rules, regulations and orders of the Public Service Commission of West Virginia.

Section 7.14. No Free Services. Except as required by law, 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 7.15. Insurance and Construction Bonds. A. The Issuer hereby covenants and agrees that so long as the Series 2002 Bonds remain Outstanding, the Issuer shall, 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 Depreciation Reserve and used only for the repairs and restoration of the damaged or destroyed properties or for the other purposes provided herein for the Depreciation Reserve. 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 \$500,000 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) WORKERS' COMPENSATION COVERAGE FOR ALLEMPLOYEES 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, if the facilities of the System are or will be located in designated special flood or mudslide-prone areas and to the extent available at reasonable cost to the Issuer.

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

(6) FIDELITY BONDS will be provided as to every officer, member and employee of the Issuer or the Governing Body having custody of the revenues or of any other funds of the System, in an amount at least equal to the total funds in the custody of any such person at any one time.

B. The Issuer shall require all contractors engaged in the construction of the Project to furnish a performance bond and a payment bond, each in an amount equal to 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. The Issuer shall verify such bonds prior to commencement of construction.

The Issuer shall also require all contractors and subcontractors engaged in the construction of the Project to carry such workers' 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; provided that the amounts and terms of such coverage are satisfactory to the Authority and the Council. The Issuer shall verify such insurance prior to commencement of construction. 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 7.16. 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 and Human Resources 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 Human Resources 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 7.17. Completion and Operation of Project; Permits and Orders. The Issuer will complete the Project as promptly as possible and operate and maintain the System as a revenue-producing utility in good condition and in compliance with all federal and state requirements and standards.

The Issuer has obtained all permits required by State and federal laws for the acquisition and construction of the Project, all orders and approvals from the Public Service Commission of West Virginia and the Council necessary for the acquisition and construction of the Project and the operation of the System and all approvals for issuance of the Series 2002 Bonds required by State law, with all requisite appeal periods having expired without successful appeal.

Section 7.18. Compliance With Loan Agreement and Law. The Issuer shall perform, satisfy and comply with all terms and conditions of the Loan Agreement. Notwithstanding anything herein to the contrary, the Issuer will provide the Council with all copies submitted to the Authority.

The Issuer also agrees to comply with the Act and all applicable laws, rules and regulations issued by the Authority, the Council or other state, federal or local bodies in regard to the acquisition and construction of the Project and the operation, maintenance and use of the System.

Section 7.19. Securities Laws Compliance. The Issuer will provide the Authority, in a timely manner, with any and all information that may be requested of it (including its annual audit report, financial statements, related information and notices of changes in usage and customer base) so that the Authority may comply with the provisions of SEC Rule 15c2-12 (17 CFR Part 240).

Section 7.20. Covenants with Respect to Erosion and Wetlands. The Issuer covenants and agrees that the Project shall not contribute to excessive erosion of highly erodible land or conversion of wetlands to produce an agricultural commodity.

Section 7.21. Statutory Mortgage Lien. For the further protection of the Holders of the Series 2002 Bonds, a statutory mortgage lien upon the System is granted and created by the Act, which statutory mortgage lien is hereby recognized and declared to be valid and binding, shall take effect immediately upon delivery of the Series 2002 Bonds and shall be on a parity with the statutory mortgage lien in favor of the Holders of the Prior Bonds.

Section 7.22. Contracts; Public Releases. A. The Issuer shall, simultaneously with the delivery of the Series 2002 Bonds or immediately thereafter, enter into written contracts for the immediate acquisition or construction of the Project.

B. The Issuer shall submit all proposed change orders to the Council for written approval. The Issuer shall obtain the written approval of the Council before expending any proceeds of the Series 2002 Bonds held in "contingency" as set forth in the amended schedule. The Issuer shall also obtain the written approval of the Council before expending any proceeds of the Series 2002 Bonds made available due to bid or construction or project underruns.

C. The Issuer shall list the funding provided by the Council and the Authority in any press release, publication, program bulletin, sign or other public communication that references the Project, including but not limited to any program document distributed in conjunction with any ground breaking or dedication of the Project.

ARTICLE VIII

INVESTMENT OF FUNDS

Section 8.01. Investments. Any moneys held as a part of the funds and accounts created by this Bond Legislation, other than the Revenue Fund, shall be invested and reinvested by the Commission, 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, the need for such moneys for the purposes set forth herein, and the specific restrictions and provisions set forth in this Section 8.01.

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

Section 8.02. Certificate as to the Use of Proceeds. The Issuer shall deliver a certificate as to use of proceeds or other similar certificate to be prepared by nationally recognized bond counsel relating to restrictions on the use of proceeds of the Series 2002 Bonds as a condition to issuance of the Series 2002 Bonds. In addition, the Issuer covenants (i) to comply with the Code and all Regulations from time to time in effect and applicable to the Series 2002 Bonds as governmental bonds; (ii) that it shall not take, or permit or suffer to be taken, any action with respect to the Issuer's use of the proceeds of the Series 2002 Bonds which would cause any bonds, the interest on which

is exempt from federal income taxation under Section 103(a) of the Code, issued by the Authority or the Council, as the case may be, from which the proceeds of the Series 2002 Bonds are derived, to lose their status as tax-exempt bonds; and (iii) to take such action or refrain from taking such action, as shall be deemed necessary by the Issuer, or requested by the Authority or the Council, to ensure compliance with the covenants and agreements set forth in this Section regardless of whether such actions may be contrary to any of the provisions of this Ordinance.

The Issuer shall annually furnish to the Authority information with respect to the Issuer's use of the proceeds of the Series 2002 Bonds and any additional information requested by the Authority.

ARTICLE IX

DEFAULT AND REMEDIES

Section 9.01. Events of Default. Each of the following events shall constitute an “Event of Default” with respect to the Series 2002 Bonds:

A. If default occurs in the due and punctual payment of the principal of or interest on the Series 2002 Bonds; or

B. 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

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

D. If default occurs with respect to any of the Prior Bonds or any of the Prior Ordinances.

Section 9.02. Remedies. Upon the happening and continuance of any Event of Default, any Registered Owner of a Bond 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 Holders of the Bonds, 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 Bonds, (iv) by action at law or bill in equity require the Issuer to account as if it were the trustee of an express trust for the Holders of the Bonds, and (v) by action or bill in equity enjoin any acts in violation of the Bond Legislation with respect to the Bonds, or the rights of such Registered Owners; provided that, all rights and remedies of the Holders of the Series 2002 Bonds shall be on a parity with the Holders of the Prior Bonds.

Section 9.03. Appointment of Receiver. Any Holder of a Bond, may, by proper legal action, compel the performance of the duties of the Issuer under the Bond Legislation and the Act, including, 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, any Holder 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 avenues 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 exercise.

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 Holder 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 Holders 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

PAYMENT OF BONDS

Section 10.01. Payment of Bonds. If the Issuer shall pay or there shall otherwise be paid to the Holders of the Series 2002 Bonds, the principal of and interest, if any, due or to become due thereon, at the times and in the manner stipulated therein and in this Bond Legislation, then 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 2002 Bonds shall thereupon cease, terminate and become void and be discharged and satisfied.

ARTICLE XI

MISCELLANEOUS

Section 11.01. Amendment or Modification of Bond Legislation. Prior to the issuance of the Series 2002 Bonds, this Ordinance may be amended or supplemented in any way by the Supplemental Resolution. Following issuance of the Series 2002 Bonds, no material modification or amendment of this Bond Legislation, or of any resolution amendatory or supplemental hereto, that would materially and adversely affect the rights of Registered Owners of the Series 2002 Bonds shall be made without the consent in writing of the Registered Owners of the Series 2002 Bonds so affected and then Outstanding; provided, that no change shall be made in the maturity of any Bond or Bonds 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 pledged therefor without the consent of the Registered Owner thereof. No amendment or modification shall be made that would reduce the percentage of the principal amount of Bonds required for consent to the above-permitted amendments or modifications.

Section 11.02. Bond Legislation Constitutes Contract. The provisions of the Bond Legislation shall constitute a contract between the Issuer and the Holders of the Series 2002 Bonds 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, or the Series 2002 Bonds.

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. Except for the Prior Ordinances, 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. In the event of any conflict between this Ordinance and the Prior Ordinances (so long as the respective Prior Bonds are Outstanding), the more restrictive provision shall control.

Section 11.06. Covenant of Due Procedure, Etc. The Issuer covenants that all acts, conditions, things and procedures required to exist, to happen, to be performed or to be taken precedent to and in the adoption of this 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,

Exhibit B

LOAN AGREEMENT

**SEE TAB NO. 3
OF THIS BOND TRANSCRIPT**

Exhibit C

NOTICE OF PUBLIC HEARING

TOWN OF WEST UNION
NOTICE OF PUBLIC HEARING
ON WATER BOND ORDINANCE

A public hearing will be held on the following entitled Ordinance at a special meeting of the Council of the Town of West Union to be held on Friday, August 23, 2002, at 11:00 a.m., in the Council Chambers at the Town Hall, 300 Court Street, West Union, West Virginia, and at such hearing all objections and suggestions shall be heard by the Council and it shall then take such actions as it shall deem proper in the premises upon an Ordinance entitled:

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE WATERWORKS PORTION OF THE EXISTING PUBLIC COMBINED WATERWORKS AND SEWERAGE SYSTEM OF THE TOWN OF WEST UNION AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE TOWN OF WEST UNION OF NOT MORE THAN EIGHT HUNDRED TEN THOUSAND DOLLARS (\$810,000.00) IN AGGREGATE PRINCIPAL AMOUNT OF TOWN OF WEST UNION COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2002 (WEST VIRGINIA INFRASTRUCTURE FUND); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE HOLDERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT WITH THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY ACTING ON BEHALF OF THE WEST VIRGINIA INFRASTRUCTURE AND JOBS DEVELOPMENT COUNCIL RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

The above quoted title of the Ordinance describes generally the contents thereof and the purposes of the Bond issue contemplated thereby. The Bonds are to provide permanent financing of a portion of the costs of acquisition and construction of certain improvements to the waterworks portion of the public combined waterworks and sewerage system for the Town of West Union (the "Project"). The Bonds are payable solely from revenues derived from the ownership and operation of the public combined waterworks and sewerage system of the Town of West Union. No taxes may at any time be levied for the payment of the Bonds or the interest thereon.

A certified copy of the above-entitled Ordinance is on file at the office of the Recorder of the Town of West Union for review by interested parties during regular office hours.

Following the said public hearing, the Town Council intends to put said Ordinance into effect.

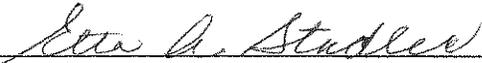
Dated: August 7, 2002.

/s/ Etta A. Stadler, Recorder

CERTIFICATION

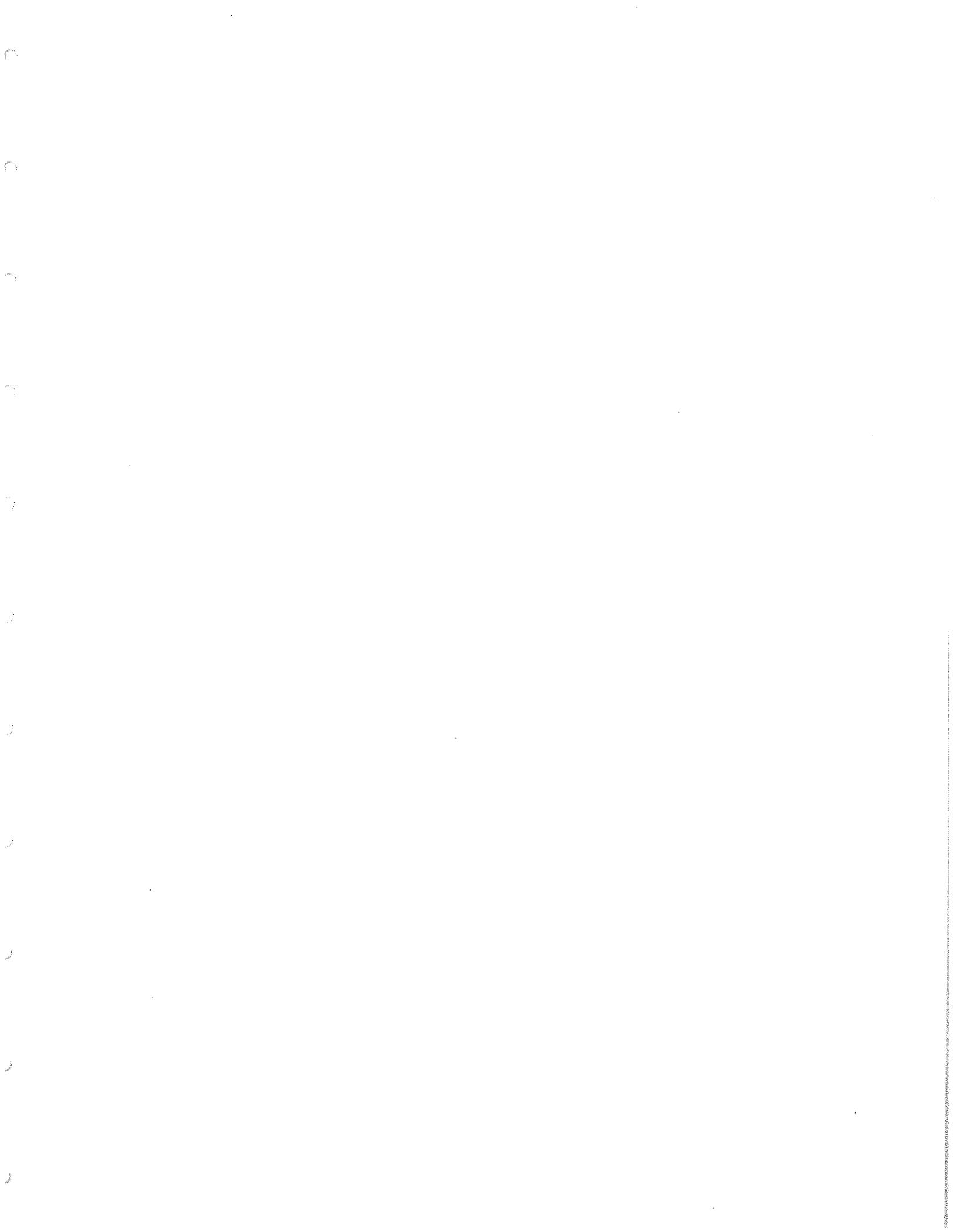
Certified a true copy of an Ordinance duly enacted by the Council of the TOWN OF WEST UNION on the 6th day of August, 2002, and put into effect following a public hearing held on August 23, 2002.

Dated: August 29, 2002.



Recorder

[SEAL]



**TOWN OF WEST UNION
COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS,
SERIES 2002
(WEST VIRGINIA INFRASTRUCTURE FUND)**

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNT, INTEREST RATE, DATE, MATURITY DATE, REDEMPTION PROVISIONS, PRINCIPAL PAYMENT DATES, SALE PRICE AND OTHER TERMS OF THE COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2002 (WEST VIRGINIA INFRASTRUCTURE FUND) OF THE TOWN OF WEST UNION; AUTHORIZING, RATIFYING AND APPROVING A LOAN AGREEMENT RELATING TO SUCH BONDS AND THE SALE AND DELIVERY OF SUCH BONDS TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; DESIGNATING A BOND REGISTRAR, DEPOSITORY BANK AND PAYING AGENT; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

WHEREAS, the Council (the "Governing Body") of the Town of West Union (the "Issuer") has duly and officially enacted an Ordinance, on August 6, 2002, and has put such Ordinance into effect following a public hearing held on this date (the "Ordinance") entitled:

BOND ORDINANCE

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE WATERWORKS PORTION OF THE EXISTING PUBLIC COMBINED WATERWORKS AND SEWERAGE SYSTEM OF THE TOWN OF WEST UNION AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE TOWN OF WEST UNION OF NOT MORE THAN EIGHT HUNDRED TEN THOUSAND DOLLARS (\$810,000.00) IN AGGREGATE PRINCIPAL AMOUNT OF TOWN OF WEST UNION COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2002 (WEST VIRGINIA INFRASTRUCTURE FUND); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE HOLDERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT WITH THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY ACTING ON BEHALF OF THE WEST VIRGINIA INFRASTRUCTURE AND JOBS DEVELOPMENT COUNCIL RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE

TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

WHEREAS, capitalized terms used herein and not otherwise defined herein shall have the same meaning set forth in the Ordinance when used herein;

WHEREAS, the Ordinance provides for the issuance of Combined Waterworks and Sewerage System Revenue Bonds, Series 2002 (West Virginia Infrastructure Fund) of the Issuer (the "Series 2002 Bonds"), in an aggregate principal amount not to exceed \$810,000.00, and has authorized the execution and delivery of a loan agreement relating to the Series 2002 Bonds dated August 29, 2002 (sometimes referred to herein as the "Loan Agreement"), by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), acting on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council"), all in accordance with Chapter 8, Article 20 and Chapter 31, Article 15A of the West Virginia Code of 1931, as amended (collectively, the "Act"); and in the Ordinance it is provided that the form of the Loan Agreement and exact principal amount, interest rate, date, maturity date, redemption provisions, principal payment dates, sale price and other terms of the Series 2002 Bonds should be established by a supplemental resolution pertaining to the Series 2002 Bonds; and that other matters relating to the Series 2002 Bonds be herein provided for;

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

WHEREAS, the Series 2002 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, that the Loan Agreement be ratified, approved and entered into by the Issuer, that the exact principal amount, interest rate, date, maturity date, redemption provisions, principal payment dates, sale price and other terms of the Series 2002 Bonds should be fixed hereby in the manner stated herein, and that other matters relating to the Series 2002 Bonds be herein provided for;

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

Section 1. Pursuant to the Ordinance and the Act, this Supplemental Resolution is adopted and there are hereby authorized and ordered to be issued the Combined Waterworks and Sewerage System Revenue Bonds, Series 2002 (West Virginia Infrastructure Fund) of the Issuer, originally represented by a single bond, numbered R-1, in the principal amount of \$810,000.00. The Series 2002 Bonds shall be dated the date of delivery thereof, shall finally mature on June 1, 2042, and shall bear no interest. The principal of the Series 2002 Bonds shall be payable in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing December 1, 2003 and maturing June 1, 2042, and in the amounts set forth in the "Schedule Y" attached to the

Loan Agreement and incorporated in and made part of the Series 2002 Bonds. The Series 2002 Bonds shall be subject to redemption upon the consent of the Authority and the Council and otherwise in compliance with the Loan Agreement, as long as the Authority shall be registered owner of the Series 2002 Bonds.

Section 2. All other provisions relating to the Series 2002 Bonds and the text of the Series 2002 Bonds shall be in substantially the form provided in the Ordinance.

Section 3. The Issuer does hereby authorize, ratify, approve and accept the Loan Agreement, a copy of which is incorporated herein by reference, and the execution and delivery by the Mayor and the Recorder of the Loan Agreement, and the performance of the obligations contained therein, on behalf of the Issuer, are hereby authorized, ratified, approved and directed. The price of the Series 2002 Bonds shall be 100% of par value, there being no interest accrued thereon, provided that, the proceeds of the Series 2002 Bonds shall be advanced from time to time as requisitioned by the Issuer, and at closing there shall be requisitioned and advanced a portion of the proceeds in the amount of \$82,171, being more than a de minimis amount. The Issuer hereby affirms all covenants and representations made in the Loan Agreement and in the application to the Council and the Authority.

Section 4. The Issuer does hereby appoint and designate United Bank, Inc., Charleston, West Virginia, to serve as Registrar for the Series 2002 Bonds under the Ordinance.

Section 5. The Issuer does hereby appoint and designate the West Virginia Municipal Bond Commission, Charleston, West Virginia, to serve as Paying Agent for the Series 2002 Bonds under the Ordinance.

Section 6. The Issuer does hereby appoint and designate West Union Bank, West Union, West Virginia, to serve as Depository Bank under the Ordinance.

Section 7. Series 2002 Bonds proceeds in the amount of \$-0- shall be deposited in the Series 2002 Bonds Sinking Fund as capitalized interest.

Section 8. Series 2002 Bonds proceeds in the amount of \$-0- shall be deposited in the Series 2002 Bonds Reserve Account.

Section 9. The remaining proceeds of the Series 2002 Bonds shall be deposited in the Series 2002 Bonds Construction Trust Fund as received from time to time for payment of costs of the Project and payment of cost of issuance of the Series 2002 Bonds.

Section 10. The Mayor and Recorder are hereby authorized and directed to execute and deliver the Series 2002 Bonds and such other documents, agreements, instruments and certificates required or desirable in connection with the Series 2002 Bonds hereby and by the Ordinance approved and provided for, and to affix thereon the seal of the Issuer, as appropriate, to

the end that the Series 2002 Bonds may be delivered to the Authority pursuant to the Loan Agreement on or about August 29, 2002, or as soon thereafter as practicable.

Section 11. The acquisition and construction of the Project and the permanent financing of the Costs thereof with the proceeds of the Series 2002 Bonds are in the public interest, serve a public purpose of the Issuer and will promote the health, welfare and safety of the residents of the Issuer.

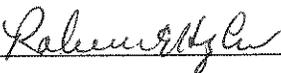
Section 12. The Governing Body hereby determines that it is in the best interest of the Issuer to invest all monies in the funds and accounts established by the Ordinance held by the Depository Bank in time deposits of the Depository Bank meeting the requirements set forth under the definition of "Qualified Investments" in the Ordinance and therefore the Issuer hereby directs the Depository Bank to take such actions as may be necessary to cause such monies to be invested in such time deposits, until further directed by the Issuer. Monies in the Series 2002 Bonds Sinking Fund and the Series 2002 Bonds Reserve Account shall be invested by the Commission in the West Virginia Consolidated Fund.

Section 13. The Governing Body hereby determines that interim construction financing is not needed for the Project and, accordingly, the Notes described in Article IV of the Ordinance shall not be issued at this time, provided that, the Notes may be issued upon the subsequent adoption of a supplemental resolution by the Governing Body.

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

Adopted this 23rd day of August, 2002.

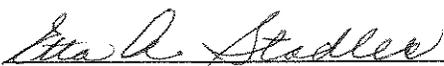
TOWN OF WEST UNION



Mayor

[SEAL]

ATTEST:



Recorder

CERTIFICATION

Certified a true copy of a Supplemental Resolution duly adopted by the Council of the Town of West Union on the 23rd day of August, 2002.

Dated: August 29, 2002.

[SEAL]


Recorder



IC-1
(06/06/02)

LOAN AGREEMENT

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

TOWN OF WEST UNION
(Governmental Agency)

W I T N E S S E T H:

WHEREAS, pursuant to the provisions of Chapter 31, Article 15A of the Code of West Virginia, 1931, as amended (the "Act"), the Authority is empowered upon request of the Council to make loans to governmental agencies for the acquisition or construction of projects by such governmental agencies, 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 acquire, construct, improve, operate and maintain a project, as defined by the Act, and to finance the cost of acquisition and construction of 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 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 the Act and having available sufficient funds therefor, the Council has authorized the Authority to lend the Governmental Agency the amount set forth on Schedule X attached hereto and incorporated herein by reference, through the purchase of revenue bonds of the Governmental Agency with money in the Infrastructure Fund, subject to the Governmental Agency's satisfaction of certain legal and other requirements of the Council's 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," "cost," "Council," "governmental agency," "project," "waste water facility" and "water facility" have the definitions and meanings ascribed to them in the Act.

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

1.3 "Consulting Engineers" means the professional engineer, licensed by the State, designated in the Application and any qualified successor thereto; provided, however, when a Loan is made for a Project financed, in part, by the Office of Abandoned Mine Lands, "Consulting Engineers" shall mean the West Virginia Department of Environmental Protection, or any successor thereto.

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

1.5 "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.

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

1.7 "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, all in accordance with the provisions of this Loan Agreement.

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

1.9 "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.

1.10 "Project" means the 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.

1.11 "System" means the 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.

1.12 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 and Council having found, to the extent applicable, that the Project is consistent with the Act.

2.2 Subject to the terms, conditions and provisions of this Loan Agreement and 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 unless a sale or transfer of all or a portion of said property or any interest therein is approved by the Authority and Council.

2.4 The Governmental Agency agrees that the Authority and the Council and their 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 the Council and their duly authorized agents and representatives shall, prior to, during 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 and the Council with respect to 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 and the Council, acting by and through their directors or their duly authorized agents and representatives, to inspect all books, documents, papers and records relating to the Project and the System at any and all reasonable times for the purpose of audit and examination, and the Governmental Agency shall submit to the Authority and the Council such documents and information as they may reasonably require in connection with the construction, acquisition and installation of the Project, the operation and maintenance of the System 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 the Council and their agents and representatives 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 or if the Project is an improvement to an existing system at any reasonable time following commencement of construction.

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 and shall verify or have verified such bonds prior to commencement of construction.

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 Council and the Authority and shall verify or have verified such insurance prior to commencement of construction. 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 are outstanding, business interruption insurance if available at a reasonable cost.

2.9 The Governmental Agency shall provide and maintain competent and adequate engineering services satisfactory to the Council and 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 engineer shall certify to the Authority, the Council 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 shall at all times provide operation and maintenance of the System in compliance with any and all State and federal standards. The Governmental Agency shall employ qualified operating personnel properly certified by the State 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 Council, 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.

2.12 The Governmental Agency, commencing on the date contracts are executed for the acquisition or construction of the Project and for two years following the completion of acquisition or construction of the Project, shall each month complete a Monthly Financial Report, the form of which is attached hereto as Exhibit C and incorporated herein by reference, and forward a copy by the 10th of each month to the Authority and Council.

ARTICLE III

Conditions to Loan; Issuance of Local Bonds

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

(c) The Governmental Agency shall either have received bids or entered into 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 construction financing, 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 and the Council shall have received a certificate of the Consulting Engineers to such effect, the form of which certificate is attached hereto as Exhibit A;

(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 and the Council 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") and the Council necessary for the construction of the Project and operation of the System, with all requisite appeal periods having expired without successful appeal, and the Authority and the Council 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 and the Council, 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 and the Council 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), with all requisite appeal periods having expired without successful appeal, and the Authority and the Council 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 and the Council, to such effect;

(h) Such rates and charges for the System shall be sufficient to comply with the provisions of Subsections 4.1(a) and 4.1(b)(ii) hereof, and the Authority and the Council shall have received a certificate of the accountant for the Governmental Agency, or such other person or firm experienced in the finances of governmental agencies and satisfactory to the Authority and the Council, 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 on a date certain) 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 projects and satisfactory to the Authority and the Council, to such effect, such certificate to be in form and substance satisfactory to the Authority and the Council, and evidence satisfactory to the Authority and the Council 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, the Council 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, the Council 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 or such later date as is agreed to in writing by the Council.

3.5 The Governmental Agency understands and acknowledges that it is one of several governmental agencies which have applied to the Council for loans from the Infrastructure Fund to finance projects and that the obligation of the Authority to make any such loan is subject to the Council's authorization and the Governmental Agency's fulfilling all of the terms and conditions of this Loan Agreement on or prior to the Date of Loan Closing. The Governmental Agency specifically recognizes that the Authority will not purchase the Local Bonds unless and until sufficient funds are available in the Infrastructure Fund to purchase all the Local Bonds and that, prior to execution of this Loan Agreement, the Authority may commit to and purchase the revenue bonds of other governmental agencies for which it has sufficient funds available.

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 adopted or enacted, contain provisions and covenants in substantially the form as follows, unless the specific provision or covenant is modified or waived by the Council:

(a) That the gross revenues of the System shall always be used for purposes of the System. Such gross revenues shall be used monthly, in the order of priority listed below:

(i) to pay Operating Expenses of the System;

(ii) to the extent not otherwise limited by any outstanding loan resolution, indenture or other act or document and beginning on the date set forth in Schedule X, to provide debt service on the Local Bonds by depositing in a sinking fund one-third (1/3) of the interest payment next coming due on the Local Bonds and one-third (1/3) of the principal payment next coming due on the Local Bonds and, beginning three (3) months prior to the first date of payment of principal of the Local Bonds, if the reserve account for the Local Bonds (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 or surety) in an amount 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"), by depositing in the Reserve Account an amount not less than one-twelfth (1/12) of one-tenth (1/10) 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; and

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

Provided, that if the Governmental Agency has existing outstanding indebtedness which has greater coverage or renewal and replacement fund requirements, then the greater requirements will prevail until said existing indebtedness is paid in full.

(b) Covenants substantially as follows:

(i) That the Local Bonds shall be secured by a pledge of either the gross or net revenues of the System, as more fully set forth in Schedule X attached hereto and in the Local Act;

(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 is funded (whether by Local Bond proceeds, monthly deposits or otherwise) at an amount equal to 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 shall complete the Project and operate and maintain the System in good condition;

(iv) That, except as otherwise required by State law or with the written consent of the Council and the Authority, 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 and with the prior written consent of the Authority and the Council; 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 the Authority 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 or independent public accountant and shall submit the report of said audit to the Authority and the Council, which report shall include a statement that the Governmental Agency is in compliance with the terms and provisions of the Local Act and this Loan Agreement and that the Governmental Agency's revenues are adequate to meet its Operating Expenses and debt service and reserve requirements;

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

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

(xiv) That the proceeds of the Local Bonds, advanced from time to time, 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) and/or (b) be used to pay (or redeem) bond anticipation notes or other interim financing 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 and the Council, 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 may not redeem any Local Bonds by it without the written consent of the Authority and the Council and otherwise in compliance with this Loan Agreement;

(xvi) That the West Virginia Municipal Bond Commission (the "Commission") shall serve as paying agent for the Local Bonds;

(xvii) That the Governmental Agency shall on the first day of each month (if the first day is not a business day, then the first business day of each month) deposit with the Commission the required interest, principal and reserve account payment. The Governmental Agency shall complete the Monthly Payment Form, attached hereto as Exhibit D and incorporated herein by reference, and submit a copy of said form along with a copy of the check or electronic transfer to the Authority by the 5th day of such calendar month;

(xviii) That, unless it qualifies for an exception to the provisions of Section 148 of the Internal Revenue Code of 1986, as amended, 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 Internal Revenue Code of 1986, as amended, a certificate with respect to its rebate calculations and, at any time, any additional information requested by the Authority;

(xix) That the Governmental Agency shall take any and all action, or shall refrain from taking any action regarding the use of the proceeds of the Local Bonds, as shall be deemed necessary by the Authority to maintain the exclusion from gross income for federal income tax purposes of interest on the State's general obligation bonds or any bonds secured by the Local Bonds;

(xx) That the Governmental Agency shall have obtained the certificate of the Consulting Engineer in the form attached hereto as Exhibit A, to the effect that the Project has been or will be constructed in accordance with the approved plans, specifications and design as submitted to the Authority and the Council, the Project is adequate for the purposes for which it was designed, the funding plan as submitted to the Authority and the Council is sufficient to pay the costs of acquisition and construction of the Project and all permits required by federal and State laws for construction of the Project have been obtained;

(xxi) That the Governmental Agency shall, to the full extent permitted by applicable law and the rules and regulations of the PSC, terminate the services of any water facility owned by it to any customer of the System who is delinquent in

payment of charges for services provided by the System and will not restore the services of the water facility until all delinquent charges for the services of the System have been fully paid or, if the water facility is not owned by the Governmental Agency, then the Governmental Agency shall enter into a termination agreement with the water provider;

(xxii) That the Governmental Agency shall furnish to the Authority such information with respect to earnings on all funds constituting "gross proceeds" of the Local Bonds (as that term is defined in the Internal Revenue Code of 1986, as amended) from time to time as the Authority may request;

(xxiii) That the Governmental Agency shall submit all proposed change orders to the Council for written approval. The Governmental Agency shall obtain the written approval of the Council before expending any proceeds of the Local Bonds held in "contingency" as set forth in the final Schedule B attached to the certificate of the Consulting Engineer. The Governmental Agency shall obtain the written approval of the Council before expending any proceeds of the Local Bonds available due to bid/construction/project underruns;

(xxiv) That the Governmental Agency shall list the funding provided by the Authority and the Council in any press release, publication, program bulletin, sign or other public communication that references the Project, including but not limited to any program document distributed in conjunction with any groundbreaking or dedication of the Project; and

(xxv) That, unless it qualifies for an exception, the Governmental Agency shall comply with all the requirements of Chapter 21, Article 1C of the Code of West Virginia, 1931, as amended (the "West Virginia Jobs Act") and shall require its contractors and subcontractors to comply with the West Virginia Jobs Act. The Governmental Agency shall provide the Council and the Authority with a certificate stating that (I) the Governmental Agency will comply with all the requirements of the West Virginia Jobs Act; (II) the Governmental Agency has included the provisions of the West Virginia Jobs Act in each contract and subcontract for the Project; (III) the Governmental Agency has received or will receive, prior to entering into contracts or subcontracts, from each contractor or subcontractor a certificate demonstrating compliance with Section 4 of the West Virginia Jobs Act or waiver certificates from the West Virginia Division of Labor ("DOL"); and (IV) the Governmental Agency will file with the DOL and the Council copies of the waiver certificates and certified payrolls or comparable documents that include the number of employees, the county and state wherein the employees reside and their occupation, following the procedures established by the DOL. The monthly requisitions submitted to the Council shall also certify that the Governmental Agency is monitoring compliance by its contractors and subcontractors and that the required information has been submitted.

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, validity, sale and delivery of the Local Bonds shall be approved without qualification by recognized bond counsel acceptable to the Authority in substantially the form of legal opinion attached hereto as Exhibit B.

or in the manner authorized by law, immediately adjust and increase such schedule of rates, fees and charges (or where applicable, immediately file with the PSC for a rate increase) and take all such actions necessary to provide funds sufficient to produce the required sums set forth in the Local Act and this Loan Agreement.

5.3 In the event the Governmental Agency defaults in the payment due to the Authority pursuant to this Loan Agreement, 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 the Act and State law, including, without limitation, the right to an appointment of a receiver.

ARTICLE VI

Other Agreements of the Governmental Agency

6.1 The Governmental Agency hereby warrants and represents that all information provided to the Authority and the Council in this Loan Agreement, in the Application or in any other application or documentation with respect to financing the 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 and the Council shall have the right to cancel all or any of their obligations under this Loan Agreement if (a) any representation made to the Authority and the Council by the Governmental Agency in connection with the Loan shall be incorrect or incomplete in any material respect or (b) the Governmental Agency has violated any commitment made by it in its Application or in any supporting documentation or has violated any of the terms of the Act or this Loan Agreement.

6.2 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.

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

6.4 The Governmental Agency hereby agrees to give the Authority and the Council prior written notice of the issuance by it of any other obligations to be used for the System, 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 and the Council upon completion of acquisition and construction of the Project a schedule in substantially the form of Amended Schedule B 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, if any, may be set forth in Schedule Z attached hereto and incorporated herein by reference, with the same effect as if contained in the text of this Loan Agreement.

7.2 Schedules X and Y 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 and the Council.

7.3 The Authority shall take all actions required by the Council in making and enforcing this Loan Agreement.

7.4 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.

7.5 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.

7.6 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.

7.7 This Loan Agreement 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.

7.8 The Authority acknowledges that certain terms and requirements in this Loan Agreement may not be applicable when the Project is financed in part by the West Virginia Department of Environmental Protection, Office of Abandoned Mine Lands and under that circumstance those terms and requirements are specifically waived or modified as agreed to by the Authority and set forth in the Local Act.

7.9 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.

7.10 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 or such later date as is agreed to in writing by the Council if the Governmental Agency has failed to deliver the Local Bonds to the Authority;
- (ii) termination by the Authority and the Council pursuant to Section 6.1 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, acting on behalf of the Council.

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

TOWN OF WEST UNION

(SEAL)

By: Robert L. Lytle

Its: Mayor

Date: 8.29.02

Attest:

Ella A. Stadler

Its: Recorder

WEST VIRGINIA WATER
DEVELOPMENT AUTHORITY

(SEAL)

By: James B. Zuparko

Its: Director

Date: 8.29.02

Attest:

Barbara B. Meadows

Its: Secretary-Treasurer

000832/00466

08/14/02

EXHIBIT A

FORM OF CERTIFICATE OF CONSULTING ENGINEER

(Issuer)

(Name of Bonds)

I, _____, Registered Professional Engineer, West Virginia License No. _____, of _____, Consulting Engineers, _____, hereby certify as follows:

1. My firm is engineer for the acquisition and construction of _____ to the _____ system (the "Project") of _____ (the "Issuer"), to be constructed primarily in _____ County, West Virginia, which acquisition and construction are being permanently financed in part by the above-captioned bonds (the "Bonds") of the Issuer. Capitalized words not defined herein shall have the same meanings set forth in the bond _____ adopted or enacted by the Issuer on _____, and the Loan Agreement by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council"), dated _____.

2. The Bonds are being issued for the purposes of (i) _____, and (ii) paying certain issuance and other costs in connection therewith.

3. To the best of my knowledge, information and belief, (i) within the limits and in accordance with the applicable and governing contractual requirements relating to the Project, the Project will be constructed in general accordance with the approved plans, specifications and designs prepared by my firm and approved by [DEP/BPH/PSC] and any change orders approved by the Issuer, the Council and all necessary governmental bodies; (ii) the Project, as designed, is adequate for its intended purpose and has a useful life of at least ___ years if properly operated and maintained, excepting anticipated replacements due to normal wear and tear; (iii) the Issuer has received bids for the acquisition and construction of the Project which are in an amount and otherwise compatible with the plan of financing set forth in the Schedule B attached hereto as Exhibit A and my firm¹ has ascertained that

¹If another responsible party, such as the Issuer's attorney, reviews the insurance and payment bonds, then insert the following: [and in reliance upon the opinion of

all successful bidders have made required provisions for all insurance and payment and performance bonds and that such insurance policies or binders and such bonds have been verified for accuracy; (iv) the successful bidders received any and all addenda to the original bid documents; (v) the bid documents relating to the Project reflect the Project as approved by the [DEP/BPH/PSC] and the bid forms provided to the bidders contain all critical operational components of the Project; (vi) the successful bids include prices for every item on such bid forms; (vii) the uniform bid procedures were followed; (viii) the Issuer has obtained all permits required by the laws of the State of West Virginia and the United States necessary for the acquisition and construction of the Project and operation of the System; (ix) as of the effective date thereof, ²the rates and charges for the System as adopted by the Issuer will be sufficient to comply with the provisions of the Loan Agreement; (x) the net proceeds of the Bonds, together with all other moneys on deposit or to be simultaneously deposited and irrevocably pledged thereto and the proceeds of grants, if any, irrevocably committed therefor, are sufficient to pay the costs of acquisition and construction of the Project set forth in the Schedule B attached hereto and approved by the Council; and (xi) attached hereto as Exhibit A is the final amended "Schedule B - Final Total Cost of Project, Sources of Funds and Costs of Financing" for the Project.

WITNESS my signature and seal on this ____ day of _____, ____.

[SEAL]

By: _____
West Virginia License No. _____

_____, Esq.] and delete "my firm has ascertained that".

²If the Rule 42 Exhibit and/or rate structure was prepared by an accountant, then insert the following: "In reliance upon the certificate of _____ of even date herewith," at the beginning of (ix).

EXHIBIT B

OPINION OF BOND COUNSEL FOR GOVERNMENTAL AGENCY

[To Be Dated as of Date of Loan Closing]

West Virginia Infrastructure and
Jobs Development Council
300 Summers Street, Suite 980
Charleston, West Virginia 25301

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

Ladies and Gentlemen:

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

We have examined a certified copy of proceedings and other papers relating to the authorization of (i) a loan agreement dated _____, _____, including all schedules and exhibits attached thereto (the "Loan Agreement"), between the Governmental Agency and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council"), and (ii) the issue of a series of revenue bonds of the Governmental Agency, dated _____, _____ (the "Local Bonds"), to be purchased by the Authority in accordance with the provisions of the Loan Agreement. The Local Bonds are issued in the principal amount of \$_____, in the form of one bond, registered as to principal and interest to the Authority, with interest and principal payable quarterly on March 1, June 1, September 1 and December 1 of each year, beginning _____, 1, _____, and ending _____, 1, _____, as set forth in the "Schedule Y" attached to the Loan Agreement and incorporated in and made a part of the Local Bonds.

The Local Bonds are issued for the purposes of (i) _____, and
(ii) 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 adopted or enacted by the Governmental Agency on _____, as supplemented by the supplemental resolution duly adopted by the Governmental Agency on _____ (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 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 the Council and cannot be amended so as to affect adversely the rights of the Authority or the Council or diminish the obligations of the Governmental Agency without the consent of the Authority and the Council.

3. The Governmental Agency is a duly organized and validly existing _____, with full power and authority to acquire and construct the Project, to operate and maintain the System, to adopt or enact the Local Act and to issue and sell the Local Bonds, all under the Local Statute and other applicable provisions of law.

4. The Local Act and all other necessary orders and resolutions have been legally and effectively adopted or enacted by the Governmental Agency and constitute valid and binding obligations of the Governmental Agency, enforceable against the Governmental Agency in accordance with their terms. 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 have been duly authorized, issued, executed and delivered by the Governmental Agency to the Authority and are valid, legally enforceable and binding special obligations of the Governmental Agency, payable from the net or gross revenues of the System set forth in the Local Act and secured by a first lien on and pledge of the net or gross revenues of the System, all in accordance with the terms of the Local Bonds and the Local Act.

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 the 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,

EXHIBIT C

MONTHLY FINANCIAL REPORT

Name of Governmental Agency _____
 Name of Bond Issue(s) _____
 Type of Project _____ Water _____ Wastewater _____
 Fiscal Year _____ Report Month _____

<u>Item</u>	<u>Current Month</u>	<u>Total Year To Date</u>	<u>Budget Year To Date</u>	<u>Budget Year To Date Minus Total Year To Date</u>
1. Gross Revenues	_____	_____	_____	_____
2. Operating Expenses	_____	_____	_____	_____
3. Bond Payments:				
<u>Type of Issue</u>				
Clean Water SRF	_____	_____	_____	_____
Drinking Water TRF	_____	_____	_____	_____
Infrastructure Fund	_____	_____	_____	_____
Water Development Authority	_____	_____	_____	_____
Rural Utilities Service	_____	_____	_____	_____
Economic Development Administration	_____	_____	_____	_____
Other (Identify)	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
4. Renewal and Replacement Fund Deposits	_____	_____	_____	_____

 Name of Person Completing Form

 Address

 Telephone

INSTRUCTIONS FOR COMPLETING MONTHLY FINANCIAL REPORT

- Item 1 You will need a copy of the current fiscal year budget adopted by the Governmental Agency to complete Items 1 and 2. In Item 1, provide the amount of actual **Gross Revenues** for the current month and the total amount year-to-date in the respective columns. Divide the budgeted annual Gross Revenues by 12. For example, if Gross Revenues of \$1,200 are anticipated to be received for the year, each month the base would be increased by \$100 (\$1,200/12). This is the incremental amount for the Budget Year-to-Date column.
- Item 2 Provide the amount of actual **Operating Expenses** for the current month and the total amount year-to-date in the respective columns. Any administrative fee should be included in the Operating Expenses. Divide the budgeted annual Operating Expenses by 12. For example, if Operating Expenses of \$900 are anticipated to be incurred for the year, each month the base would be increased by \$75 (\$900/12). This is the incremental amount for the Budget Year-to-Date column.
- Item 3 Provide the **Bond Payments (principal, interest and reserve account)** for all the outstanding bonds of the Governmental Agency according to the source of funding. For example, Clean Water State Revolving Fund loan from Department of Environmental Protection, Drinking Water Treatment Revolving Fund loan from Bureau for Public Health, Infrastructure Fund loan from Infrastructure and Jobs Development Council, or a loan from the Water Development Authority, etc.
- Item 4 Provide the amount deposited into the **Renewal and Replacement Fund** each month. This amount is equal to 2.5% of Gross Revenues minus the total reserve account payments included in Item 3. If Gross Revenues are \$1,200, then \$30 (2.5% of \$1,200), LESS the amount of all reserve account payments in Item 3 should be deposited into the Renewal and Replacement Fund. The money in the Renewal and Replacement Fund should be kept separate and apart from all other funds of the Governmental Agency.

The Governmental Agency must complete the Monthly Financial Report and forward it to the Water Development Authority by the 10th day of each month, commencing on the date contracts are executed for the acquisition or construction of the Project and for two years following the completion of acquisition or construction of the Project.

EXHIBIT D

MONTHLY PAYMENT FORM

West Virginia Water Development Authority
180 Association Drive
Charleston, WV 25311

Re: [Name of bond issue]

Ladies and Gentlemen:

The following deposits were made to the West Virginia Municipal Bond Commission on behalf of [Name of Governmental Agency] on [Date].

Sinking Fund:

Interest \$_____

Principal \$_____

Total: \$_____

Reserve Account: \$_____

Witness my signature this ____ day of_____.

[Name of Governmental Agency]

By: _____
Authorized Officer

Enclosure: copy of check(s)

SCHEDULE X

DESCRIPTION OF LOCAL BONDS

Principal Amount of Local Bonds \$ 810,000
Purchase Price of Local Bonds \$ 810,000

The Local Bonds shall bear no interest. Commencing December 1, 2003, principal of the Local Bonds is payable quarterly. Quarterly payments will be made on March 1, June 1, September 1 and December 1 of each year as set forth on the Schedule Y attached hereto and incorporated herein by reference.

The Governmental Agency shall submit its payments monthly to the Commission which will make quarterly payments to the Authority at such address as is given to the Commission in writing by the Authority.

The Local Bonds are fully registered in the name of the Authority as to interest, if any, and principal and the Local Bonds shall grant the Authority a first lien on the gross or net revenues of the Governmental Agency's system as provided in the Local Act.

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

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

1. Combined Waterworks and Sewerage System Revenue Bonds, Series 1987, dated May 24, 1988, issued in the original principal amount of \$348,000.
2. Combined Waterworks and Sewerage System Revenue Bonds, Series 1998 A (United States Department of Agriculture), dated December 15, 1998, issued in the original principal amount of \$900,000.
3. Combined Waterworks and Sewerage System Revenue Bonds, Series 1998 B (United States Department of Agriculture), dated December 15, 1998, issued in the original principal amount of \$150,000.
4. Combined Waterworks and Sewerage System Revenue Bonds, Series 1998 C (West Virginia Infrastructure Fund), dated December 15, 1998, issued in the original principal amount of \$2,075,000.

SCHEDULE Y

Town of West Union (West Virginia)
 Loan of \$810,000
 40 Years from Closing Date; 0% Interest Rate
 Closing Date: August 29, 2002

DEBT SERVICE SCHEDULE

DATE	Principal	Coupon	Total Pay
9/01/2002	-	-	-
12/01/2002	-	-	-
3/01/2003	-	-	-
6/01/2003	-	-	-
9/01/2003	-	-	-
12/01/2003	5,225.81	-	5,225.81
3/01/2004	5,225.81	-	5,225.81
6/01/2004	5,225.81	-	5,225.81
9/01/2004	5,225.81	-	5,225.81
12/01/2004	5,225.81	-	5,225.81
3/01/2005	5,225.81	-	5,225.81
6/01/2005	5,225.81	-	5,225.81
9/01/2005	5,225.81	-	5,225.81
12/01/2005	5,225.81	-	5,225.81
3/01/2006	5,225.81	-	5,225.81
6/01/2006	5,225.81	-	5,225.81
9/01/2006	5,225.81	-	5,225.81
12/01/2006	5,225.81	-	5,225.81
3/01/2007	5,225.81	-	5,225.81
6/01/2007	5,225.81	-	5,225.81
9/01/2007	5,225.81	-	5,225.81
12/01/2007	5,225.81	-	5,225.81
3/01/2008	5,225.81	-	5,225.81
6/01/2008	5,225.81	-	5,225.81
9/01/2008	5,225.81	-	5,225.81
12/01/2008	5,225.81	-	5,225.81
3/01/2009	5,225.81	-	5,225.81
6/01/2009	5,225.81	-	5,225.81
9/01/2009	5,225.81	-	5,225.81
12/01/2009	5,225.81	-	5,225.81
3/01/2010	5,225.81	-	5,225.81
6/01/2010	5,225.81	-	5,225.81
9/01/2010	5,225.81	-	5,225.81
12/01/2010	5,225.81	-	5,225.81
3/01/2011	5,225.81	-	5,225.81
6/01/2011	5,225.81	-	5,225.81
9/01/2011	5,225.81	-	5,225.81
12/01/2011	5,225.81	-	5,225.81
3/01/2012	5,225.81	-	5,225.81
6/01/2012	5,225.81	-	5,225.81
9/01/2012	5,225.81	-	5,225.81
12/01/2012	5,225.81	-	5,225.81
3/01/2013	5,225.81	-	5,225.81
6/01/2013	5,225.81	-	5,225.81
9/01/2013	5,225.81	-	5,225.81
12/01/2013	5,225.81	-	5,225.81
3/01/2014	5,225.81	-	5,225.81

Town of West Union (West Virginia)
 Loan of \$810,000
 40 Years from Closing Date ; 0% Interest Rate
 Closing Date : August 29, 2002

DEBT SERVICE SCHEDULE

Date	Principal	Interest	Total P&I
6/01/2014	5,225.81	-	5,225.81
9/01/2014	5,225.81	-	5,225.81
12/01/2014	5,225.81	-	5,225.81
3/01/2015	5,225.81	-	5,225.81
6/01/2015	5,225.81	-	5,225.81
9/01/2015	5,225.81	-	5,225.81
12/01/2015	5,225.81	-	5,225.81
3/01/2016	5,225.81	-	5,225.81
6/01/2016	5,225.81	-	5,225.81
9/01/2016	5,225.81	-	5,225.81
12/01/2016	5,225.81	-	5,225.81
3/01/2017	5,225.81	-	5,225.81
6/01/2017	5,225.81	-	5,225.81
9/01/2017	5,225.81	-	5,225.81
12/01/2017	5,225.81	-	5,225.81
3/01/2018	5,225.81	-	5,225.81
6/01/2018	5,225.81	-	5,225.81
9/01/2018	5,225.81	-	5,225.81
12/01/2018	5,225.81	-	5,225.81
3/01/2019	5,225.81	-	5,225.81
6/01/2019	5,225.81	-	5,225.81
9/01/2019	5,225.81	-	5,225.81
12/01/2019	5,225.81	-	5,225.81
3/01/2020	5,225.81	-	5,225.81
6/01/2020	5,225.81	-	5,225.81
9/01/2020	5,225.81	-	5,225.81
12/01/2020	5,225.81	-	5,225.81
3/01/2021	5,225.81	-	5,225.81
6/01/2021	5,225.81	-	5,225.81
9/01/2021	5,225.81	-	5,225.81
12/01/2021	5,225.81	-	5,225.81
3/01/2022	5,225.81	-	5,225.81
6/01/2022	5,225.81	-	5,225.81
9/01/2022	5,225.81	-	5,225.81
12/01/2022	5,225.81	-	5,225.81
3/01/2023	5,225.81	-	5,225.81
6/01/2023	5,225.81	-	5,225.81
9/01/2023	5,225.81	-	5,225.81
12/01/2023	5,225.81	-	5,225.81
3/01/2024	5,225.81	-	5,225.81
6/01/2024	5,225.81	-	5,225.81
9/01/2024	5,225.81	-	5,225.81
12/01/2024	5,225.81	-	5,225.81
3/01/2025	5,225.81	-	5,225.81
6/01/2025	5,225.81	-	5,225.81
9/01/2025	5,225.81	-	5,225.81
12/01/2025	5,225.81	-	5,225.81

Town of West Union (West Virginia)
 Loan of \$810,000
 40 Years from Closing Date ; 0% Interest Rate
 Closing Date : August 29, 2002

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Total Pay
3/01/2026	5,225.81	-	5,225.81
6/01/2026	5,225.81	-	5,225.81
9/01/2026	5,225.81	-	5,225.81
12/01/2026	5,225.81	-	5,225.81
3/01/2027	5,225.81	-	5,225.81
6/01/2027	5,225.81	-	5,225.81
9/01/2027	5,225.81	-	5,225.81
12/01/2027	5,225.81	-	5,225.81
3/01/2028	5,225.81	-	5,225.81
6/01/2028	5,225.81	-	5,225.81
9/01/2028	5,225.81	-	5,225.81
12/01/2028	5,225.80	-	5,225.80
3/01/2029	5,225.80	-	5,225.80
6/01/2029	5,225.80	-	5,225.80
9/01/2029	5,225.80	-	5,225.80
12/01/2029	5,225.80	-	5,225.80
3/01/2030	5,225.80	-	5,225.80
6/01/2030	5,225.80	-	5,225.80
9/01/2030	5,225.80	-	5,225.80
12/01/2030	5,225.80	-	5,225.80
3/01/2031	5,225.80	-	5,225.80
6/01/2031	5,225.80	-	5,225.80
9/01/2031	5,225.80	-	5,225.80
12/01/2031	5,225.80	-	5,225.80
3/01/2032	5,225.80	-	5,225.80
6/01/2032	5,225.80	-	5,225.80
9/01/2032	5,225.80	-	5,225.80
12/01/2032	5,225.80	-	5,225.80
3/01/2033	5,225.80	-	5,225.80
6/01/2033	5,225.80	-	5,225.80
9/01/2033	5,225.80	-	5,225.80
12/01/2033	5,225.80	-	5,225.80
3/01/2034	5,225.80	-	5,225.80
6/01/2034	5,225.80	-	5,225.80
9/01/2034	5,225.80	-	5,225.80
12/01/2034	5,225.80	-	5,225.80
3/01/2035	5,225.80	-	5,225.80
6/01/2035	5,225.80	-	5,225.80
9/01/2035	5,225.80	-	5,225.80
12/01/2035	5,225.80	-	5,225.80
3/01/2036	5,225.80	-	5,225.80
6/01/2036	5,225.80	-	5,225.80
9/01/2036	5,225.80	-	5,225.80
12/01/2036	5,225.80	-	5,225.80
3/01/2037	5,225.80	-	5,225.80
6/01/2037	5,225.80	-	5,225.80
9/01/2037	5,225.80	-	5,225.80

Town of West Union (West Virginia)
 Loan of \$810,000
 40 Years from Closing Date; 0% Interest Rate
 Closing Date: August 29, 2002

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Total Paid
12/01/2037	5,225.80	-	5,225.80
3/01/2038	5,225.80	-	5,225.80
6/01/2038	5,225.80	-	5,225.80
9/01/2038	5,225.80	-	5,225.80
12/01/2038	5,225.80	-	5,225.80
3/01/2039	5,225.80	-	5,225.80
6/01/2039	5,225.80	-	5,225.80
9/01/2039	5,225.80	-	5,225.80
12/01/2039	5,225.80	-	5,225.80
3/01/2040	5,225.80	-	5,225.80
6/01/2040	5,225.80	-	5,225.80
9/01/2040	5,225.80	-	5,225.80
12/01/2040	5,225.80	-	5,225.80
3/01/2041	5,225.80	-	5,225.80
6/01/2041	5,225.80	-	5,225.80
9/01/2041	5,225.80	-	5,225.80
12/01/2041	5,225.80	-	5,225.80
3/01/2042	5,225.80	-	5,225.80
6/01/2042	5,225.80	-	5,225.80
Total	810,000.00	-	810,000.00

YIELD STATISTICS

Bond Year Dollars.....	\$16,609.49
Average Life.....	20.506 Years
Average Coupon.....	-
Net Interest Cost (NIC).....	-
True Interest Cost (TIC).....	5.58E-11
Bond Yield for Arbitrage Purposes.....	5.58E-11
All Inclusive Cost (AIC).....	5.58E-11

IRS FORM 8038

Net Interest Cost.....	-
Weighted Average Maturity.....	20.506 Years

SCHEDULE Z

None.

020099alj061402.wpd

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

Entered: June 14, 2002

CASE NO. 02-0099-W-CN

TOWN OF WEST UNION

Application for a certificate of convenience and necessity to construct approximately 9,420 L.F. of 10", 8", 6" and 4" water line, one potable water storage tank (replacement) and replacement of existing designated valves and fire hydrants to improve potable water service and improve fire protection for the existing 667 customers.

RECOMMENDED DECISION

On January 29, 2002, the Town of West Union (Town) filed an application, duly verified, together with supporting documentation, for a certificate of convenience and necessity to construct approximately 9,420 linear feet of 10-inch, 8-inch, 6-inch and 4-inch water line, one potable water storage tank (replacement) and replacement of existing designated valves and fire hydrants to improve potable water service and fire service protection for the Town's current 667 customers. The Town estimated that the proposed construction will cost approximately \$810,000 with funding for the project to be provided by an \$810,000 loan from the West Virginia Infrastructure and Jobs Development Council (WVIJDC). The Town anticipates that no increase in rates for its customers will be required as a result of the proposed project.

By Order dated January 29, 2002, the Town was directed to give notice of the filing of its application, by publishing a copy of said order once in a newspaper, duly qualified by the Secretary of State, published and of general circulation in Doddridge County, making due return to the Commission of proper certification of publication immediately after publication. The notice directed that anyone desiring to make objection to the application or intervene in this proceeding must do so, in writing, within thirty days after the date of publication of said notice. It was further provided that failure to timely protest or intervene could affect one's right to protest, including any associated rate increases, or to participate in future proceedings. The notice further provided that, if no protests were received within the thirty-day period, the Commission could waive formal hearing and grant the application based upon the evidence submitted in the application and the Commission's review thereof.

On February 8, 2002, the Town filed a copy of Permit No. 15,148 issued by the West Virginia Office of Environmental Health Services

granting its approval of the proposed project. The permit granted approval to install approximately 160 linear feet of 10-inch, 7,800 linear feet of 8-inch, 410 linear feet of 6-inch and 1,050 linear feet of 4-inch water line; replace the existing Bulldog concrete water storage tank with a new 243,000 gallon water

storage tank; replace malfunctioning or inoperable gate valves and fire hydrants; add a 350 gpm raw water portable pump; and install all necessary valves, controls and appurtenances.

On March 5, 2002, the Town filed two separate letters. The first letter regarded clarification of certain issues raised by Commission Staff in its meeting with Town officials on February 26, 2002. The second letter stated that, because of the extensive costs involved, the Town had elected not to continue with the proposed extensions outside its municipal limits. Therefore, the need for the dredging of Middle Island Creek and construction of a pump station and related 50,000-gallon water storage tank were eliminated from the proposed project.

Also on March 5, 2002, the Town filed an affidavit of publication from The Herald Record, a weekly newspaper published and of general circulation in Doddridge County, reflecting publication of the Notice of Filing on February 12, 2002.

On March 7, 2002, Hornor Brothers Engineers, by Trey Hornor, P.E., Project Engineer, filed a letter, pursuant to Commission Staff's request, containing a status report for all of the permits and regulatory approvals required for the proposed project, in addition to the Public Service Commission certificate of convenience and necessity.

On March 8, 2002, Staff Attorney Cassius H. Toon filed an Initial Joint Staff Memorandum. An Initial Internal Memorandum dated March 5, 2002, from Audra L. Blackwell, Technical Analyst I, Engineering Division, and Scott McNeely, Utilities Analyst I, Water and Wastewater Division, was attached thereto. Technical Staff reported that it still needed a copy of the preliminary engineering report or facilities study. Commission Staff went on to state that it was reviewing all the filed financial and engineering information and would file a final recommendation within the Commission's required time frame, once the additional engineering report or study was received. In the interim, referral of this matter to the Division of Administrative Law Judges for further disposition was recommended.

On March 11, 2002, Mr. Toon filed Commission Staff's First Set of Interrogatories, Data Requests or Requests for Information. The Town was requested to file, on or before March 20, 2002, a copy of the preliminary engineering report or facilities study for the proposed project.

On March 13, 2002, the Town, by its Project Engineer, filed a copy of the preliminary engineering report that was submitted as a part of the WVIJDC funding application. The letter also stated that construction bids were anticipated to be opened on approximately April 30, 2002. Construction needed to start by July so that work along the street in front of Doddridge County High School could be completed while school was out of session.

By Order dated March 13, 2002, the Commission referred this matter to the Division of Administrative Law Judges for further disposition and ordered a decision to be rendered on or before August 27, 2002.

On May 3, 2002, Mr. Toon filed a Further Joint Staff Memorandum to which was attached a Further Internal Memo dated April 30, 2002, from Ms. Blackwell and Mr. McNeely. Commission Staff again stated that it was in the process of reviewing the Town's certificate application and would file a final recommendation within the Commission's required time frame.

By Procedural Order dated June 10, 2002, Commission Staff was directed to file, on or before June 21, 2002, its final recommendation regarding the application for a certificate of convenience and necessity filed on January 29, 2002. Commission Staff was specifically advised that failure to file said

final Staff recommendation by that date would result in approval of the January 29, 2002 certificate application as filed.

On June 13, 2002, Mr. Toon filed a Final Joint Staff Memorandum to which was attached a Final Internal Memorandum dated May 16, 2002, from Ms. Blackwell and Mr. McNeely. Commission Staff reported that the proposed project costs were as follows:

Construction Subtotal	\$603,206
Construction Contingencies	30,160
Facilities Plan and WVIJDC Applications	12,000
Engineering Design	57,000
Engineering Inspection	47,500
Special Charges (Estimated)	8,000
Land and Rights-of-Way	8,000
Legal	10,000
Bond Counsel	11,000
Project Contingencies @2%	<u>23,000</u>
Total Project Cost	\$809,866

There will be no new customers served by the proposed project. The cost per customer is approximately \$1,214, which is a feasible cost per customer and the overall annual operation and maintenance (O&M) expenses are not projected to increase due to the project. Commission Engineering Staff concluded that the proposed project will improve the reliability of potable water and fire protection service for the Town's existing 667 customers; will improve the living conditions of the Towns' residents; and, based on a review of the plans and specifications provided, the project and its projected services are in general conformance with the Commission's rules and regulations.

Commission Financial Staff stated that the project will be financed by a loan in the amount of \$810,000 from the WVIJDC. The loan will be scheduled for repayment over a period of forty years with a zero percent interest rate. Written confirmation of the proposed funding was included with the original filing. Annual loan payments will be \$20,769. The Town introduced an ordinance to increase rates to encompass this project, as well as the project which recently brought the regional jail on line in August 2001. The ordinance became effective in October 2001. The rate ordinance will produce approximately \$66,778 in additional annual

operating revenues. The additional revenues will be sufficient to cover the debt service obligations that will be incurred due to the project. Staff attached a cash flow analysis along with the Town's tariff to its Memorandum.

Based upon its review of the financial and technical data submitted with the certificate application, Commission Staff recommended that: (1) the Town be granted a certificate of convenience and necessity to construct the proposed project described herein; (2) the loan from the WVIJDC in the amount of \$810,000, at 0% interest and a term of forty years, be approved; (3) if additional funding is required to complete the proposed project, the Town petition the Commission for approval of the same; (4) if there is any change in the plans, scope or terms of financing, the Town should request that this matter be reopened for the necessary adjustments and Commission approval; and (5) the Town notify the Commission when the Engineer has performed the substantial completion inspection.

DISCUSSION

Based upon a review of the Town's application and supporting materials, as well as Staff's recommendation, it is clear that the proposed project will provide needed replacement of undersized, deteriorating and broken water distribution lines; replacement of water storage facilities; and general improvements in the hydraulics of the existing system to provide for improved flows and provide needed safe and reliable potable water to the Town's customers. Therefore, the public convenience and necessity will be served by the proposed project. Moreover, it is clear that the financing should be approved, particularly considering the fact that the proposed project costs will not require an increase in the Town's current rates and charges.

FINDINGS OF FACT

1. On January 29, 2002, the Town of West Union filed an application, together with supporting documentation, for a certificate of convenience and necessity to construct certain additions and improvements to its water system in Doddridge County, West Virginia. An increase in the Town's current rates and charges to finance the project will not be required. (See January 29, 2002 filing and attachments).

2. The estimated project cost of \$809,866 will be financed by an \$810,000 loan from the West Virginia Infrastructure and Jobs Development Council for forty years at zero percent interest, with annual loan payments of \$20,769. (See Application and attachments filed January 29, 2002).

3. The District gave notice of the filing of the application for a certificate of convenience and necessity in accordance with the Commission's requirements by publishing a Notice of Filing on February 12, 2002, in The Herald Record. (See Affidavit of Publication filed March 5, 2002).

4. No protests were received to the application within the thirty- day response period, which expired on March 14, 2002, or as of the date of this Order. (See case file generally).

5. The proposed project is designed: to replace undersized, deteriorating and broken water distribution lines and a deteriorating, partially buried concrete water storage tank; to improve the hydraulics of the existing system for improved flows; and to improve reliability of service to the entire system, which includes three schools and a regional jail. (See Final Joint Staff Memorandum and attachment filed June 13, 2002).

6. Commission Staff recommended that: the Town be granted a certificate of convenience and necessity; the Commission approve the West Virginia Infrastructure and Jobs Development Council loan of \$810,000 for forty years at zero percent interest; should there be any change in the scope of the project, financing, etc., the Town seek and obtain additional approval from the Commission; and the Commission be notified when the Engineer has performed the substantial completion inspection. (See Final Joint Staff Memorandum and attachments filed June 13, 2002).

CONCLUSIONS OF LAW

1. The public convenience and necessity require the issuance of a certificate of convenience and necessity to the Town of West Union for the installation and replacement of undersized, deteriorating and broken water distribution lines and a deteriorating, partially buried concrete water storage tank and to improve the hydraulics of the existing system for improved flows to provide potable water and fire service to approximately 667 customers.

2. It is reasonable to approve the financing of the project which consists of a loan in the amount

of \$810,000 from the West Virginia Infrastructure and Jobs Development Council repayable over a forty-year period in annual payments of \$20,769, at zero percent interest.

3. The proposed project is economically feasible since adequate funding has been secured therefor and the proposed costs will not require an increase in the Town's current rates.

4. A certificate of convenience and necessity should be granted to the Town of West Union for the proposed project, as recommended by Commission Staff, without need for a formal hearing.

ORDER

IT IS, THEREFORE, ORDERED that the application for a certificate of convenience and necessity, filed herein on January 29, 2002, by the Town of West Union, to improve potable water and fire protection service for its existing 667 customers through system replacements and upgrades, therein described, for a total estimated project cost not to exceed \$809,866, be, and hereby is, granted.

IT IS FURTHER ORDERED that the financing of the project, which consists of a West Virginia Infrastructure and Jobs Development Council loan in the amount of \$810,000, at a zero percent (0%) interest rate, payable in annual installments of \$20,769, over a forty-year period, be, and hereby is, approved.

IT IS FURTHER ORDERED that should any change occur with respect to the cost, scope, terms and conditions or financing of the project herein approved, the Town shall notify the Commission immediately and obtain Commission consent and approval of any such revision or change prior to commencing construction.

IT IS FURTHER ORDERED that, within thirty (30) days of the project's completion, the Town will so inform the Commission of the completion date.

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

The Executive Secretary is hereby ordered to serve a copy of this order upon the Commission by hand delivery, and upon all parties of record by United States Certified Mail, return receipt requested.

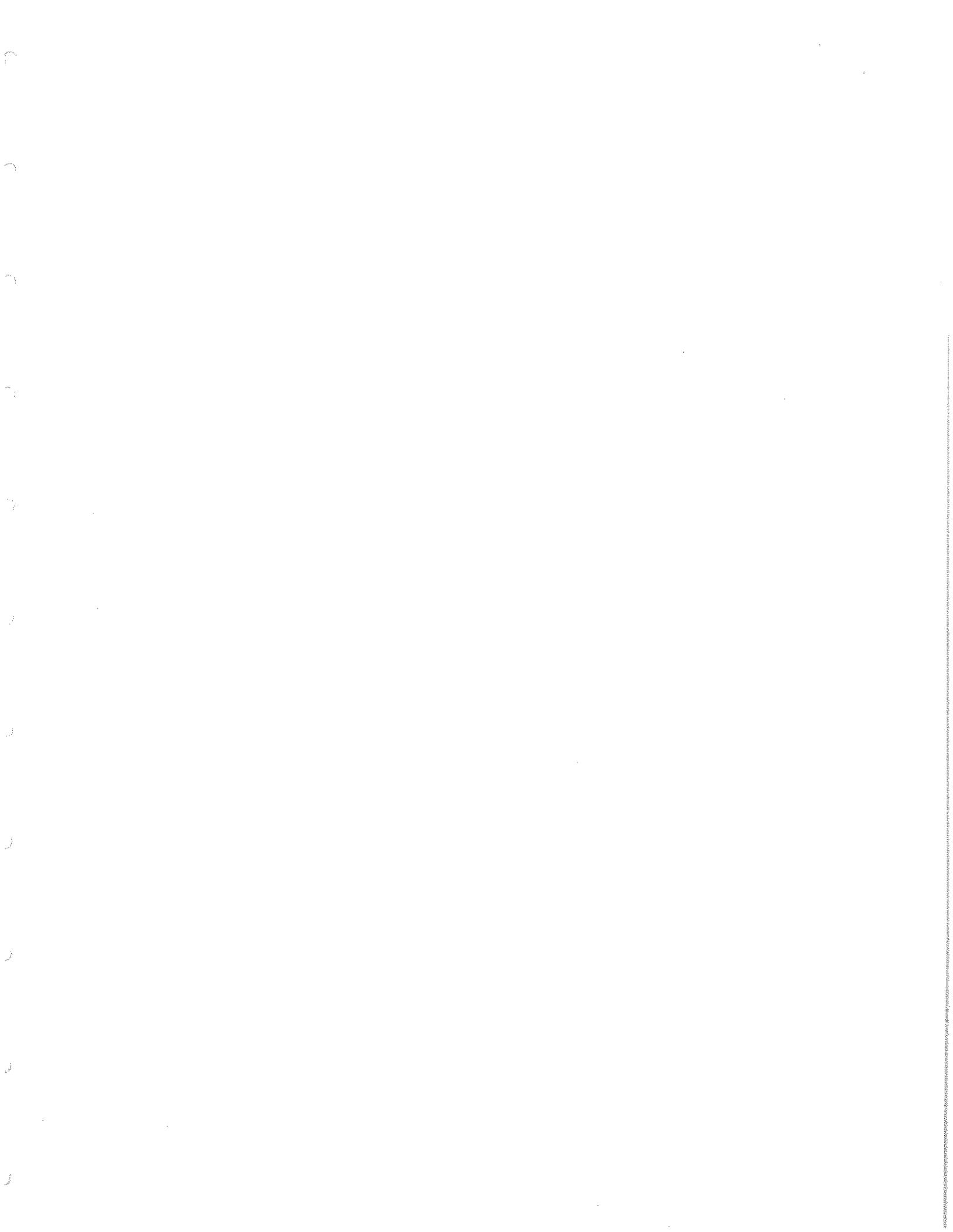
Leave is hereby granted to the parties to file written exceptions supported by a brief with the Executive Secretary of the Commission within fifteen (15) days of the date this order is mailed. If exceptions are filed, the parties filing exceptions shall certify to the Executive Secretary that all parties of record have been served said exceptions.

If no exceptions are so filed this order shall become the order of the Commission, without further action or order, five (5) days following the expiration of the aforesaid fifteen (15) day time period, unless it is ordered stayed or postponed by the Commission.

Any party may request waiver of the right to file exceptions to an Administrative Law Judge's order by filing an appropriate petition in writing with the Secretary. No such waiver will be effective until approved by order of the Commission, nor shall any such waiver operate to make any Administrative Law Judge's Order or Decision the order of the Commission sooner than five (5) days after approval of such waiver by the Commission.

Melissa K. Marland
Chief Administrative Law Judge

MKM/JPC:dfs
020099aa.wpd



**TOWN OF WEST UNION
COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS,
SERIES 2002
(WEST VIRGINIA INFRASTRUCTURE FUND)**

CROSS-RECEIPT FOR BONDS AND BOND PROCEEDS

The undersigned, Barbara B. Meadows, Secretary-Treasurer of the West Virginia Water Development Authority (the "Authority"), for and on behalf of the Authority and Robert E. Heflin, Mayor of the Town of West Union (the "Issuer"), for and on behalf of the Issuer, hereby certify as follows:

1. On the 29th day of August, 2002, the Authority received the entire original issue of \$810,000.00 in aggregate principal amount of the Issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 2002 (West Virginia Infrastructure Fund) (the "Series 2002 Bonds"), issued as a single, fully registered Bond and dated August 29, 2002.

2. At the time of such receipt of the Series 2002 Bonds upon original issuance, the same had been executed by Robert E. Heflin, as Mayor of the Issuer, by his manual signature, and by Etta A. Stadler, as Recorder of the Issuer, by her manual signature, and the official seal of the Issuer had been affixed upon each of the Series 2002 Bonds.

3. The Issuer has received and hereby acknowledges receipt from the Authority and the West Virginia Infrastructure and Jobs Development Council (the "Council"), as the original purchaser of the Series 2002 Bonds, of the sum of \$82,171, being a portion of the principal amount of the Series 2002 Bonds (being 100% of par value), there being no interest accrued thereon. The balance of the proceeds of the Series 2002 Bonds will be advanced by the Authority and the Council to the Issuer as the acquisition and construction of the Project progresses.

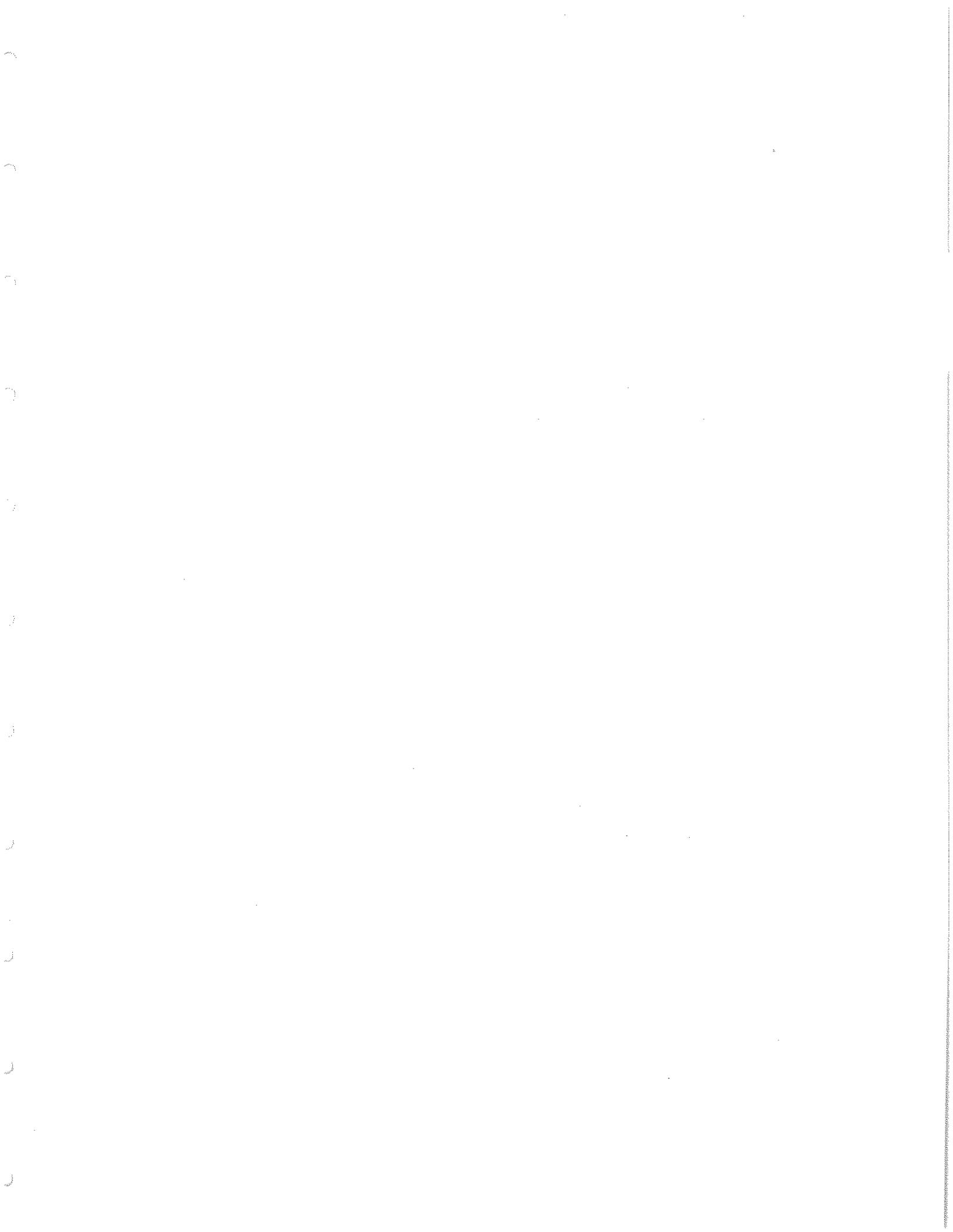
WITNESS our respective signatures as of this 29th day of August, 2002.

WEST VIRGINIA WATER DEVELOPMENT
AUTHORITY

By Barbara B Meadows
Its: Secretary-Treasurer

TOWN OF WEST UNION

By Robert E Heflin
Its: Mayor



**TOWN OF WEST UNION
COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS,
SERIES 2002
(WEST VIRGINIA INFRASTRUCTURE FUND)**

DIRECTION TO AUTHENTICATE AND DELIVER BONDS

United Bank, Inc., as Bond Registrar
Charleston, West Virginia

Ladies and Gentlemen:

There are delivered to you herewith:

- (1) Bond No. R-1, constituting the entire original issue of the Town of West Union Combined Waterworks and Sewerage System Revenue Bonds, Series 2002 (West Virginia Infrastructure Fund), in the principal amount of \$810,000, dated August 29, 2002 (the "Series 2002 Bonds"), executed by the Mayor and the Recorder of the Town of West Union (the "Issuer") and bearing the official seal of the Issuer, authorized to be issued under and pursuant to a Bond Ordinance and a Supplemental Resolution duly adopted by the Issuer (collectively, the "Local Act");
- (2) A copy of the Local Act authorizing the issuance of the Series 2002 Bonds, duly certified by the Recorder of the Issuer;
- (3) An executed Loan Agreement between the Authority, acting on behalf of the West Virginia Infrastructure and Jobs Development Council, and the Issuer, relating to the purchase of the Series 2002 Bonds;
- (4) Signed opinion of nationally recognized bond counsel regarding the validity of the Loan Agreement described above and the Series 2002 Bonds.

You are hereby requested and authorized to deliver the Series 2002 Bonds to the Authority upon payment to the Issuer of the sum of \$82,171, representing the initial advance of the principal amount of the Series 2002 Bonds. Prior to such delivery of the Series 2002 Bonds, you will please cause the Series 2002 Bonds to be authenticated and registered by an authorized officer, as Bond Registrar, in accordance with the form of Certificate of Authentication and Registration thereon.

Dated this 29th day of August, 2002.

TOWN OF WEST UNION

By *Robert L. ...*
Its: Mayor



UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
TOWN OF WEST UNION
COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BOND,
SERIES 2002
(WEST VIRGINIA INFRASTRUCTURE FUND)

No. R-1

\$810,000

KNOW ALL MEN BY THESE PRESENTS: That TOWN OF WEST UNION, a municipal corporation and political subdivision of the State of West Virginia in Doddridge 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 EIGHT HUNDRED TEN THOUSAND DOLLARS (\$810,000), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as Exhibit A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing on December 1, 2003, as set forth on the "Debt Service Schedule" attached as Exhibit B hereto and incorporated herein by reference.

This Bond shall bear no 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 the West Virginia Infrastructure and Jobs Development Council (the "Council"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement by and between the Issuer and the Authority, acting on behalf of the Council, dated August 29, 2002.

This Bond is issued (i) to permanently finance the costs of acquisition and construction of certain additions, betterments and improvements to the waterworks portion of the existing public combined waterworks and sewerage system of the Issuer (the "Project"); and (ii) to pay certain costs of issuance of the Bonds of this series (the "Bonds") and related costs. The existing public combined waterworks and sewerage system of the Issuer, the Project and any further additions, betterments or improvements thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 8, Article 20 and Chapter 31, Article 15A of the West Virginia Code of 1931, as amended

(collectively, the "Act"), an Ordinance duly enacted by the Issuer on August 6, 2002 and a Supplemental Resolution duly adopted by the Issuer on August 23, 2002 (collectively called the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH (1) THE COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1987, OF THE ISSUER, DATED MAY 24, 1988, ISSUED IN THE ORIGINAL PRINCIPAL AMOUNT OF \$348,000 (THE "SERIES 1987 BONDS"); (2) THE COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1998 A (UNITED STATES DEPARTMENT OF AGRICULTURE), OF THE ISSUER, DATED DECEMBER 15, 1998, ISSUED IN THE ORIGINAL PRINCIPAL AMOUNT OF \$900,000 (THE "SERIES 1998 A BONDS"); (3) THE COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1998 B (UNITED STATES DEPARTMENT OF AGRICULTURE), OF THE ISSUER, DATED DECEMBER 15, 1998, ISSUED IN THE ORIGINAL PRINCIPAL AMOUNT OF \$150,000 (THE "SERIES 1998 B BONDS"); AND (4) THE COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1998 C (WEST VIRGINIA INFRASTRUCTURE FUND), OF THE ISSUER, DATED DECEMBER 15, 1998, ISSUED IN THE ORIGINAL PRINCIPAL AMOUNT OF \$2,075,000 (THE "SERIES 1998 C BONDS" AND COLLECTIVELY WITH THE SERIES 1987 BONDS, THE SERIES 1998 A BONDS AND THE SERIES 1998 B BONDS, THE "PRIOR BONDS").

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation), on a parity with the pledge of the Net Revenues in favor of the holders of the Prior Bonds, to be derived from the operation of the System, and from moneys in the Reserve Account created under the Bond Legislation for the Bonds (the "Series 2002 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 an 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, if any, hereon except from said special fund provided from the Net Revenues, the moneys in the Series 2002 Bonds Reserve Account and unexpended proceeds of the 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, if any, on the Bonds, and all other obligations secured by a lien on or payable from such revenues prior to or on a parity with the Bonds, including the Prior Bonds, provided however, that so long as there exists in the Series 2002 Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest, if any, which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding prior to or on a parity with the Bonds, including the Prior 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 (as defined in the Bond Legislation) by the registered owner, or by its attorney duly authorized in writing, upon the surrender of this Bond, together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered owner or its attorney duly authorized in writing.

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

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

In accordance with the requirements of the United States Department of Agriculture for the issuance of parity obligations, the Bonds will be in default should any proceeds of the Bonds be used for a purpose that will contribute to excessive erosion of highly erodible land or to the conversion of wetlands to produce an agricultural commodity.

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 do exist, have happened, and have been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other obligations of the 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 Net 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, TOWN OF WEST UNION has caused this Bond to be signed by its Mayor and its corporate seal to be hereunto affixed and attested by its Recorder, and has caused this Bond to be dated August 29, 2002.

[SEAL]

TOWN OF WEST UNION

SPECIMEN
Robert H. Miller

Mayor

ATTEST:

SPECIMEN
Chad A. Stadler

Recorder

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2002 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 29, 2002.

UNITED BANK, INC.,
as Registrar

By *[Signature]*
Its Authorized Officer

EXHIBIT B

DEBT SERVICE SCHEDULE

SPECIMEN

SCHEDULE Y

Town of West Union (West Virginia)
 Loan of \$810,000
 40 Years from Closing Date; 0% Interest Rate
 Closing Date: August 29, 2002

DEBT SERVICE SCHEDULE

Date	Principal	Interest	Total
9/01/2002	-	-	-
12/01/2002	-	-	-
3/01/2003	-	-	-
6/01/2003	-	-	-
9/01/2003	-	-	-
12/01/2003	5,225.81	-	5,225.81
3/01/2004	5,225.81	-	5,225.81
6/01/2004	5,225.81	-	5,225.81
9/01/2004	5,225.81	-	5,225.81
12/01/2004	5,225.81	-	5,225.81
3/01/2005	5,225.81	-	5,225.81
6/01/2005	5,225.81	-	5,225.81
9/01/2005	5,225.81	-	5,225.81
12/01/2005	5,225.81	-	5,225.81
3/01/2006	5,225.81	-	5,225.81
6/01/2006	5,225.81	-	5,225.81
9/01/2006	5,225.81	-	5,225.81
12/01/2006	5,225.81	-	5,225.81
3/01/2007	5,225.81	-	5,225.81
6/01/2007	5,225.81	-	5,225.81
9/01/2007	5,225.81	-	5,225.81
12/01/2007	5,225.81	-	5,225.81
3/01/2008	5,225.81	-	5,225.81
6/01/2008	5,225.81	-	5,225.81
9/01/2008	5,225.81	-	5,225.81
12/01/2008	5,225.81	-	5,225.81
3/01/2009	5,225.81	-	5,225.81
6/01/2009	5,225.81	-	5,225.81
9/01/2009	5,225.81	-	5,225.81
12/01/2009	5,225.81	-	5,225.81
3/01/2010	5,225.81	-	5,225.81
6/01/2010	5,225.81	-	5,225.81
9/01/2010	5,225.81	-	5,225.81
12/01/2010	5,225.81	-	5,225.81
3/01/2011	5,225.81	-	5,225.81
6/01/2011	5,225.81	-	5,225.81
9/01/2011	5,225.81	-	5,225.81
12/01/2011	5,225.81	-	5,225.81
3/01/2012	5,225.81	-	5,225.81
6/01/2012	5,225.81	-	5,225.81
9/01/2012	5,225.81	-	5,225.81
12/01/2012	5,225.81	-	5,225.81
3/01/2013	5,225.81	-	5,225.81
6/01/2013	5,225.81	-	5,225.81
9/01/2013	5,225.81	-	5,225.81
12/01/2013	5,225.81	-	5,225.81
3/01/2014	5,225.81	-	5,225.81

SPECIMEN

Town of West Union (West Virginia)
 Loan of \$810,000
 40 Years from Closing Date; 0% Interest Rate
 Closing Date: August 29, 2002

DEBT SERVICE SCHEDULE

Payment Date	Principal	Interest	Total Payment
6/01/2014	5,225.81	-	5,225.81
9/01/2014	5,225.81	-	5,225.81
12/01/2014	5,225.81	-	5,225.81
3/01/2015	5,225.81	-	5,225.81
6/01/2015	5,225.81	-	5,225.81
9/01/2015	5,225.81	-	5,225.81
12/01/2015	5,225.81	-	5,225.81
3/01/2016	5,225.81	-	5,225.81
6/01/2016	5,225.81	-	5,225.81
9/01/2016	5,225.81	-	5,225.81
12/01/2016	5,225.81	-	5,225.81
3/01/2017	5,225.81	-	5,225.81
6/01/2017	5,225.81	-	5,225.81
9/01/2017	5,225.81	-	5,225.81
12/01/2017	5,225.81	-	5,225.81
3/01/2018	5,225.81	-	5,225.81
6/01/2018	5,225.81	-	5,225.81
9/01/2018	5,225.81	-	5,225.81
12/01/2018	5,225.81	-	5,225.81
3/01/2019	5,225.81	-	5,225.81
6/01/2019	5,225.81	-	5,225.81
9/01/2019	5,225.81	-	5,225.81
12/01/2019	5,225.81	-	5,225.81
3/01/2020	5,225.81	-	5,225.81
6/01/2020	5,225.81	-	5,225.81
9/01/2020	5,225.81	-	5,225.81
12/01/2020	5,225.81	-	5,225.81
3/01/2021	5,225.81	-	5,225.81
6/01/2021	5,225.81	-	5,225.81
9/01/2021	5,225.81	-	5,225.81
12/01/2021	5,225.81	-	5,225.81
3/01/2022	5,225.81	-	5,225.81
6/01/2022	5,225.81	-	5,225.81
9/01/2022	5,225.81	-	5,225.81
12/01/2022	5,225.81	-	5,225.81
3/01/2023	5,225.81	-	5,225.81
6/01/2023	5,225.81	-	5,225.81
9/01/2023	5,225.81	-	5,225.81
12/01/2023	5,225.81	-	5,225.81
3/01/2024	5,225.81	-	5,225.81
6/01/2024	5,225.81	-	5,225.81
9/01/2024	5,225.81	-	5,225.81
12/01/2024	5,225.81	-	5,225.81
3/01/2025	5,225.81	-	5,225.81
6/01/2025	5,225.81	-	5,225.81
9/01/2025	5,225.81	-	5,225.81
12/01/2025	5,225.81	-	5,225.81

SPECIMEN

Town of West Union (West Virginia)
 Loan of \$810,000
 40 Years from Closing Date; 0% Interest Rate
 Closing Date: August 29, 2002

DEBT SERVICE SCHEDULE

Year	Principal	Interest	Total
3/01/2026	5,225.81	-	5,225.81
6/01/2026	5,225.81	-	5,225.81
9/01/2026	5,225.81	-	5,225.81
12/01/2026	5,225.81	-	5,225.81
3/01/2027	5,225.81	-	5,225.81
6/01/2027	5,225.81	-	5,225.81
9/01/2027	5,225.81	-	5,225.81
12/01/2027	5,225.81	-	5,225.81
3/01/2028	5,225.81	-	5,225.81
6/01/2028	5,225.81	-	5,225.81
9/01/2028	5,225.81	-	5,225.81
12/01/2028	5,225.80	-	5,225.80
3/01/2029	5,225.80	-	5,225.80
6/01/2029	5,225.80	-	5,225.80
9/01/2029	5,225.80	-	5,225.80
12/01/2029	5,225.80	-	5,225.80
3/01/2030	5,225.80	-	5,225.80
6/01/2030	5,225.80	-	5,225.80
9/01/2030	5,225.80	-	5,225.80
12/01/2030	5,225.80	-	5,225.80
3/01/2031	5,225.80	-	5,225.80
6/01/2031	5,225.80	-	5,225.80
9/01/2031	5,225.80	-	5,225.80
12/01/2031	5,225.80	-	5,225.80
3/01/2032	5,225.80	-	5,225.80
6/01/2032	5,225.80	-	5,225.80
9/01/2032	5,225.80	-	5,225.80
12/01/2032	5,225.80	-	5,225.80
3/01/2033	5,225.80	-	5,225.80
6/01/2033	5,225.80	-	5,225.80
9/01/2033	5,225.80	-	5,225.80
12/01/2033	5,225.80	-	5,225.80
3/01/2034	5,225.80	-	5,225.80
6/01/2034	5,225.80	-	5,225.80
9/01/2034	5,225.80	-	5,225.80
12/01/2034	5,225.80	-	5,225.80
3/01/2035	5,225.80	-	5,225.80
6/01/2035	5,225.80	-	5,225.80
9/01/2035	5,225.80	-	5,225.80
12/01/2035	5,225.80	-	5,225.80
3/01/2036	5,225.80	-	5,225.80
6/01/2036	5,225.80	-	5,225.80
9/01/2036	5,225.80	-	5,225.80
12/01/2036	5,225.80	-	5,225.80
3/01/2037	5,225.80	-	5,225.80
6/01/2037	5,225.80	-	5,225.80
9/01/2037	5,225.80	-	5,225.80

Town of West Union (West Virginia)
 Loan of \$810,000
 40 Years from Closing Date; 0% Interest Rate
 Closing Date: August 29, 2002

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Total
12/01/2037	5,225.80	-	5,225.80
3/01/2038	5,225.80	-	5,225.80
6/01/2038	5,225.80	-	5,225.80
9/01/2038	5,225.80	-	5,225.80
12/01/2038	5,225.80	-	5,225.80
3/01/2039	5,225.80	-	5,225.80
6/01/2039	5,225.80	-	5,225.80
9/01/2039	5,225.80	-	5,225.80
12/01/2039	5,225.80	-	5,225.80
3/01/2040	5,225.80	-	5,225.80
6/01/2040	5,225.80	-	5,225.80
9/01/2040	5,225.80	-	5,225.80
12/01/2040	5,225.80	-	5,225.80
3/01/2041	5,225.80	-	5,225.80
6/01/2041	5,225.80	-	5,225.80
9/01/2041	5,225.80	-	5,225.80
12/01/2041	5,225.80	-	5,225.80
3/01/2042	5,225.80	-	5,225.80
6/01/2042	5,225.80	-	5,225.80
Total	810,000.00	-	810,000.00

YIELD STATISTICS

Bond Year Dollars.....	\$16,609.49
Average Life.....	20.506 Years
Average Coupon.....	-
Net Interest Cost (NIC).....	-
True Interest Cost (TIC).....	5.58E-11
Bond Yield for Arbitrage Purposes.....	5.58E-11
All Inclusive Cost (AIC).....	5.58E-11

IRS FORM 8038

Net Interest Cost.....	-
Weighted Average Maturity.....	20.506 Years

Ferris, Baker Watts
 West Virginia Public Finance Office

File = Town of West Union Loans.sf-IF 8-12-02
 8/13/2002 11:46 AM

ASSIGNMENT

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

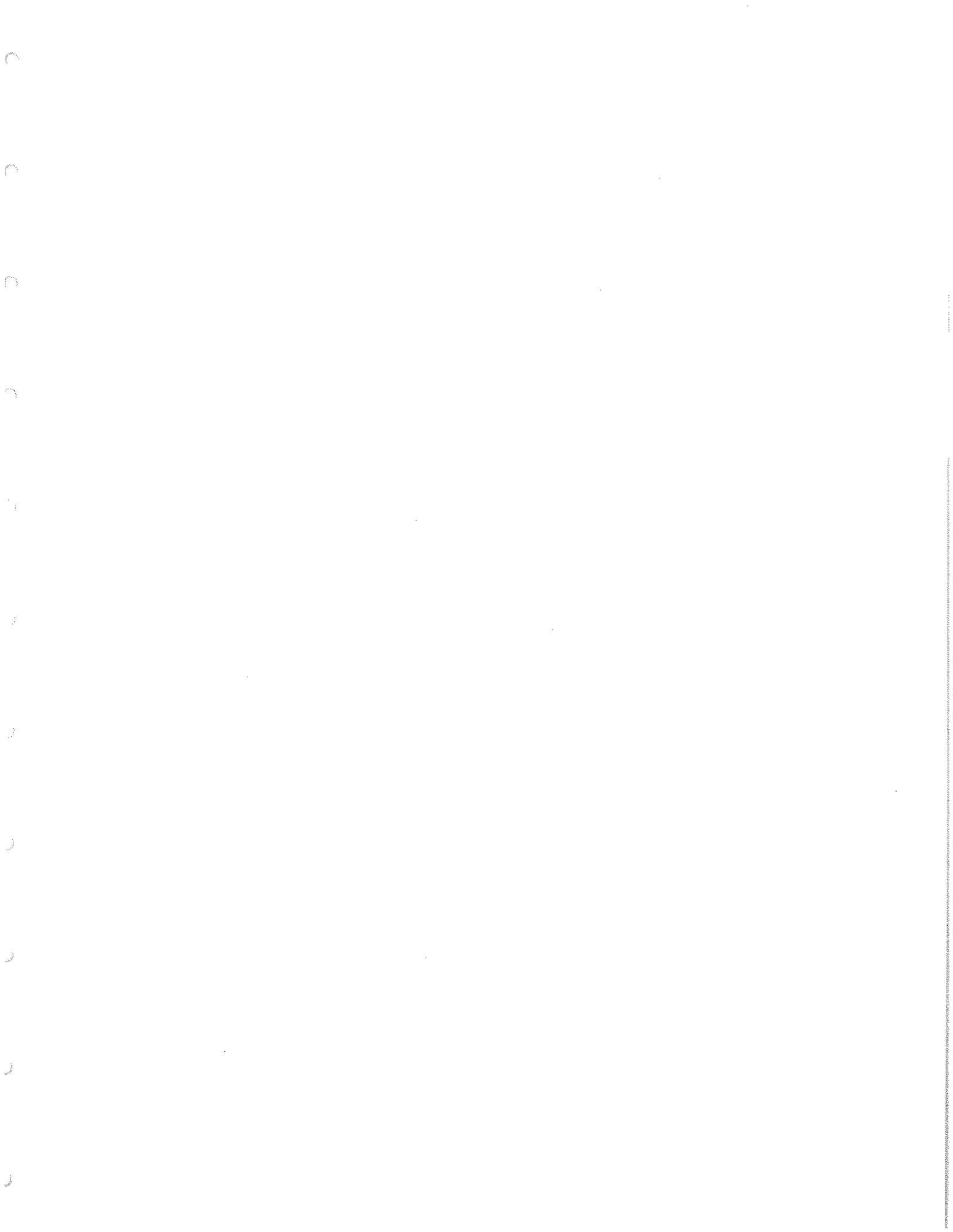
the within Bond and does hereby irrevocably constitute and appoint _____, Attorney to transfer the said Bond on the books kept for registration of the within Bond of the said Issuer with full power of substitution in the premises.

Dated: _____, 20__.

SPECIMEN

In the presence of:

SPECIMEN



Bowles Rice
McDavid Graff & Love PLLC

333 West Vine Street, Suite 1201
Lexington, Kentucky 40507
Telephone (859) 225-8700

101 South Queen Street
Martinsburg, West Virginia 25401
Telephone (304) 263-0836

7000 Hampton Center, Suite K
Morgantown, West Virginia 26505
Telephone (304) 285-2500

ATTORNEYS AT LAW

600 Quarrier Street
Charleston, West Virginia 25301
Post Office Box 1386
Charleston, West Virginia 25325-1386
Telephone (304) 347-1100
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5th Floor, United Square
501 Avery Street
Parkersburg, West Virginia 26101
Telephone (304) 485-8500

3 West Piccadilly Street
Winchester, Virginia 22601
Telephone (540) 723-8877

August 29, 2002

Camden P. Siegrist
Telephone — (304) 347-1129
Facsimile — (304) 343-3058

E-mail Address:
csiegris@bowlesrice.com

Town of West Union
300 Court Street
West Union, West Virginia 26456

West Virginia Infrastructure and
Jobs Development Council
300 Summers Street, Suite 980
Charleston, West Virginia 25301

West Virginia Water Development Authority
180 Association Drive
Charleston, West Virginia 25311-1511

RE: Town of West Union Combined Waterworks and Sewerage System Revenue
Bonds, Series 2002 (West Virginia Infrastructure Fund)

Ladies and Gentlemen:

We have acted as Bond Counsel in connection with the issuance by the Town of West Union (the "Governmental Agency"), a municipal corporation and political subdivision of the State of West Virginia, of its \$810,000 Combined Waterworks and Sewerage System Revenue Bonds, Series 2002 (West Virginia Infrastructure Fund), dated the date hereof (the "Local Bonds").

We have examined a certified copy of proceedings and other papers relating to the authorization of (i) a loan agreement dated August 29, 2002, including all schedules and exhibits attached thereto (the "Loan Agreement"), between the Governmental Agency and the West Virginia Water Development Authority (the "Authority"), acting on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council") and (ii) the issuance of the Local Bonds, which are to be purchased by the Authority in accordance with the provisions of the Loan Agreement. The Local Bonds are issued in the principal amount of \$810,000, in the form of one bond, registered as to principal only to the Authority, bearing no interest, with principal payable quarterly on March 1, June 1, September 1 and December 1 of each year, beginning December 1,

Bowles Rice McDavid Graff & Love_{PLLC}

August 29, 2002
Page 2

2003 and maturing June 1, 2042, as set forth in "Schedule Y" attached to the Loan Agreement and incorporated in and made a part of the Local Bonds.

The Local Bonds are issued for the purposes of (i) paying the costs of acquisition and construction of certain additions, betterments and improvements to the waterworks portion of the existing combined waterworks and sewerage system of the Governmental Agency (the "Project"), and (ii) paying certain issuance and other costs in connection therewith.

We have also examined the applicable provisions of Chapter 8, Article 20 and Chapter 31, Article 15A of the Code of West Virginia, 1931, as amended (collectively, the "Local Statute"), and the Bond Ordinance duly enacted by the Governmental Agency on August 6, 2002, and effective August 23, 2002, as supplemented by a Supplemental Resolution duly adopted by the Governmental Agency on August 23, 2002 (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 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 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 the Council and cannot be amended so as to affect adversely the rights of the Authority or the Council or diminish the obligations of the Governmental Agency without the consent of the Authority and the Council.

3. The Governmental Agency is a duly organized and presently 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, to enact the Local Act 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 orders and resolutions have been duly and effectively enacted or adopted by the Governmental Agency in connection with the issuance and sale of the Local Bonds and constitute valid and binding obligations of the Governmental Agency enforceable against the

Bowles Rice McDavid Graff & Love_{PLLC}

August 29, 2002
Page 3

Governmental Agency in accordance with their terms. 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 have been duly authorized, issued, executed and delivered by the Governmental Agency to the Authority and 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, on a parity with (1) the outstanding Combined Waterworks and Sewerage System Revenue Bonds, Series 1987, of the Issuer, dated May 24, 1988, issued in the original principal amount of \$348,000; (2) the Combined Waterworks and Sewerage System Revenue Bonds, Series 1998 A (United States Department of Agriculture), of the Issuer, dated December 15, 1998, issued in the original principal amount of \$900,000; (3) the Combined Waterworks and Sewerage System Revenue Bonds, Series 1998 B (United States Department of Agriculture), of the Issuer, dated December 15, 1998, issued in the original principal amount of \$150,000; and (4) the Combined Waterworks and Sewerage System Revenue Bonds, Series 1998 C (West Virginia Infrastructure Fund), of the Issuer, dated December 15, 1998, issued in the original principal amount of \$2,075,000, all in accordance with the terms of the Local Bonds and the Local Act.

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

7. The Bonds have not been issued on the basis that the interest, if any, thereon, is or will be excluded from gross income of the owners thereof for federal income tax purposes. We express no opinion regarding the excludability of such interest from the gross income of the owners thereof for federal income tax purposes or other federal tax consequences arising with respect to the Bonds.

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

We have examined the executed and authenticated Local Bond No. R-1, and are of the opinion that the form of said Bond and its execution and authentication are regular and proper.

Very truly yours,

BOWLES RICE McDAVID GRAFF & LOVE, PLLC





Matthew W. Alexander

ATTORNEY AT LAW
105 HIGH STREET
P.O. BOX 396
WEST UNION, WEST VIRGINIA 26456
TELEPHONE (304) 873-1986
FACSIMILE (304) 873-1992

August 23, 2002

Town of West Union
300 Court Street
West Union, West Virginia 26456

West Virginia Water Development Authority
180 Association Drive
Charleston, West Virginia 25311-1511

West Virginia Infrastructure and
Jobs Development Council
300 Summers Street, Suite 980
Charleston, West Virginia 25301

Bowles Rice McDavid Graff & Love, PLLC
600 Quarrier Street
Charleston, West Virginia 25301

RE: Town of West Union
Combined Waterworks and Sewerage System Revenue Bonds,
Series 2002 (West Virginia Infrastructure Fund)

Ladies and Gentlemen:

I am counsel to the Town of West Union, a municipal corporation and political subdivision of the State of West Virginia, in Doddridge County, West Virginia (the "Issuer"). As such counsel, I have examined a copy of (i) the approving opinion of Bowles Rice McDavid Graff & Love, PLLC, as bond counsel; (ii) the Loan Agreement dated August 29, 2002 (the "Loan Agreement"), by and between the West Virginia Water Development Authority (the "Authority"), acting on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council") and the Issuer with respect to the above-referenced series of bonds of the Issuer designated Combined Waterworks and Sewerage System Revenue Bonds, Series 2002 (West Virginia Infrastructure Fund); (iii) the Bond Ordinance duly enacted by the Issuer on August 6, 2002, and put into effect following a public hearing on August 23, 2002, as supplemented and amended by a Supplemental Resolution adopted by the Issuer on August 23, 2002 (collectively,

the "Local Act"); and (iv) other documents, papers, agreements, instruments and certificates relating to the above-captioned Bonds of the Issuer (the "Bonds"). Terms used in said Local Act and the above-described Loan Agreement and not otherwise defined herein have the same meanings herein.

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

1. The Issuer is duly created and validly existing as a municipal corporation and political subdivision of the State of West Virginia, and the Mayor, Recorder and members of the Council of the Issuer have been duly and properly elected or appointed as applicable, have taken the requisite oaths, and are authorized to act on behalf of the Issuer in their respective capacities.

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

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

5. The Issuer has received, or there have been entered, all permits, licenses, approvals, consents, exemptions, orders, certificates and authorizations necessary for the creation and existence of the Issuer, the issuance of the Bonds, the acquisition and construction of the Project, the operation of the System and the imposition of rates and charges, including, without limitation, all requisite orders, consents, certificates and approvals from the Council and the Public Service Commission of West Virginia (the "PSC"), and the Issuer has taken any other action required for the imposition of such rates and charges, including, without limitation, the enactment of ordinances prescribing such rates and charges. The Issuer has received the Recommended Decision of the Public Service Commission of West Virginia entered June 14, 2002, in Case No. 02-0099-W-CN, which Recommended Decision became the Order of the PSC on July 4, 2002. The time for appeal of such Order has expired prior to the date hereof. Such Order, among other things, grants the Issuer a certificate of public convenience and necessity for the Project and approves financing for the Project. Such Order remains in full force and effect.

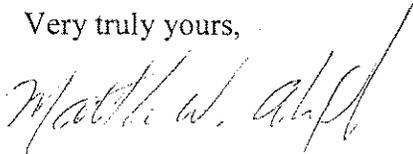
6. There is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body, pending or threatened, wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated by the Loan

Agreement, the Bonds, the Local Act, the acquisition and construction of the Project, the operation of the System or the validity of the Bonds or the collection or pledge of the Net Revenues therefor.

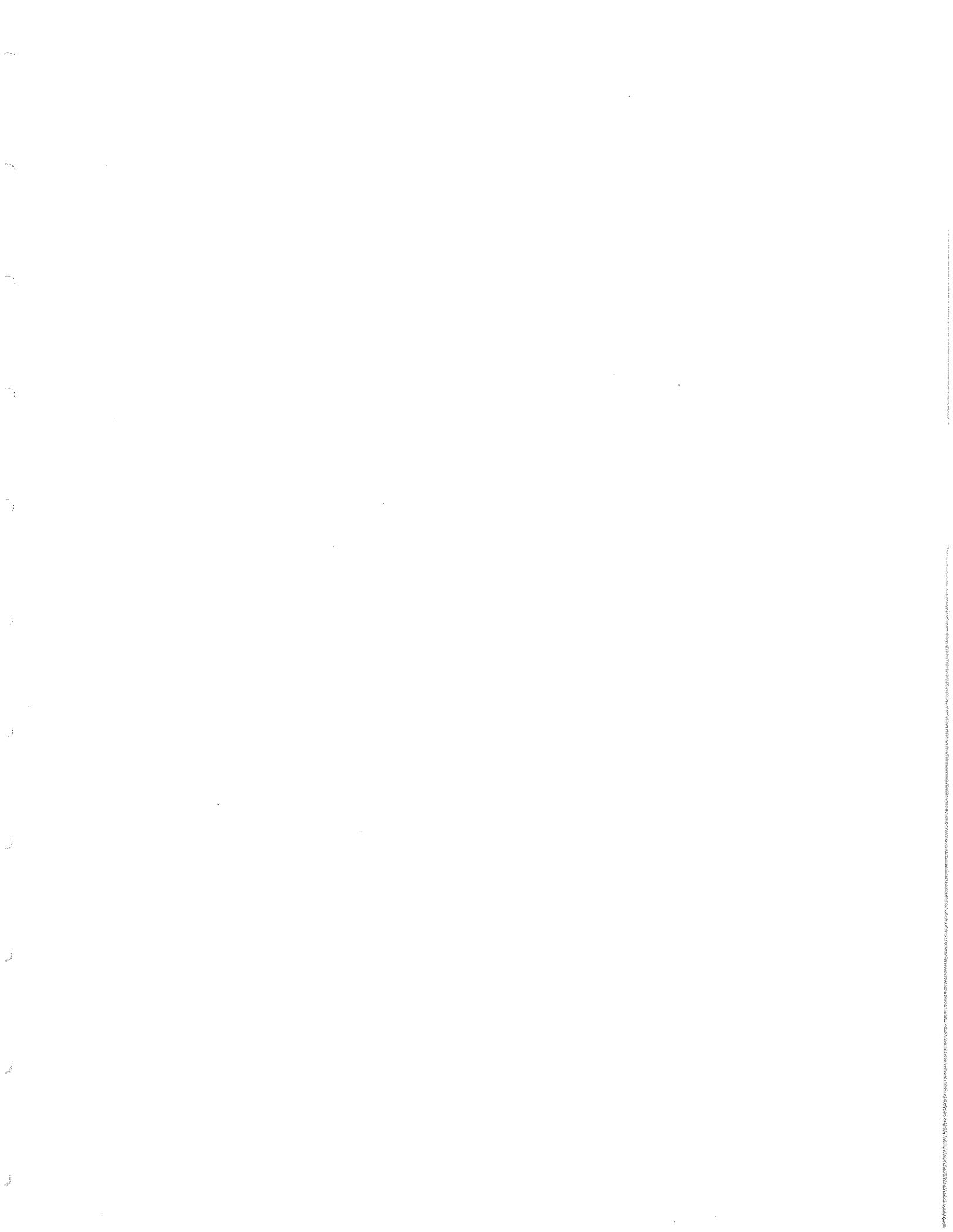
7. I have ascertained that all contractors for the Project have made the required provisions for all insurance and payment and performance bonds and have verified such insurance policies and bonds for accuracy. Based on my review of the construction contracts, the surety bonds and the policies or other evidence of insurance coverage in connection with the Project, I am of the opinion that such surety bonds and policies (1) are in compliance with the contracts; (2) are adequate in form, substance and amount to protect the various interests of the Issuer; (3) have been executed by duly authorized representatives of the proper parties; (4) meet the requirements of the Local Act, the Loan Agreement and the law; and (5) all such documents constitute valid and legally binding obligations of the parties thereto in accordance with the terms, conditions and provisions thereof.

This opinion may be relied upon by all counsel to the transaction as if specifically addressed thereto.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Matthew W. Alexander".

Matthew W. Alexander, Esquire



Matthew W. Alexander

ATTORNEY AT LAW
105 HIGH STREET
P.O. BOX 396
WEST UNION, WEST VIRGINIA 26456
TELEPHONE (304) 873-1986
FACSIMILE (304) 873-1992

August 13, 2002

Katy Mallory
Executive Secretary
West Virginia Infrastructure & Jobs
Development Council
300 Summers Street, Suite 980
Charleston, West Virginia 25301

RE: FINAL TITLE OPINION
Town of West Union
Doddridge County, West Virginia
Water System Improvement Project
99W-491

Dear Ms. Mallory:

I am the attorney for the Town of West Union and as such, I have reviewed the right of way maps prepared by Horner Brothers Engineers setting forth the necessary easements and rights of way for the upgrade of the water system consisting of replacing some existing waterlines, water valves and fire hydrants to improve potable water service and improve fire protection for existing residents. Based upon my review of said maps and the records in the office of the Clerk of the County Commission of Doddridge County, West Virginia, and the documents hereinafter mentioned, I am of the opinion:

1. That the Town of West Union is a duly created and existing municipal corporation possessed with all the powers and authority granted to municipal corporations under the laws of the State of West Virginia and as such has the full power and authority to construct, operate and maintain the water distribution and treatment system described in the report of Horner Brothers Engineering and to construct, operate and maintain waterlines, water valves and fire hydrants;

2. That the Town of West Union has obtained approval for all necessary permits and approvals for the construction of the aforementioned water distribution system including the certificate of convenience and necessity from the Public Service Commission of the State of West Virginia.

Katy Mallory
August 13, 2002
Page Two

3. That in order to construct, operate and maintain said system the Town of West Union has acquired rights of way and easements on, over and through the property shown on the right of way maps heretofore mentioned.

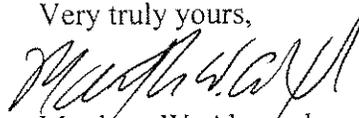
4. That the Town of West Union has obtained from the West Virginia Department of Highways approval for a permit authorizing the construction of the water line facilities described in the plans and specifications upon, over and through public rights of way as shown in the plans and specifications;

5. That Section 2 of Article 20 of Chapter 8 of the West Virginia code, 1931 as amended, provides inter alia "for the purpose of acquiring, constructing, establishing or extending any waterworks system or any sewerage system, or a combined waterworks and sewerage system, or a combined waterworks and sewerage system, or for the purpose of constructing any additions, betterments or improvements to any such waterworks or sewerage system, or for the purpose of acquiring any property necessary, appropriate, useful, convenient or incidental for or to any waterworks or sewerage system, or combined waterworks and sewage system, under the provisions of this article, the municipality shall have the right of eminent domain as provided in chapter fifty-four [§54-1-1 et seq.] of this code..."

6. That the Town of West Union has obtained all rights of way by conveyance and has not needed to exercise the right of eminent domain.

7. That subject to the foregoing and upon issuance of the bonds as provided in the bond ordinance the bond holder shall have a first statutory mortgage lien upon the public service properties herein referred to.

Very truly yours,



Matthew W. Alexander

MWA/dkt

**TOWN OF WEST UNION
COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS,
SERIES 2002
(WEST VIRGINIA INFRASTRUCTURE FUND)**

GENERAL CERTIFICATE OF ISSUER AND ATTORNEY ON:

1. TERMS
2. NO LITIGATION
3. GOVERNMENTAL APPROVALS, BIDDING AND AWARD OF CONTRACT
4. NO ADVERSE FINANCIAL CHANGE; INDEBTEDNESS
5. CERTIFICATION OF COPIES OF DOCUMENTS
6. INCUMBENCY AND OFFICIAL NAME
7. LAND AND RIGHTS-OF-WAY
8. MEETINGS, ETC.
9. CONTRACTORS' INSURANCE, ETC.
10. LOAN AGREEMENT
11. RATES
12. SIGNATURES AND DELIVERY
13. BOND PROCEEDS
14. PUBLICATION AND PUBLIC HEARING ON BOND ORDINANCE
15. SPECIMEN BOND
16. CONFLICT OF INTEREST
17. PUBLIC SERVICE COMMISSION ORDER
18. PROCUREMENT OF ENGINEERING SERVICES
19. COMPLIANCE WITH THE WEST VIRGINIA JOBS ACT

We, the undersigned MAYOR, and the undersigned RECORDER of the Town of West Union, in Doddridge County, West Virginia (the "Issuer"), and the undersigned ATTORNEY for the Issuer, hereby certify in connection with the \$810,000 aggregate principal amount of the Town of West Union Combined Waterworks and Sewerage System Revenue Bonds, Series 2002 (West Virginia Infrastructure Fund) (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 set forth in the Bond Ordinance of the Issuer duly enacted August 6, 2002 and effective August 23, 2002, as supplemented and amended by the Supplemental Resolution duly adopted by the Issuer on August 23, 2002 (collectively, the "Local Act").

2. **NOLITIGATION:** No controversy or litigation of any nature is now pending or threatened, restraining, enjoining or affecting in any manner the issuance, sale or delivery of the Bonds, the acquisition or construction of the Project, the operation of the System, the receipt of the Gross Revenues or in any way contesting or affecting the validity of the Bonds or any proceedings of the Issuer taken with respect to the issuance or sale of the Bonds, the pledge or application of the Net Revenues or any other moneys or security provided for the payment of the Bonds or the existence or the powers of the Issuer insofar as they relate to the authorization, sale and issuance of the Bonds, the acquisition and construction of the Project, the operation of the System, the collection of the Gross Revenues or the pledge and security of the Net Revenues for the payment of the Bonds.

3. **GOVERNMENTAL APPROVALS, BIDDING AND AWARD OF CONTRACT:** All applicable and necessary approvals, permits, exemptions, consents, authorizations, registrations and certificates required by law for the acquisition and construction of the Project, the operation of the System, including, without limitation, the imposition of rates and charges, and the issuance of the Bonds have been duly and timely obtained and remain in full force and effect. Competitive bids for the acquisition and construction of the Project were solicited in accordance with Chapter 5, Article 22, Section 1 of the Code of West Virginia of 1931. The Issuer has awarded the construction contract, in two separate contracts, for the Project to the lowest bidders therefor, being Mid-Atlantic Storage Systems Incorporated and Dan's Marine Service (the "Contractors"). The Issuer has on or prior to this date issued a notice of award to the Contractors for the Project and the Issuer contemplates entering into a construction contract with the Contractors for the Project on or before August 29, 2002.

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. The Issuer has met all conditions prescribed in the Loan Agreement and will provide the financial, legal and managerial capabilities necessary to complete and operate the Project

The Bonds are issued on a parity with the Prior Bonds. Other than as described below, there are no outstanding debt obligations of the Issuer which are secured by the Net Revenues of the System. The Issuer does have outstanding its (1) Combined Waterworks and Sewerage System Revenue Bonds, Series 1987, dated May 24, 1988, issued in the original principal amount of \$348,000; (2) Combined Waterworks and Sewerage System Revenue Bonds, Series 1998 A (United States Department of Agriculture), dated December 15, 1998, issued in the original principal amount of \$900,000; (3) Combined Waterworks and Sewerage System Revenue Bonds, Series 1998 B (United States Department of Agriculture), dated December 15, 1998, issued in the original principal amount of \$150,000; and (4) Combined Waterworks and Sewerage System Revenue Bonds, Series 1998 C (West Virginia Infrastructure Fund), dated December 15, 1998, issued in the original principal amount of \$2,075,000 (collectively, the "Prior Bonds"). All payments required to be made on the Prior Bonds are current and the Issuer has met the requirements of the Prior Ordinances for the issuance of the Bonds on parity with the Prior Bonds. The Issuer has obtained

(i) a certificate of an Independent Certified Public Accountant stating that the coverage and parity tests of the Prior Bonds are met, and (ii) the written consent of the Holders of the Prior Bonds to the issuance of the Bonds on a parity with the Prior Bonds.

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

- Bond Ordinance
- Supplemental Resolution
- Loan Agreement
- Public Service Commission Order
- Infrastructure Council Approval
- Charter
- Oaths of Office of Officers and Councilmembers
- Water Rate Ordinance
- Minutes on Adoption of Water Rate Ordinance
- Affidavit of Publication of Water Rate Ordinance
- Sewer Rate Ordinance
- Minutes on Adoption of Sewer Rate Ordinance
- Affidavit of Publication of Sewer Rate Ordinance
- Minutes on Adoption of Bond Ordinance, Pubic Hearing Thereon
and Supplemental Resolution
- Affidavit of Publication of Abstract of Bond Ordinance
and Notice of Public Hearing
- Office of Environmental Health Services Permit
- Evidence of Insurance
- Consent of RUS
- Consent of WDA

6. INCUMBENCY AND OFFICIAL NAME: The proper corporate title of the Issuer is "Town of West Union." The Issuer is a municipal corporation in Doddridge County, West Virginia, and is 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, a Recorder and 5 Council members all duly elected or appointed as applicable, qualified and acting, whose names and dates of commencement and termination of current terms of office are as follows:

<u>Name</u>	<u>Office</u>	<u>Date of Commencement of Office</u>	<u>Date of Termination of Office</u>
Robert E. Heflin	Mayor	July 1, 2001	June 30, 2003
Etta A. Stadler	Recorder	July 1, 2001	June 30, 2003
Mary Daugherty	Councilmember	July 1, 2001	June 30, 2003
James B. Heflin, Jr.	Councilmember	July 1, 2001	June 30, 2003
Charles Langfitt	Councilmember	July 1, 2001	June 30, 2003
Owen Mossor	Councilmember	July 1, 2001	June 30, 2003
Lorelei Phillips	Councilmember	July 1, 2001	June 30, 2003

The duly appointed and acting City Clerk of the Issuer is Etta A. Stadler. The duly appointed and acting counsel to Issuer is Matthew W. Alexander, West Union, West Virginia.

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

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

9. CONTRACTORS' INSURANCE, ETC.: All contractors have been required to maintain Worker's Compensation, public liability and property damage insurance, and builder's risk insurance where applicable, in accordance with the Local Act. All insurance for the System required by the Local Act is in full force and effect. The System is not presently covered by a policy of flood insurance or business interruption insurance, but will be if such coverage is available at reasonable cost.

10. LOAN AGREEMENT: As of the date hereof, (i) the representations of the Issuer contained in the Loan Agreement are true and correct in all material respects as if made on the date hereof; (ii) the Loan Agreement does not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; (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.

11. RATES: The Issuer has duly enacted a water rate ordinance on July 3, 2001 and a sewer rate ordinance on February 19, 1998, setting rates and charges for the services of the System and said rate ordinances are in full force and effect. Such rates and charges are currently in effect.

12. SIGNATURES AND DELIVERY: On the date hereof, the undersigned Mayor did officially sign all of the Bonds of the aforesaid issue, consisting of a single Bond dated August 29, 2002, by his manual signature, and the undersigned Recorder did officially cause the official seal of the Issuer to be affixed upon said Bond and to be attested by her manual signature, and the Registrar did officially authenticate and deliver the Bond to a representative of the Authority as the original purchaser of the Bonds under the Loan Agreement. Said official seal is also impressed above the signatures appearing on this certificate.

13. BOND PROCEEDS: On the date hereof, the Issuer received from the Authority and the Council the sum of \$82,171, being the first advance of the principal amount of the Bonds. The balance of the principal amount of the Bonds will be advanced to the Issuer as the acquisition and the construction of the Project progresses.

14. PUBLICATION AND PUBLIC HEARING ON BOND ORDINANCE: Upon enactment 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 The Herald Record, a newspaper published and of general circulation in the Town of West Union, together with a notice to all persons concerned, stating that the Bond Ordinance had been enacted and that the Issuer contemplated the issuance of the Bonds described in such Bond Ordinance, stating that any person interested may appear before the Governing Body at the public hearing held at a public meeting of the Governing Body on the 23rd day of August, 2002, at 11:00 a.m., in the Council Chambers of the Town of West Union Town Hall and present protests, and stating that a certified copy of the Bond Ordinance was on file at the office of the Recorder of the Issuer for review by interested parties during the office hours of the Issuer. 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.

15. SPECIMEN BOND: Delivered concurrently herewith is a true and accurate specimen of the Bonds.

16. CONFLICT OF INTEREST: No councilmember, officer or employee of the Issuer has a substantial financial interest, direct, indirect or by reason of ownership of stock in any corporation, in any contract with the Issuer or in the sale of any land, materials, supplies or services to the Issuer or to any contractor supplying the Issuer, relating to the Bonds, the Local Act and/or the Project, including, without limitation, with respect to the Depository Bank. For purposes of this paragraph, a "substantial financial interest" shall include, without limitation, an interest amounting to more than 5% of the particular business enterprise or contract.

17. PUBLIC SERVICE COMMISSION ORDER: The Issuer has received the Recommended Decision of the Public Service Commission of West Virginia (the "PSC") entered on June 14, 2002, in Case No. 02-0099-W-CN, granting to the Issuer a certificate of public convenience and necessity for the Project and approving the financing for the Project, the time for appeal of which has expired prior to the date hereof without any appeal, which Recommended Decision became the final order of the PSC on July 4, 2002.

18. PROCUREMENT OF ENGINEERING SERVICES: The Issuer has complied in all respects with the requirements of Chapter 5G, Article 1 of the West Virginia Code of 1931, as amended, in the procurement of engineering services to be paid from proceeds of the Bonds.

19. COMPLIANCE WITH THE WEST VIRGINIA JOBS ACT: Unless it shall hereafter be qualified for an exception, the Issuer shall comply with all the requirements of Chapter 21, Article 1C of the Code of West Virginia, 1931, as amended (the "West Virginia Jobs Act") and shall require its contractors and subcontractors to comply with the West Virginia Jobs Act. The Issuer hereby certifies to the Council and the Authority that (i) the Issuer will comply with all the requirements of the West Virginia Jobs Act; (ii) the Issuer has included the provisions of the West Virginia Jobs Act in each contract and subcontract for the Project; (iii) the Issuer has received or will receive, prior to entering into contracts or subcontracts, from each contractor or subcontractor a certificate demonstrating compliance with Section 4 of the West Virginia Jobs Act or waiver certificates from the West Virginia Division of Labor ("DOL"); and (iv) the Issuer will file with the DOL and the Council copies of the waiver certificates and certified payrolls or comparable documents that include the number of employees, the county and state wherein the employees reside and their occupation, following the procedures established by the DOL. The Issuer acknowledges that the monthly requisitions submitted to the Council shall also certify that the Issuer is monitoring compliance by its contractors and subcontractors and that the required information has been submitted.

WITNESS our signatures and the official seal of the TOWN OF WEST UNION on this 29th day of August, 2002.

[CORPORATE SEAL]

SIGNATURE

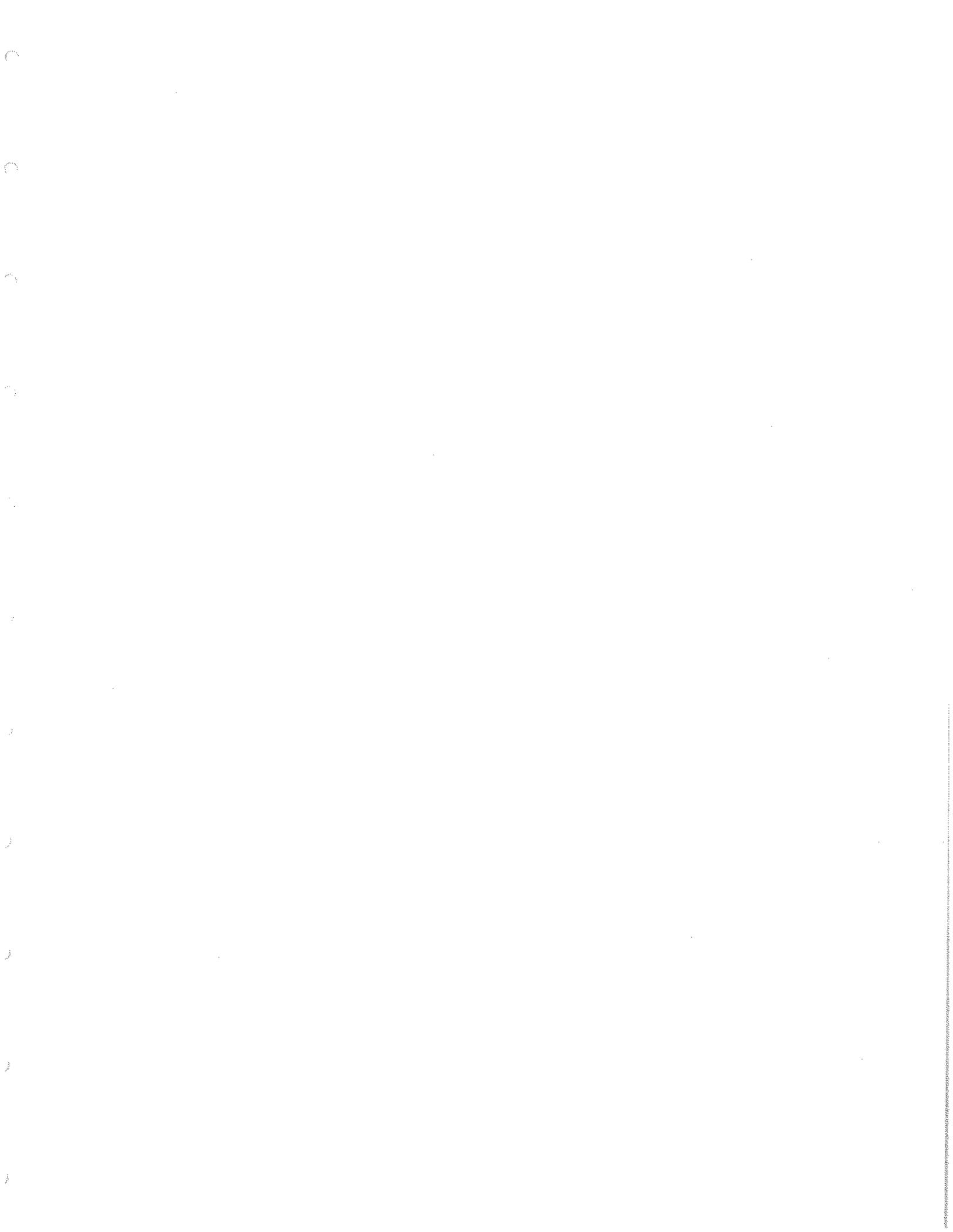
OFFICIAL TITLE

Robert H. Hays
Etta A. Stadler
Mark W. Galt

Mayor

Recorder

Counsel to Issuer



**TOWN OF WEST UNION
COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS,
SERIES 2002
(WEST VIRGINIA INFRASTRUCTURE FUND)**

CERTIFICATE AS TO USE OF PROCEEDS

The undersigned Mayor of the Town of West Union in Doddridge County, West Virginia (the "Issuer"), being one of the officials of the Issuer duly charged with the responsibility for the issuance of \$810,000 Combined Waterworks and Sewerage System Revenue Bonds, Series 2002 (West Virginia Infrastructure Fund), of the Issuer, dated August 29, 2002 (the "Bonds"), hereby certify as follows:

1. I am one of the officers of the Issuer duly charged with the responsibility of issuing the Bonds. I am familiar with the facts, circumstances and estimates herein certified and duly authorized to execute and deliver this certificate on behalf of the Issuer. Capitalized terms used herein and not otherwise defined herein shall have the same meanings set forth in the Bond Ordinance duly enacted by the Issuer on August 6, 2002, and effective August 23, 2002, as supplemented and amended by a Supplemental Resolution adopted August 23, 2002 (collectively, the "Bond Ordinance"), authorizing the Bonds.
2. This certificate may be relied upon as the certificate of the Issuer.
3. This certificate is based upon facts, circumstances, estimates and expectations of the Issuer in existence on August 29, 2002, the date on which the Bonds are being physically delivered in exchange for an initial advance of \$82,171, being a portion of the principal amount of the Bonds, and to the best of my knowledge and belief, the expectations of the Issuer set forth herein are reasonable.
4. In the Bond Ordinance pursuant to which the Bonds are issued, the Issuer has covenanted that it shall not take, or permit or suffer to be taken, any action with respect to Issuer's use of the proceeds of the Bonds which would cause any bonds, the interest on which is exempt from federal income taxation under Section 103(a) of the Internal Revenue Code of 1986, as amended, and the temporary and permanent regulations promulgated thereunder or under any predecessor thereto (collectively, the "Code"), issued by the West Virginia Water Development Authority (the "Authority") or the West Virginia Infrastructure and Jobs Development Council (the "Council"), as the case may be, from which the proceeds of the Bonds are derived, to lose their status as tax-exempt bonds. The Issuer hereby covenants to take all actions necessary to comply with such covenant.
5. The Bonds were sold on August 29, 2002, to the Authority, pursuant to a loan agreement dated August 29, 2002, by and between the Issuer and the Authority, acting on behalf of the Council, for an aggregate purchase price of \$810,000 (100% of par), at which time, the Issuer

received \$82,171 from the Authority and the Council, being the first advance of the principal amount of the Bonds. The Bonds do not bear interest. The balance of the principal amount of the Bonds will be advanced to the Issuer as acquisition and construction of the Project progresses.

6. The Bonds are being delivered simultaneously with the delivery of this certificate and are issued for the purposes of (i) paying the costs of acquisition and construction of certain extensions, additions, betterments and improvements to the waterworks portion of the existing public combined waterworks and sewerage system of the Issuer (the "Project"); and (ii) paying certain costs of issuance of the Bonds and related costs.

7. Not later than simultaneously with the delivery of the Bonds, the Issuer shall enter into agreements which require the Issuer to expend at least 5% of the net sale proceeds of the Bonds on the Project, constituting a substantial binding commitment. The acquisition and construction of the Project and the allocation of proceeds of the Bonds to expenditures of the Project shall commence immediately and shall proceed with due diligence to completion, and with the exception of proceeds constituting capitalized interest, if any, and proceeds, if any, deposited in the Reserve Account for the Bonds, all of the proceeds from the sale of the Bonds, together with any investment earnings thereon, will be expended for payment of costs of the Project on or before June 30, 2003. The acquisition and construction of the Project is expected to be completed by March 31, 2003.

8. The total cost of the Project is estimated at \$810,000. Sources and uses of funds for the Project are as follows:

<u>SOURCES</u>	
Proceeds of the Bonds	\$ <u>810,000</u>
Total Sources	\$ 810,000
 <u>USES</u>	
Costs of the Project	\$ 796,250
Capitalized Interest	-0-
Fund Reserve Account	-0-
Costs of Issuance	<u>13,750</u>
Total Uses	\$ 810,000

9. Pursuant to Article V of the Bond Ordinance, the following special funds or accounts have been created or continued in connection with the Bonds:

- (1) Revenue Fund;
- (2) Depreciation Reserve;

- (3) Series 2002 Bonds Construction Trust Fund;
- (4) Series 2002 Bonds Sinking Fund; and
- (5) Series 2002 Bonds Reserve Account.

10. Pursuant to Article VI of the Bond Ordinance, the proceeds of the Bonds will be deposited as follows:

(1) Bond proceeds in the amount of \$-0- will be deposited in the Series 2002 Bonds Sinking Fund as capitalized interest and applied to payment of interest on the Bonds during acquisition and construction of the Project and for a period not to exceed six months following completion thereof.

(2) Bond proceeds in the amount of \$-0- will be deposited in the Series 2002 Bonds Reserve Account.

(3) The balance of the proceeds of the Bonds will be deposited in the Series 2002 Bonds Construction Trust Fund as received from time to time and applied solely to payment of costs of the Project, including costs of issuance of the Bonds and related costs.

11. Moneys held in the Series 2002 Bonds Sinking Fund will be used solely to pay principal of and interest, if any, on the Bonds and will not be available to meet costs of acquisition and construction of the Project. All investment earnings on moneys in the Series 2002 Bonds Sinking Fund and Series 2002 Bonds Reserve Account, if any, will be withdrawn therefrom and deposited into the Series 2002 Bonds Construction Trust Fund during construction of the Project, and following completion of the Project, will be deposited, not less than once each year, in the Revenue Fund, and such amounts will be applied as set forth in the Bond Ordinance.

12. Work with respect to the acquisition and construction of the Project will proceed with due diligence to completion. The acquisition and construction of the Project is expected to be completed within 7 months of the date hereof.

13. The Issuer will take such steps as requested by the Authority to ensure that the Authority's bonds meet the requirements of the Code.

14. With the exception of the amount deposited in the Series 2002 Bonds Sinking Fund for payment of interest, if any, on the Bonds and the amount deposited in the Series 2002 Bonds Reserve Account, all of the proceeds of the Bonds will be expended on the Project within 10 months from the date of issuance thereof.

15. 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 Bonds.

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

17. All property financed with the proceeds of the Bonds will be owned and held by (or on behalf of) a qualified governmental unit.

18. No proceeds of the Bonds will be used, directly or indirectly, in any trade or business carried on by any person who is not a governmental unit.

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

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

21. The Bonds are not federally guaranteed.

22. The Issuer has retained the right to amend the Bond Ordinance authorizing the issuance of the Bonds if such amendment is necessary to assure that the Bonds remain public purpose bonds.

23. The Issuer has either (a) funded the Series 2002 Bonds Reserve Account at the maximum amount of principal and interest which will mature and become due on the Bonds in the then current or any succeeding year with the proceeds of the Bonds, or (b) created the Series 2002 Bonds Reserve Account which will be funded with equal payments made on a monthly basis over a 10-year period until such Series 2002 Bonds Reserve Account holds an amount equal to the maximum amount of principal and interest which will mature and become due on the Bonds in the then current or any succeeding year. Moneys in the Series 2002 Bonds Reserve Account and the Series 2002 Bonds Sinking Fund will be used solely to pay principal of and interest, if any, on the Bonds and will not be available to pay costs of the Project.

24. There are no other obligations of the Issuer which (a) are to be issued at substantially the same time as the Bonds, (b) are to be sold pursuant to a common plan of financing together with the Bonds and (c) will be paid out of substantially the same sources of funds or will have substantially the same claim to be paid out of substantially the same sources of funds as the Bonds.

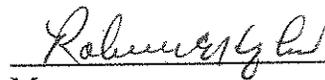
25. To the best of my knowledge, information and belief, there are no other facts, estimates and circumstances which would materially change the expectations herein expressed.

26. The Issuer will comply with instructions as may be provided by the Authority, at any time, regarding use and investment of proceeds of the Bonds, rebates and rebate calculations.

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

WITNESS my signature on this 29th day of August, 2002.

TOWN OF WEST UNION



Mayor

**TOWN OF WEST UNION
COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS,
SERIES 2002
(WEST VIRGINIA INFRASTRUCTURE FUND)**

CERTIFICATE OF CONSULTING ENGINEER

I, Paul A. Hornor III, Registered Professional Engineer, West Virginia License No. 10281, of Hornor Brothers Engineers, Consulting Engineers, having offices in Clarksburg, West Virginia, hereby certify as follows:

1. My firm is engineer for the acquisition and construction of certain additions, betterments and improvements (the "Project") to the waterworks portion of the existing combined waterworks and sewerage system (the "System") of the Town of West Union (the "Issuer"), to be constructed in Doddridge County, West Virginia, which construction and acquisition are being permanently financed in part by the above-captioned bonds (the "Bonds") of the Issuer. Capitalized words not defined herein shall have the meaning set forth in the Bond Ordinance enacted by the Issuer on August 6, 2002, and put into effect following a public hearing held on August 23, 2002, and the Loan Agreement (the "Loan Agreement") by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), acting on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council"), dated August 29, 2002, providing for the purchase of the above-described Series 2002 Bonds.

2. The Bonds are being issued for the purposes of (i) paying the costs of the acquisition and construction the Project, and (ii) paying costs of issuance of the Bonds and related costs.

3. To the best of my knowledge, information and belief (i) within the limits and in accordance with the applicable and governing contractual requirements relating to the Project, the Project will be constructed in general accordance with the approved plans, specifications and designs prepared by my firm and approved by the Office of Environmental Health Services and the Council and any change orders approved by the Issuer and the Council and all necessary governmental bodies; (ii) the Project, as designed, is adequate for its intended purpose and has a useful life of at least 40 years, if properly operated and maintained, excepting anticipated replacements due to normal wear and tear; (iii) the Issuer has received bids for the acquisition and construction of the Project which are in an amount and otherwise compatible with the plan of financing set forth in the Schedule B attached hereto as Exhibit A, and my firm has ascertained that all successful bidders have made required provisions for all insurance and payment and performance bonds and that such insurance policies or binders and such bonds have been verified for accuracy; (iv) the successful bidders received any and all addenda to the original bid documents; (v) the bid documents relating to the Project reflect the Project as approved by the Office of Environmental Health Services and the Council and the bid forms

WEST VIRGINIA INFRASTRUCTURE AND JOBS DEVELOPMENT COUNCIL

SCHEDULE B

**TOWN OF WEST UNION
 WATER SYSTEM IMPROVEMENT PROJECT**

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

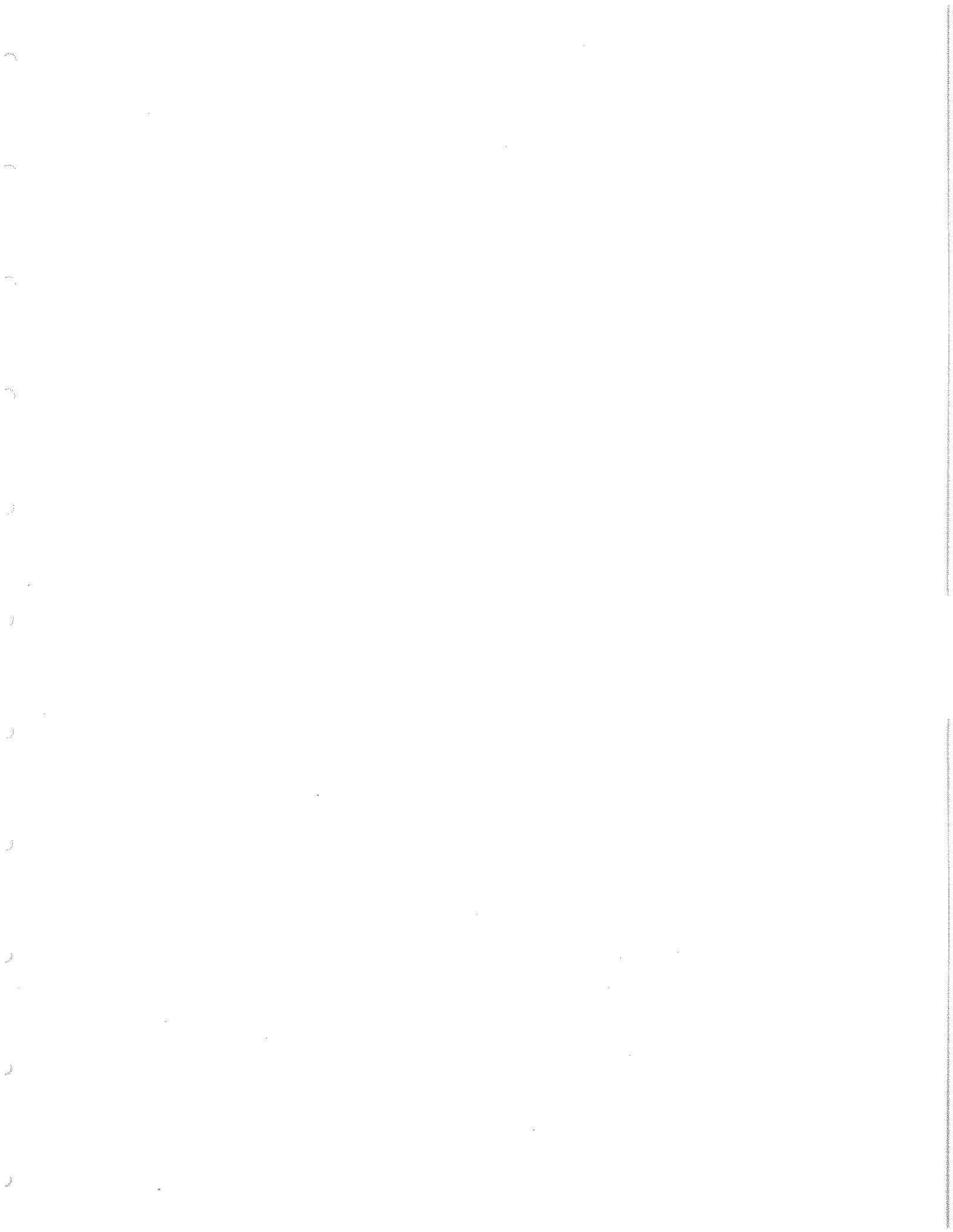
A. Cost of Project	Total	WDC	West Union
1. Construction (Total)	\$ 607,967.46	\$607,967.46	
a. Contract 1	400,757.46	400,757.46	
b. Contract 2	207,200.00	207,200.00	
c.			
d.			
2. Engineering Fees	124,500.00	124,500.00	
3. Legal	10,000.00	10,000.00	
4. Administration			
5. Sites and Other Lands	8,000.00	8,000.00	
6. Contingency	46,792.54	46,792.54	
7. Total of Lines 1 through 6	796,250.00	796,250.00	
B. Sources of Funds			
8. Local	0.00	0.00	
9. Net Proceeds Required from Bond Issue (Line 7 minus Line 8)	796,250.00	796,250.00	
C. Cost of Financing			
10. Other Costs (Registrar Fee)	250.00	250.00	
a. Bond Counsel	11,000.00	11,000.00	
b. Accountant	2,500.00	2,500.00	
11. Total Cost of Financing (Lines 10a and 10b)	13,750.00	13,750.00	
12. Size of Bond Issue (Line 9 plus Line 11)	810,000.00	810,000.00	

Robert [Signature]
 GOVERNMENTAL AGENCY

DATE: Aug 23, 2002

Paul A. Hornor [Signature]
 CONSULTING ENGINEER

DATE: AUG 28, 2002



HARRIS & COMPANY

Certified Public Accountants

Buckhannon Office
P.O. Box 732
Buckhannon, WV 26201
(304) 472-1928

Weston Office
235 North River Avenue
Weston, WV 26452
(304) 269-2269

**TOWN OF WEST UNION
COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS
SERIES 2002 (WEST VIRGINIA INFRASTRUCTURE FUND)**

August 29, 2002

West Virginia Water Development Authority
180 Association Drive
Charleston, West Virginia 25301

Bowles, Rice, McDavid, Graff, & Love, PLLC
600 Quarrier Street
Charleston, West Virginia 25301

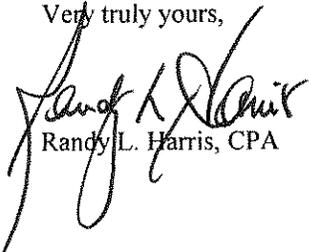
West Virginia Infrastructure & Jobs Development Council
300 Summers Street, Suite 980
Charleston, West Virginia 25301

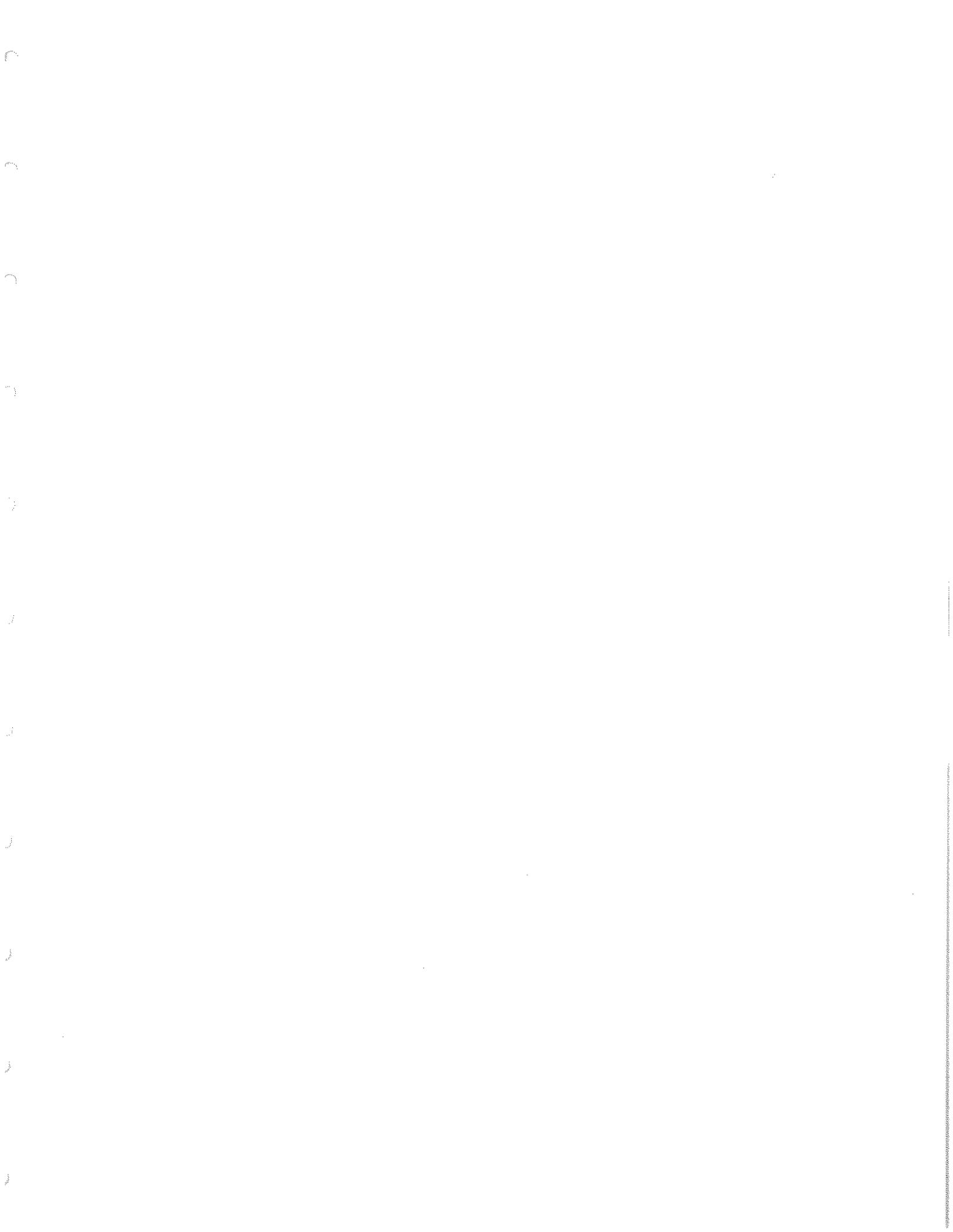
Ladies and Gentlemen:

Based upon the rates and charges currently in effect for the combined waterworks and sewerage system (the "System") of the Town of West Union, West Virginia (the "Issuer"), and projected operation and maintenance expenses and anticipated customer usage as furnished to us by the Issuer, it is our opinion that such rates and charges will be sufficient to provide revenues which, together with other revenues of the System, will pay all repair, operation, and maintenance expenses of the System and leave a balance each year equal to at least 115% of the maximum amount required in any year for debt service on the Issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 2002 (West Virginia Infrastructure Fund)(the "Bonds"), to be issued to the West Virginia Water Development Authority, and all other obligations secured by a lien on or payable from the revenues of the System on a parity with the Bonds, including the Issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 1987 (the "Series 1987 Bonds"), Combined Waterworks and Sewerage System Revenue Bonds, Series 1998A (United States Department of Agriculture) (the "Series 1998A Bonds"), Combined Waterworks and Sewerage Revenue Bonds, Series 1998B (United States Department of Agriculture) (the "Series 1998B") and Combined Waterworks and Sewerage System Revenue Bonds, 1998C (West Virginia Infrastructure Fund) (the "Series 1998C Bonds") (the "Series 1987 Bonds, the Series 1998A Bonds, the Series 1998B Bonds and the Series 1998C Bonds are referred to herein collectively as the "Prior Bonds").

Further, based upon the information (including financial information) provided to us by the Issuer, it is our opinion that the Net Revenues actually derived from the System during any 12 consecutive months, within the 18 months immediately preceding the date hereof, 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 the Bonds, are not less than 115% of the largest aggregate amount that will mature and become due in any succeeding year for the principal of and interest on the Prior Bonds and the Bonds.

Very truly yours,


Randy L. Harris, CPA



Charles

STATE OF WEST VIRGINIA

At a regular term of the Circuit Court held in and for the County of Doddridge on the 20th day of July, 1881, the following order was entered:

Wednesday Morning, July the 20th, 1881.

The Court sat according to the adjournment of yesterday. Present, the Same Judge. The orders of yesterday were read in Court and Signed by the Judge.

B H Maulsby, T K Knight and fourteen other Citizens of the District of West Union in this County having presented to this Court a petition praying that a certain territory, a part of Said District therein described be incorporated, and praying for the incorporation of Such territory as a town by the name of "West Union". The boundaries of Said territory, as appears by a map and survey thereof, made by Daniel Sherwood, a practical Surveyor, verified by affidavit, and filed with Said petition are as follows Viz: Beginning at a point on the bank of Middle Island Creek at the mouth of Doe Run, thence S 25 E 69 p to a Stone, thence S 56 E 82½ p to a post, thence N 7 E 20 p, thence N 81½ E. 32 p to a Wild Cherry tree, thence East 22½ to a Locust, thence S 39 E 46 p, thence S 57 E 20 p to a stone, thence North 55-3/4 p to a Sycamore, thence N 12½ W 17½ p to a stone, thence N 37½ W 24-3/4 p to a Black Walnut, thence N 54 W 120 p to a stone, thence S 82 W 25 p to a Red Oak, thence S .64 W 20 p to a point on the bank of Middle

Island Creek, *(thence S 55 W 14 p to two Small Maples thence S 71 W 22 p to a Box Elder, thence S 48 W 11 p crossing Middle Island Creek) to the place of beginning containing 109 acres. And it appearing by the census of the Said territory taken by Wm M Knight, on the 7th day of July, 1881, verified by affidavit and filed with Said petition, that Said territory has a population of more than one hundred persons, to wit the number of 230 persons, and it appearing from a certificate under oath of R. Harshberger Wm M Knight and Geo W Farr filed with Said petition that a majority of the qualified voters within Said territory at an Election held therein on the 5th day of July 1881 voted in favor of the incorporation of Said territory as Such town as aforesaid, notice of Said election having been given as required by the law in Such cases. And it appearing to the Satesfaction of the court that all the provisions of Chapter forty seven of the Code of West Virginia have been complied with by the applicants for Said incorporation, It is therefore ordered by the Court that the said territory be and the Same is hereby incorporated by the name of "West Union" and the Said "West Union" is duly authorized within the corporate limits aforesaid to exercise all the corporate powers confered by the said Chapter, from and after this date. And the clerk of this Court is hereby authorized and directed to issue a certificate of the incorporation of Said town as required by Said Chapter. It is further ordered that V E Dotson, W R Spurr and T K Knight, be and they are hereby appointed to act as inspectors at the

first election held in Said town, as provided by Said chapter.

s/ Thos. I. Stealey

Judge

LAW ORDER BOOK 5, PAGE 231

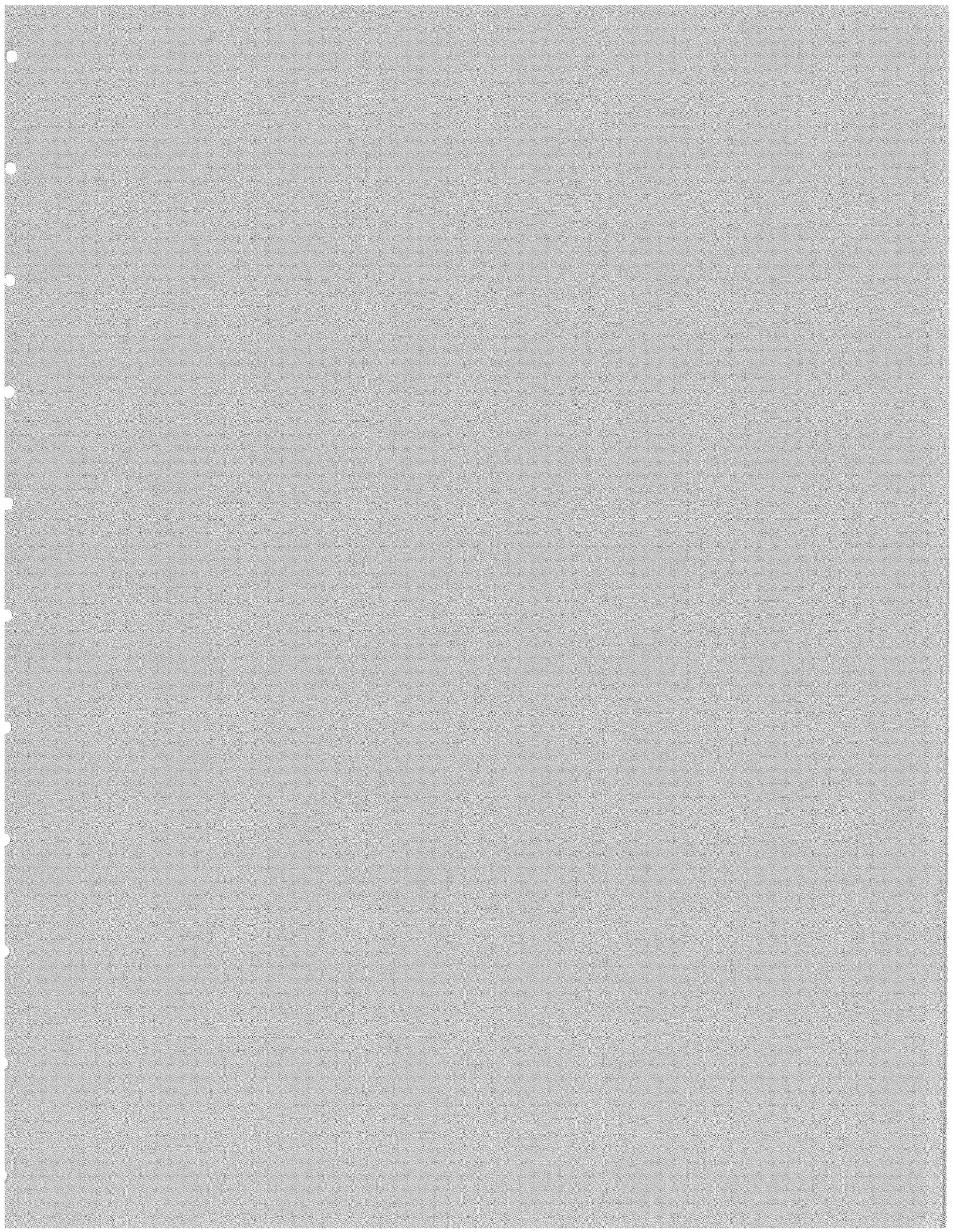
A TRUE COPY

ATTEST:

Julius J. Britton
Clerk of Court

EXPLANATION

10. Attached hereto is a certified copy certified by the Circuit Clerk of Doddridge County, West Virginia, of Law Order Book 5 at page 231, wherein the Town of West Union was duly incorporated on the 20th of July, 1881. The Charter referred to in said attached order to be issued by the Clerk has either been lost, misplaced or destroyed, and after an extensive research and investigation by Robert L. Holland, Jr., attorney for the Town of West Union, said original Charter of incorporation can not be found among the records of either the Circuit Clerk's office or the County Clerk's office of the County of Doddridge; however, according to the records maintained in the State Capitol of the Office of the Speaker of the House, their official records indicate that in fact the Town of West Union is a duly authorized municipality of the State of West Virginia.



ADOPTING ORDINANCE

AN ORDINANCE ADOPTING AND ENACTING A CODIFICATION (AND REVISION, IF APPLICABLE) OF TITLES 1 and 8 OF THE ORDINANCES OF THE TOWN OF WEST UNION, WEST VIRGINIA.

WHEREAS many of the ordinances of the Town of West Union are obsolete, and

WHEREAS many of the other ordinances of the municipality are inconsistent with each other or are otherwise inadequate, and

WHEREAS the Council of the Town of West Union, (hereinafter referred to as the "governing body") has caused its ordinances of a general and permanent nature to be codified and revised and the same are embodied in a codification (and revision, if applicable) known as "The West Union Municipal Code, 1978."

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE TOWN OF WEST UNION, WEST VIRGINIA, THAT:

Section 1: The ordinances of the municipality of a general and permanent nature, as codified and revised in the following "titles", namely "titles" 1 and 8, both inclusive, are ordained as general ordinances and adopted as Titles 1 and 8 of "The West Union Municipal Code, 1978," hereinafter referred to as Titles 1 and 8 of the "City Code".

Section 2. All ordinances of a general and permanent nature pertaining to administration, offices, personnel, motor vehicles and traffic, (Chapters 1, 2, 3, 6, and Article 1, Chapter 7 of the Code of Ordinances of the Town of West Union, adopted on the 14th day of June, 1932) not contained in Titles 1 and 8 of the City Code, are hereby repealed from and after the effective date of said Code, except as hereinafter provided.

Section 3. The repeal provided for in the preceding section of this ordinance shall not affect any offense or act committed or done, or any penalty or forfeiture incurred, or any contract or right established or accruing before the effective date of Titles 1 and 8 of the City Code; nor shall such repeal affect any ordinance or resolution promising or guaranteeing the payment of money for the municipality or any evidence of said municipality's indebtedness, or any contract or obligation assumed by said municipality; nor shall it affect any right or franchise conferred by any ordinance or resolution of the municipality on any person, firm, or corporation; nor shall it affect any prosecution, suit or other proceeding pending or any judgment rendered on or prior to the effective date of said code; nor shall it affect any ordinance annexing territory to the municipality.

Section 4. Insofar as the provisions of Titles 1 and 8 of the City Code are the same as those of ordinances existing and in force at its effective date, said provisions shall be considered to be continuations thereof and not as new enactments.

Section 5. Wherever in Titles 1 and 8 of the City Code, including the codes and ordinances adopted by reference, any act is prohibited or is made or declared to be unlawful or an offense or a misdemeanor, or wherever in Titles 1 and 8 of the City Code the doing of any act is required or the failure to do any act is declared to be unlawful, the violation of any such provision of Titles 1 and 8 of the City Code shall be punishable by a fine of not more than five hundred dollars (\$500.00) for each separate violation; provided, however, that the infliction of a fine under the provisions of this section shall not prevent the revocation of any permit or license or the taking of other punitive or remedial action where called for or

permitted under the provisions of Titles 1 and 8 of the City Code or other applicable law.

Section 6. Any printed copy of Titles 1 and 8 of the City Code certified under the facsimile signature of the city recorder shall be held to be a true and correct copy of such codification, and may be read in evidence in the city court without further proof of the provisions contained therein.

Section 7. Each section of Titles 1 and 8 of the City Code, including the codes and ordinances adopted by reference, is hereby declared to be separable and severable and the invalidity of any section, part, paragraph, sentence, phrase, or word in Titles 1 and 8 of the City Code shall not affect the validity of any other part of said Code, and only any part declared to be invalid by a court of competent jurisdiction shall be deleted therefrom.

Section 8. Immediately upon adoption of Titles 1 and 8 of the City Code it shall be reproduced in loose-leaf form. The governing body by motion or resolution shall fix, and change from time to time as considered necessary, the prices to be charged for copies of Titles 1 and 8 of the City Code and revisions thereto. After adoption of Titles 1 and 8 of the City Code, each general ordinance shall be adopted as amending, adding, or deleting a numbered section or sections of said code; immediately thereafter those affected pages of Titles 1 and 8 of the City Code shall be revised to reflect such amended, added or deleted material and shall be distributed to city officers and employees having copies of said code and to other persons who have requested and paid for current revisions. Notes shall be inserted at the end of amended or new sections, referring to the dates and numbers of ordinances making the amendments or adding the new sections, and such references shall be cumulative if a section is amended more

than once in order that the current copy of Titles 1 and 8 of the City Code will contain references to all ordinances passed since the adoption of the original Titles 1 and 8 of the City Code.

Section 9. Three (3) copies of Titles 1 and 8 of the City Code, maintained currently up to date, shall be kept available in the recorder's office (hereinafter used to include and mean Clerk) for public use and inspection at all reasonable times.

Section 10. This ordinance shall take effect from and after its final passage, the public welfare requiring it, and Titles 1 and 8 of the City Code, including all the codes and ordinances therein adopted by reference, shall be effective on and after that date.

Passed 1st reading January 8, 1979.
Passed 2nd reading January 15, 1979.

James F. Michels
Mayor
Cathy R. Feigler
Recorder or Clerk

Town of West Union

300 Court Street P O Box 5
West Union, WV 26456-0005

Voice/Fax 304-873-1400
TDD 1-800-WVA-TRS1

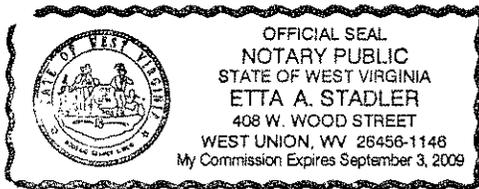
MAYOR'S OATH

I, Robert E. Heflin, do solemnly swear that I will support the Constitution of the United States, the Constitution of West Virginia, and the Charter and Ordinances of the Town of West Union. I will faithfully discharge the duties of the Office of Mayor of the Town of West Union to the best of my skill and judgement, so help me God.

Robert E. Heflin

Robert E. Heflin, Mayor

Given under my hand this 30th day of June, 2001.



Etta A. Stadler
Notary

My Commission expires Sept. 3, 2009

Town of West Union

300 Court Street P O Box 5
West Union, WV 26456-0005

Voice/Fax 304-873-1400
TDD 1-800-WVA-TRS1

RECORDER'S OATH

I, Etta A. Stadler, do solemnly swear that I will support the Constitution of the United States, the Constitution of West Virginia, and the Charter and Ordinances of the Town of West Union. I will faithfully discharge the duties of the Office of Recorder of the Town of West Union to the best of my skill and judgement, so help me God.

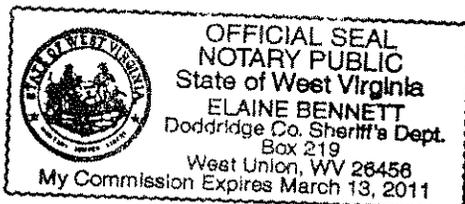
Etta A. Stadler

Etta A. Stadler, Recorder

Given under my hand this 26th ^{Nov.} day of ~~June~~, 2001.

Elaine Bennett
Notary

My Commission expires March 13, 2011



Town of West Union

300 Court Street P O Box 5
West Union, WV 26456-0005

Voice/Fax 304-873-1400
TDD 1-800-WVA-TRS1

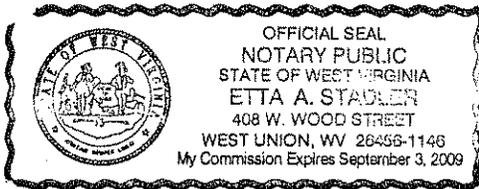
COUNCILMEMBERS'S OATH

I, Mary Daugherty, do solemnly swear that I will support the Constitution of the United States, the Constitution of West Virginia, and the Charter and Ordinances of the Town of West Union. I will faithfully discharge the duties of the Office of Councilmember of the Town of West Union to the best of my skill and judgement, so help me God.

Mary Daugherty

Mary Daugherty, Councilmember

Given under my hand this 30th day of June, 2001.



Etta A. Stadler
Notary

My Commission expires September 3, 2009.

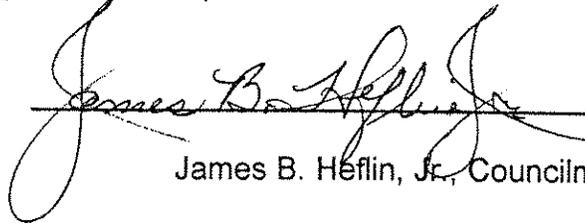
Town of West Union

300 Court Street P O Box 5
West Union, WV 26456-0005

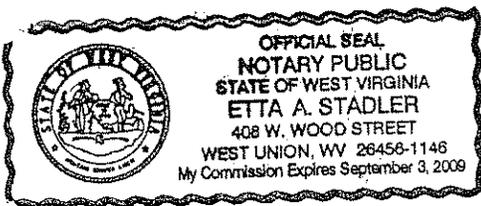
Voice/Fax 304-873-1400
TDD 1-800-WVA-TRS1

COUNCILMEMBERS'S OATH

I, James B. Heflin, Jr., do solemnly swear that I will support the Constitution of the United States, the Constitution of West Virginia, and the Charter and Ordinances of the Town of West Union. I will faithfully discharge the duties of the Office of Councilmember of the Town of West Union to the best of my skill and judgement, so help me God.


James B. Heflin, Jr., Councilmember

Given under my hand this 30 day of June, 2001.




Notary

My Commission expires Sept 3, 2009

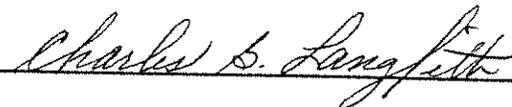
Town of West Union

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Voice/Fax 304-873-1400
TDD 1-800-WVA-TRS1

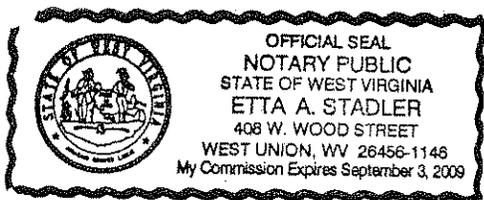
COUNCILMEMBERS'S OATH

I, Charles Langfitt, do solemnly swear that I will support the Constitution of the United States, the Constitution of West Virginia, and the Charter and Ordinances of the Town of West Union. I will faithfully discharge the duties of the Office of Councilmember of the Town of West Union to the best of my skill and judgement, so help me God.



Charles Langfitt, Councilmember

Given under my hand, this 30 day of June, 2001.




Notary

My Commission expires Sept 3, 2009

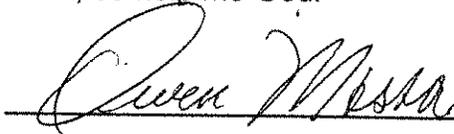
Town of West Union

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Voice/Fax 304-873-1400
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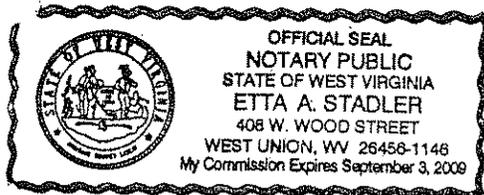
COUNCILMEMBERS'S OATH

I, Owen Mossor, do solemnly swear that I will support the Constitution of the United States, the Constitution of West Virginia, and the Charter and Ordinances of the Town of West Union. I will faithfully discharge the duties of the Office of Councilmember of the Town of West Union to the best of my skill and judgement, so help me God.



Owen Mossor, Councilmember

Given under my hand this 28th day of June, 2001.




Notary

My Commission expires September 3, 2009

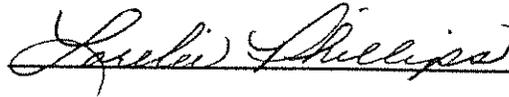
Town of West Union

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Voice/Fax 304-873-1400
TDD 1-800-WVA-TRS1

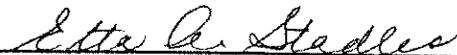
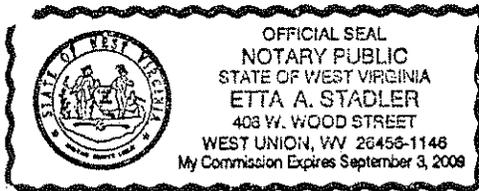
COUNCILMEMBERS'S OATH

I, Lorelei Phillips, do solemnly swear that I will support the Constitution of the United States, the Constitution of West Virginia, and the Charter and Ordinances of the Town of West Union. I will faithfully discharge the duties of the Office of Councilmember of the Town of West Union to the best of my skill and judgement, so help me God.

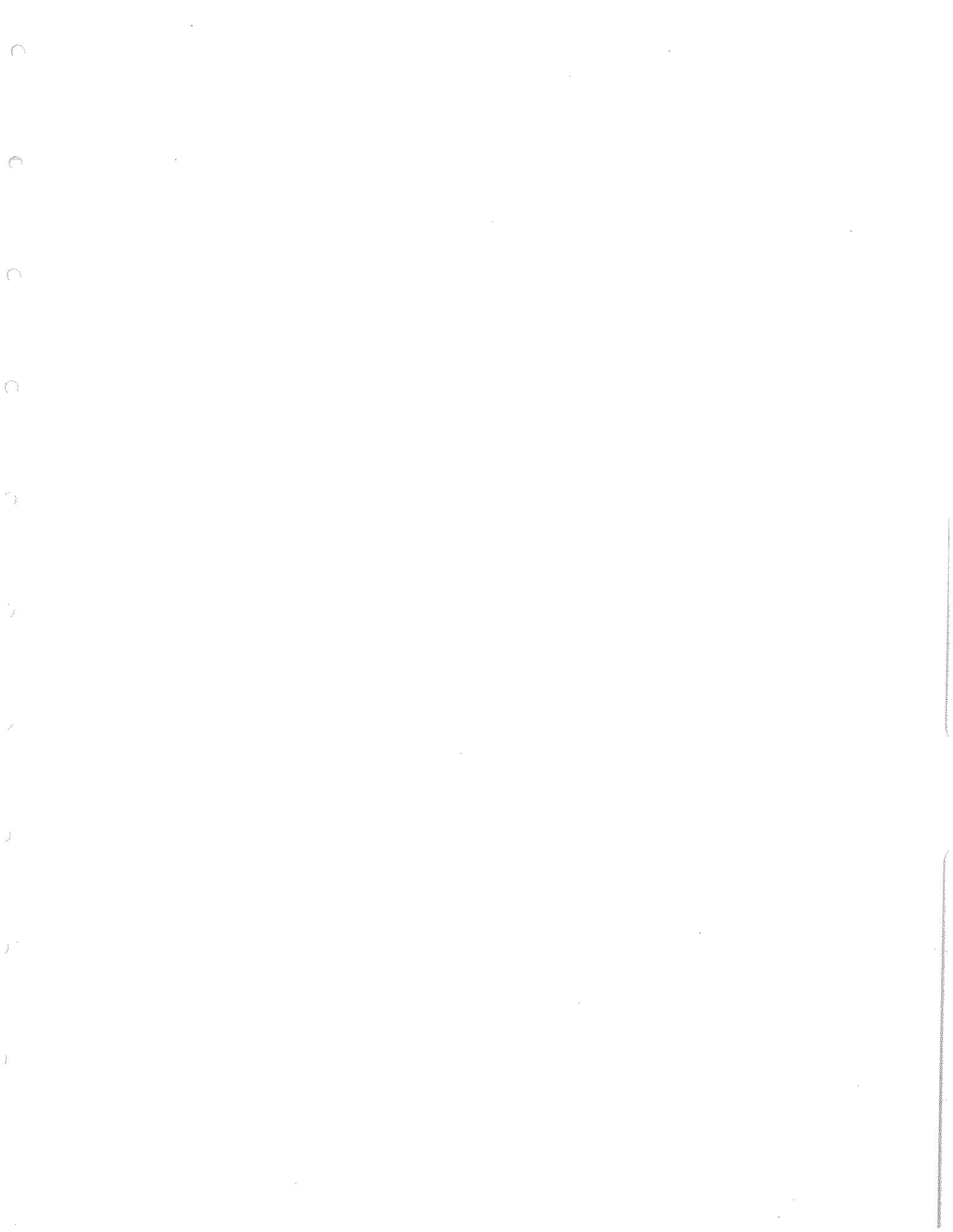


Lorelei Phillips, Councilmember

Given under my hand this 30 day of June, 2001.


Notary

My Commission expires September 3, 2009.



ORDINANCE

AN ORDINANCE PROVIDING FOR THE ESTABLISHMENT OF NEW RATES FOR WATER SERVICE AND THE PROMULGATION OF SUCH OTHER REGULATIONS AS ARE APPROXIMATELY A PART OF THE TARIFF OF THE TOWN OF WEST UNION, IN ACCORDANCE WITH CHAPTER 24, ARTICLE 2, AND OTHER PERTINENT SECTIONS OF THE CODE OF THE STATE OF WEST VIRGINIA, AND THE CHARTER OF THE TOWN OF WEST UNION. THIS 20% INCREASE IS TO REPLACE DETERIORATED LINES, VALVES, AND A RESERVOIR. IT IS TO COMPENSATE FOR THE INCREASED COSTS OF MAINTAINING THIS UTILITY.

NOW, THEREFORE, BE IT ORDAINED BY THE TOWN OF WEST UNION, WEST VIRGINIA, that the following rates and charges shall be in effect for the water rendered by the Town:

Section I. WATER RATES

Generally

- (a) The schedules under this ordinance contain water rates by the city for furnishing water service to customers in the city and county.
- (b) The schedules under this article shall be applicable in the entire areas served.
- (c) In addition to the rates set forth in this article, there shall be a two percent (2%) surcharge on all customers living outside of the city limits. This surcharge is in order to equalize the rates between customers in the city limits, who will pay a utility tax, and customers outside the city limits, who do not pay a utility tax, and in order to equalize rates by requiring customers outside the city limits to pay for the additional cost required to provide water to customers outside the city limits.

Availability of Service

Available for general, domestic, commercial, and industrial use.

Rate

Customer Service Charge	\$9.10 per month Minimum monthly bill which includes use of 2,000 gallons or less.
Consumption Charge	\$4.55 per each additional 1,000 gallons used per month

Minimum Charge

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

5/8 inch meter	\$ 9.10 per month
3/4 inch meter	\$12.60 per month
1 inch meter	\$20.85 per month
1 1/2 inch meter	\$44.40 per month
2 inch meter	\$66.75 per month
3 inch meter	\$123.00 per month
4 inch meter	\$207.60 per month
6 inch meter	\$417.20 per month
8 inch meter	\$667.50 per month

Interruptible Unmetered Sales

The charge for interruptible unmetered sales shall be \$8.00 per 1,000 gallons; provided, however, that in no event shall such charge be less than \$8.00.

Delayed Payment Penalty

The above tariff is net. On all accounts when payment is not received in full within (20) twenty days of the billing date, ten percent (10%) penalty will be added to the net amount shown. This delayed payment penalty is not interest and is only to be collected once for each bill where it is appropriate.

If any bill is not paid within fifty (50) days after the due date, water service to the customer will be discontinued. Water service will not be restored until all past due water bills have been paid in full or accrued penalties, plus a reconnection charge have been paid.

Termination Notice Fee

A non-refundable fee of \$10.00 will be assessed each time the utility is required to deliver a termination notice to a customer.

Connection Charge

Applicants for a service connection shall pay in advance, a tap fee of \$180.00 for the furnishing of labor and material for:

- (1) the service connection and pipe from the water main to the curb line, including the curb stop and box or valve, and
- (2) meter installation.

Connections, service taps, will be scheduled at the convenience of the utility, and require a 48 hour notice.

Deposits

Because the Town of West Union utility is combined water and sewer, all new customers will be required to make a fifty dollar (\$50) deposit for service at an existing tap. After the customer, having paid bills by the due date, for twelve (12) consecutive months', the deposit and interest will be returned to the customer. The rate of interest as determined in accordance with 4.2.1.c. of the Public Service Commission.

Request Tests

Any customer may request in writing a meter test for the accuracy of his meter. The customer shall first deposit \$25.00 for the removal and testing of his meter, either by the utility. If, when tested the meter is found to be more than two percent fast, the amount advanced shall be promptly refunded to the customer. If the meter is not found to be more than two percent (2%) in error, the utility shall retain the amount advanced by the customer for the test.

Water for resale

The rate for water sold for the purpose of resale shall be as follows:

- (1) First 52,500 gallons per 1,000 gallons.....\$3.30
- (2) Over 52,500 gallons per 1,000 gallons.....\$2.25

Availability of Service

Available for service to private fire protection facilities.

Rate

Fire hydrant, each	\$ 80.00
Sprinkler heads, 600 or less	\$150.00
Sprinkler heads, each additional	.30
Tariff is to be paid annually in January of each year for the fire protection facilities	

Reconnection Charge

When water service has been discontinued or disconnected for any reason, said service shall not be restored until all past due water bills, if any, together with penalties thereon have been paid in full, and a reconnection charge in the amount of \$25.00 per meter has been paid.

Leak Policy

We will provide for a recalculated bill to reflect our cost of treating the water for all amounts above the customer's historic usage, plus to cost to treat and furnish the water.

Section II. Effective Date

The above rates shall become effective and shall apply to all water service rendered after September 1, 2001, a period greater than forty-five days from the date of final adoption of this Ordinance, unless otherwise suspended.

Section III. Separability: Repeal of Conflicting Ordinances

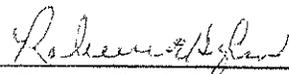
The provisions of this Ordinance are severable and if any clause, provision, or section hereof shall be held void or unenforceable by any court of competent jurisdiction, such holding shall not affect the remainder of this Ordinance. Upon the effective date hereof, all ordinances, resolutions, orders or parts thereof in conflict with the provisions of this Ordinance are, to the extent of such conflicts, hereby repealed; and to the extent that the provisions of this Ordinance do not touch upon the provisions of prior ordinances, resolutions, orders or parts thereof, the same shall remain in full force and effect.

Section IV. Statutory Notice and Public Hearing

Upon introduction hereof, the Recorder shall publish a copy of the Ordinance once a week for 2 successive weeks within a period of 14 consecutive days, with at least 6 full days intervening between each publication, in The Herald Record, a qualified newspaper published and of general circulation in the Town of West Union, and said notice shall state that this Ordinance has been introduced, and that any person interested may appear before Council at the Community Building on Court Street in West Union, WV, on the 17th day of July, 2001, at 5:00 PM, which date is not less than 10 days subsequent to the date of the first publication of the Ordinance and notice, and present protests. At such hearing all objections and suggestions shall be heard and the Council shall take such action as it shall deem proper in the premises. Copies of this Ordinance shall be available to the public for inspection at City Hall, Court Street, West Union, WV.

PASSED by the Council of the Town of West Union, West Virginia, on First Reading this 5 day of June, 2001,

PASSED by the Council of the Town of West Union, West Virginia, on SECOND and FINAL READING this 3 day of July, 2001.



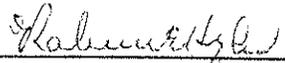
Robert E. Heflin, Mayor

ATTEST:



Etta A. Stadler, Recorder

RE-ADOPTED on August 7, 2001 by a unanimous vote at the Regular Meeting of the Town of West
Union Council.

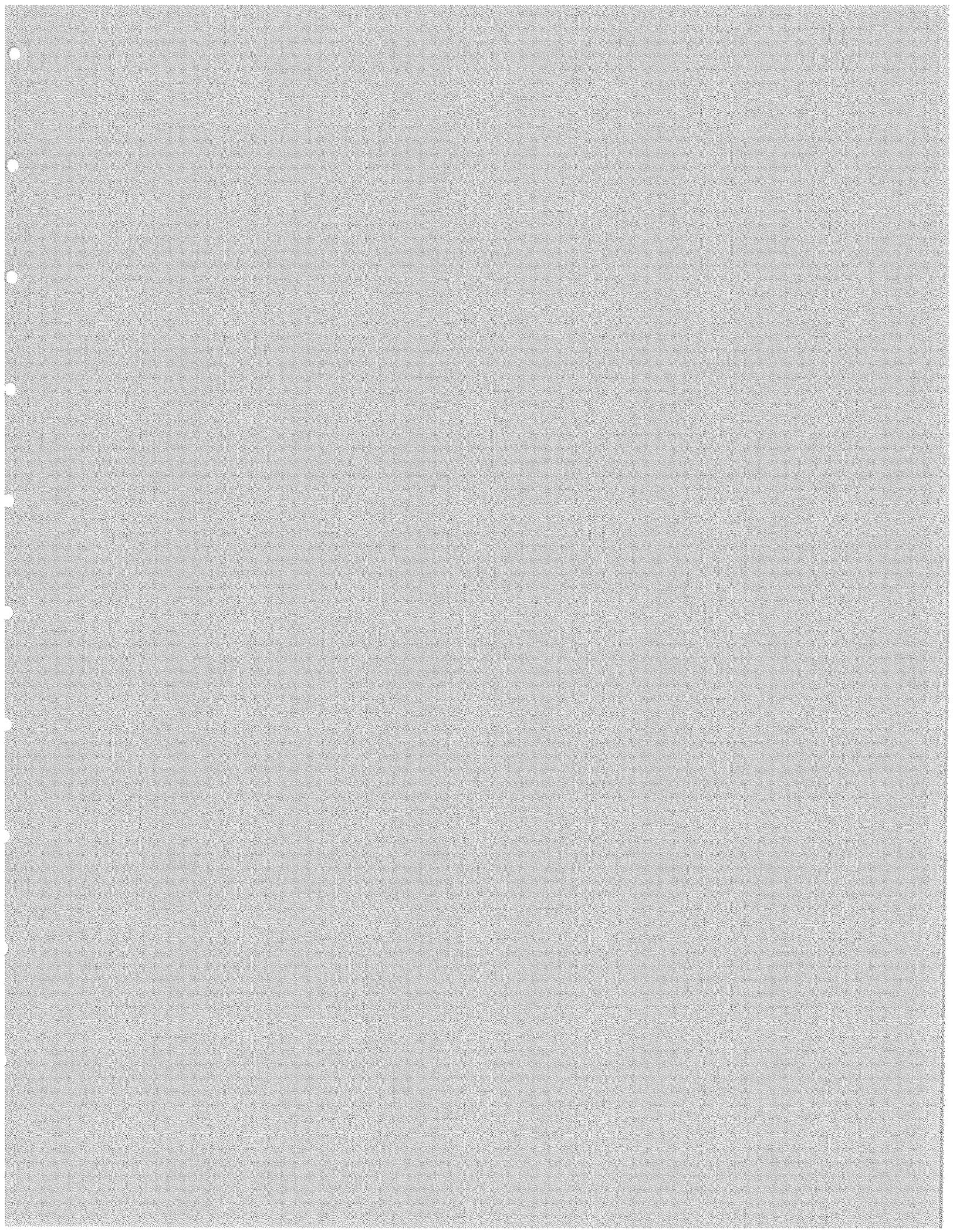


Robert E. Heflin, Mayor

ATTEST:



Etta A. Stadler, Recorder





RECEIVED
UTILITIES DIVISION
SPECIAL STUDIES SECTION

Public Service Commission
of W. Va. Tariff Office

SEP 24 2001

01 SEP 24 AM 11:18

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA

Special Studies Section

P.S.C. W. Va. No. 6
Canceling P.S.C. W. Va. No. 5

TOWN OF WEST UNION, a municipal utility
OF
WEST UNION, WEST VIRGINIA
RATES, RULES AND REGULATIONS FOR FURNISHING
WATER

at West Union and vicinity, Doddridge County, West Virginia

Filed with THE PUBLIC SERVICE COMMISSION
of
WEST VIRGINIA

Issued September 12, 2001

Effective for service rendered on or after October 1 2001
or as otherwise provided herein

Adopted by Town Council

Issued by TOWN OF WEST UNION, a municipal utility

By *Robert E. G...*

Mayor
Title

APPLICABILITY

Applicable within the entire territory served

AVAILABILITY OF SERVICE

Available for general domestic, commercial and industrial use

(A) RATE

Customer Service Charge \$9.10 per month
Minimum monthly bill which includes use of 2,000 gallons or less

(A) Consumption Charge \$4.55 per each additional 1,000 gallons used per month

(A) MINIMUM CHARGE

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

5/8 inch meter	\$ 9.10 per month
3/4 inch meter	\$ 12.60 per month
1 inch meter	\$ 20.85 per month
1 - 1/2 inch meter	\$ 44.40 per month
2 inch meter	\$ 66.75 per month
3 inch meter	\$123.00 per month
4 inch meter	\$207.60 per month
6 inch meter	\$417.20 per month
8 inch meter	\$667.50 per month

(A) INTERRUPTIBLE UNMETERED SALES

The charge for interruptible unmetered sales shall be \$8.00 per 1,000 gallons; provided, however, that in no event shall such charge be less than \$8.00.

(A) Indicates increase

(N) WATER FOR RESALE

The rate for water sold for the purpose of resale shall be as follows:

First 52,500 gallons per 1,000 gallons	\$3.30
Over 52,500 gallons per 1,000 gallons	\$2.25

(A) RECONNECTION CHARGE

When water service has been discontinued or disconnected for any reason, said service shall not be restored until all past due water bills, if any, together with penalties thereon have been paid in full, and a reconnection charge in the amount of \$25.00 per meter has been paid.

(N) LEAK POLICY

We will provide for a recalculated bill to reflect our cost of treating the water for all amounts above the customers historic usage, plus to cost to treat and furnish the water.

(C) PRIVATE FIRE PROTECTION

AVAILABILITY OF SERVICE

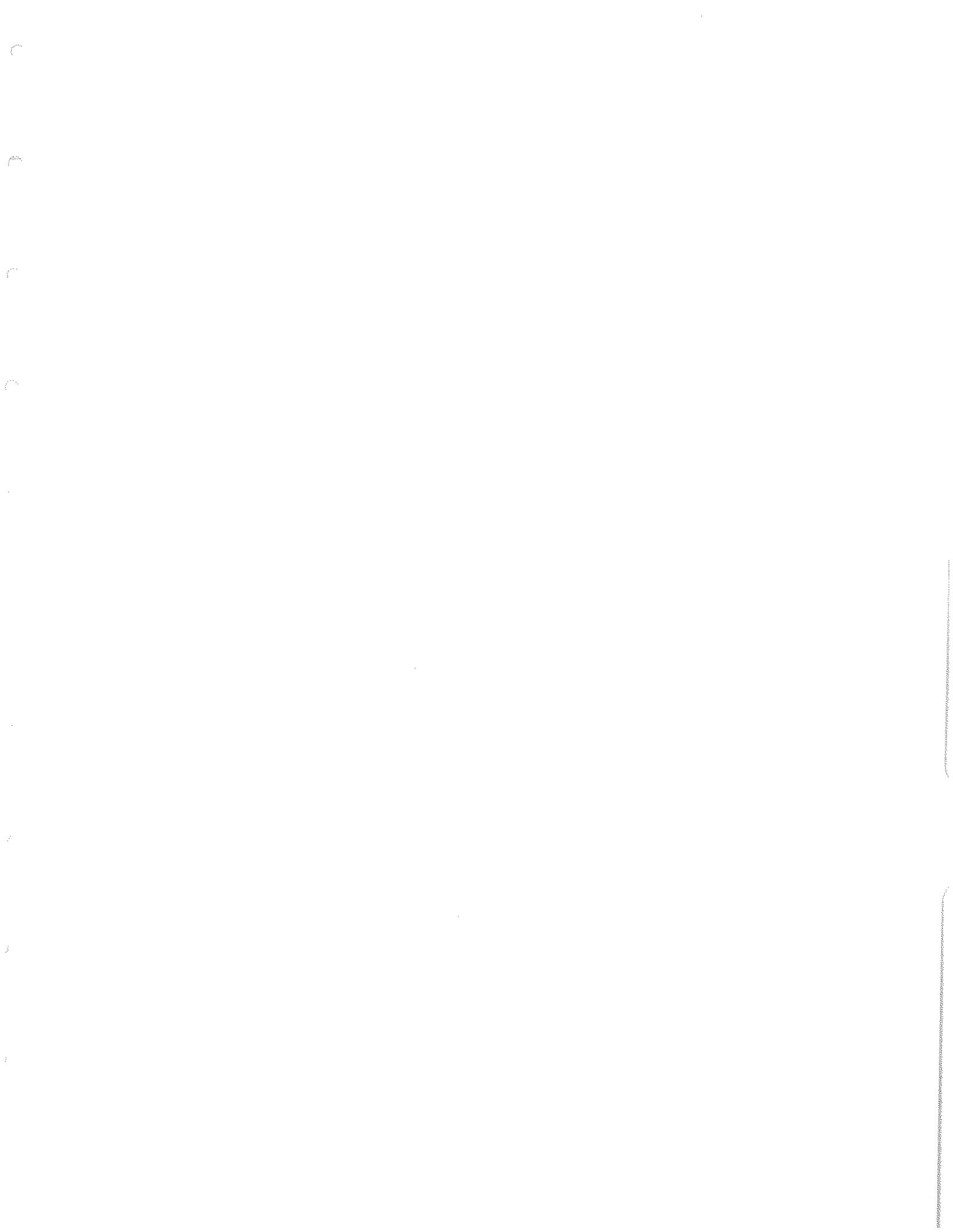
Available for service to private fire protection facilities

RATE

(A)	Fire hydrant, each	\$ 80.00
(N)	Sprinkler heads, 600 or less	\$150.00
(N)	Sprinkler heads, each additional	.30

Tariff is to be paid annually in January of each year for the fire protection facilities

- (N) Indicates new
- (A) Indicates increase
- (C) Indicates change in text



Regular Meeting of West Union Town Council
July 3, 2001 - 7:00 PM

Meeting was called to order by Mayor Robert Heflin. In attendance were Councilmembers James Heflin, Jr., Owen Mossor, Mary Daugherty, Charles Langfitt, Lorelei Phillips, and Recorder, Etta Stadler.

James Heflin, motioned to accept the minutes of the last meeting, as read; Charles Langfitt seconded, and Council approved.

Heflin motioned to approve the invoices and any incoming invoices; Owen Mossor seconded and Council approved unanimously.

Shirley Bousman, not in attendance, had asked about the drainage on Church Street that runs down in front of their house, instead of into the drain. Maintenance was to check and see if the water could be directed into the catch basin.

Donna Heflin, telephoned and asked Council for permission to the majorettes having a Tag Day on July 21st or August 4th. They had asked all merchants, prior to checking with Council and there were no objections. Council appreciated Ms. Heflin's notification and had no objections to their Tag Day.

Public Meeting to be held, as posted, on July 17, 2001 at the Community Building for objections and discussion on the Ordinance to increase the water rates for the Town and surrounding areas. There was a brief discussion on the need for an increase. Motion to accept the second reading of the Ordinance was made by Lorelei Phillips; seconded by James Heflin; passed unanimously by Council.

James Heflin, Jr., questioned the availability of the interest accrued on the Myles fund. E. Stadler thought it was also designated to the original use. E. Stadler is to obtain an answer from the Tax Department, if possible.

Owen Mossor, Council member, had some concerns with young adults riding in the back of trucks. Also, the stray dogs in the neighborhood are a problem. He asked that the Town maintenance men paint the "ditto" line on US18 prior to crossing the bridge at the BP station. He had witnessed several vehicles turning in front of oncoming traffic. Mr. Mossor had several complaints about the broken meters on Main Street. If you park at a broken meter, you are still liable for the payment of any fines, if a violation is imposed.

James Heflin, Jr., motioned to adjourn at 8:00 PM.

JULY INVOICES

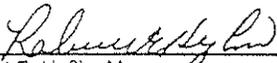
07/01/2001	<u>GENERAL FUND</u>	
Town of West Union	Payroll	2,250.52
First National Bank	Social Security	172.16
WV Public Emp. Retirement	Employer	213.80
WV Public Emp. Insurance	Employer	668.03
Verizon	Office66.80 /Police70.59	137.39
Kalleys Sunoco	Police	108.80
Allegheny Power	Office 21.05	21.05
G T Distributors	Freight	5.95
Waste Management	Trash	11.18
Greer Industries	Asphalt	128.32
Metrocall	Police	31.51
Amtower Auto	Police	91.70
WV Municipal League	Dues/Clerk	25.00
WV Dept. of Transportation	Crusher Run	249.36
A.T. & T.	Long Distance	39.69
Allegheny Power Company	Street Lights	720.99
CIT Financial USA	Police Vehicle	471.79
D C Farm Services	Mowers/Lime/Belts	117.28
Ace Kwik Stop	Diesel	121.52
McCormick's Hardware	Towels/Soap/Keys	25.67
Safeguard Systems	Receipts, Gen Fund	42.54
Tyler Printing	Police Warning Tickets	105.75
WV State Treasurer	CVR/LET/RJAIL	<u>650.00</u>
	Total:	6,410.00
Balance: \$ 22,179.81		

07/01/2001

WATER & SEWER REVENUE FUND

Rural Development Administration	1,709.00	
1998 Series A USDA	4,131.00	
1998 Series B USDA	689.00	\$4820.00
Municipal Bond Commission	4,462.67	
Municipal Bond Reserve Fund	446.27	\$4908.94
Town of West Union Payroll	9,665.40	
First National Bank	739.40	
WV Public Employees Retirement	798.02	
WV Public Employees Insurance	2,076.23	
New Holland Credit Co.	584.70	
Dyer Insurance	1,000.00	
Thaxton & Johnstone	973.75	
Chemtek Corporation	143.13	
S. & S. Landfill	422.17	
Miss Utility	10.00	
Verizon	381.23	
Roedigger	764.67	
Tyler Printing	90.11	
WV Dept of Health & Human Services	48.00	
Allegheny Power Company	1,767.12	
WV Public Service Commission	660.52	
APS Analytical Standards	172.69	
Michels Pharmacy	7.59	
Water Works & Industrial Supply	742.32	
Kelleys Sunoco	239.96	
WV Dept. of Environmental Protection	<u>275.00</u>	
	Total:	32,999.95

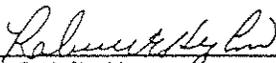
Balance: -\$ 31,293.58

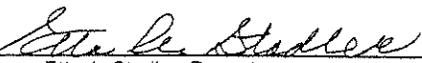

Robert E. Heflin, Mayor


Etta A. Stadler, Recorder

Special Meeting
July 17, 2001 - 5:00 PM
Community Building

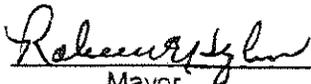
Mayor Heflin called the special, statutory meeting of the Town Council to order to conduct the public hearings on the proposed water rate increase. Present were councilmembers, James Heflin, Jr., Mary Daugherty, Lorelei Phillips, Charles Langfitt, Owen Mossor, and Etta Stadler, Recorder. Trey Horner, engineer from Horner Brothers, explained the need for the upgrades to the present system. Additional creek crossing, replacement of lines on the creek bank and at the high school; replacement of concrete reservoir; addition of fire hydrants; and replacement of valves. Only one citizen of the area served was in attendance to question the route of the proposed renovations. Meeting adjourned at 5:30 PM.


Robert E. Heflin, Mayor


Etta A. Stadler, Recorder

Special Meeting
July 17, 2001 - 5:00 PM
Community Building

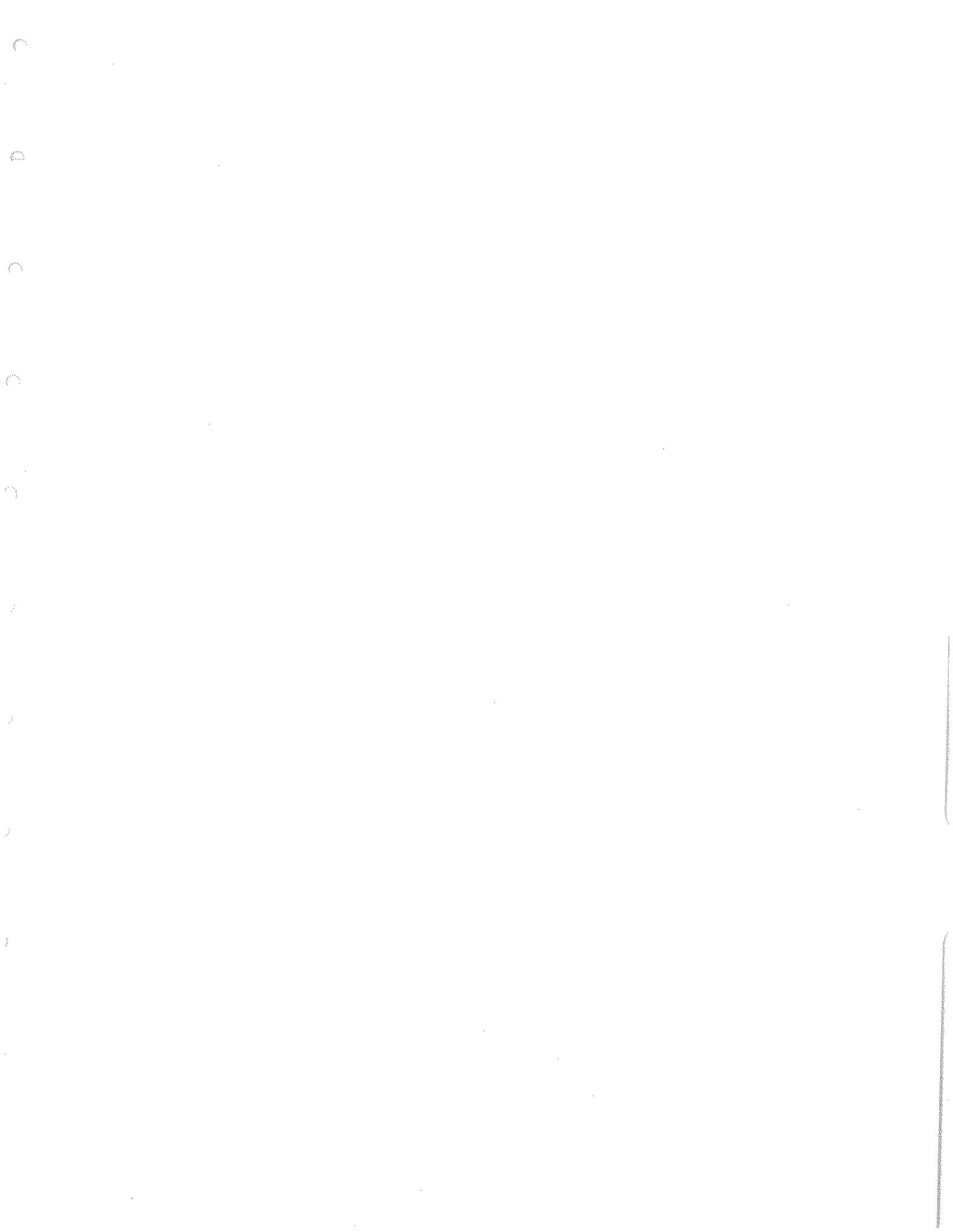
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Mayor



Recorder



**LEGAL NOTICE TO THE PUBLIC
ORDINANCE**

An ordinance providing for the establishment of new rates for water service and the promulgation of such other regulations as are approximately a part of the Tariff of the Town of West Union, in accordance with Chapter 24, Article 2, and other pertinent sections of the Code of the State of West Virginia, and the Charter of the Town of West Union. This 20% increase is to replace deteriorated lines, valves, and a reservoir. It is to compensate for the increased costs of maintaining this utility.

NOW, THEREFORE, BE IT ORDAINED BY THE TOWN OF WEST UNION, WEST VIRGINIA, that the following rates and charges shall be in effect for the water rendered by the Town:

WATER RATES

- Generally**
- (a) The schedule under this ordinance contain water rates by the city for furnishing water service to customers in the city and county.
 - (b) The schedules under this article shall be applicable in the entire areas served.
 - (c) In addition to the rates set forth in this article, there shall be a two percent (2%) surcharge on all customers living outside of the city limits. The surcharge is in order to equalize the rates between customers in the city limits, who will pay a utility tax, and customers outside the city limits, who do not pay a utility tax, and in order to equalize rates by requiring customers outside the city limits to pay for the additional cost required to provide water to customers outside the city limits.

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Connections, service taps, will be scheduled at the convenience of the utility, and require a 48 hour notice.

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Request Tests

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Water for resale
The rate for water sold for the purpose of resale shall be

STATE OF WEST VIRGINIA,
COUNTY OF DODDRIDGE, TO WIT:

I, Virginia Nicholson, Editor of THE HERALD RECORD, a weekly newspaper published regularly, in Doddridge County, West Virginia, Do Hereby Certify Upon Oath That the Accompanying Legal Notice Entitled:

Legal Notice to the Public's Ordinance water Rates

was published in said paper for 2 successive weeks beginning with the issue of July 3, 2001 and ending with the issue of

July 10, 2001 and that said notice contains 1476

WORD SPACE at seven cents a word amounts to the sum of \$ 103.32

FOR FIRST PUBLICATION. SECOND PUBLICATION IS 75% OF THE FIRST

PUBLICATION \$ 77.49 and each publication thereafter.

\$ 180.81 TOTAL.

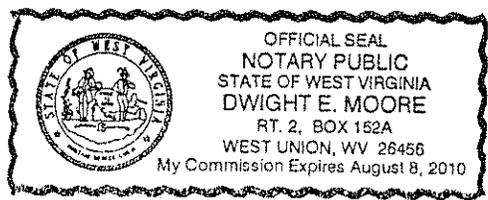
Virginia Nicholson EDITOR

SWORN TO AND SUBSCRIBED BEFORE ME

THIS THE 13th DAY OF July, 2001

Dwight E. Moore NOTARY PUBLIC

MY COMMISSION EXPIRES ON THE 8th DAY OF August, 2002



TOWN OF WEST UNION

AN ORDINANCE SETTING FORTH SEWER RATES,
CONNECTION CHARGE, DELAYED PAYMENT PENALTY AND
RECONNECTION CHARGE FOR SERVICE TO CUSTOMERS OF
THE SEWERAGE SYSTEM OF THE TOWN OF WEST UNION

THE COUNCIL OF THE TOWN OF WEST UNION HEREBY ORDAINS:
The following schedule of sewer rates, connection charge, delayed payment penalty and
reconnection charge are hereby fixed and determined as the sewer rates, connection charge,
delayed payment penalty and reconnection charge to be charged to customers of the sewerage
system of the Town of West Union throughout the territory served:

SECTION 1. SCHEDULE OF RATES

APPLICABILITY

Applicable to entire area served.

AVAILABILITY OF SERVICE

Available for general domestic, commercial and industrial service.

RATES

Customer charge: \$6.00
Consumption charge: \$5.00 per 1,000 gallons

MINIMUM BILL

The minimum bill shall be \$16.00 per month.

UNMETERED RATE

The unmetered bill shall be \$28.50 per month.

CONNECTION CHARGE

The connection charge for each new connection to the system shall be \$300.

DELAYED PAYMENT PENALTY

The above tariff is net. On all accounts not paid in full within 20 days of the date of bill, 10% will be added to the net amount shown. This delayed payment penalty is not interest and is only to be collected once for each bill where it is appropriate.

DISCONNECT FOR NON-PAYMENT

If any bill is not paid within 60 days from the date of the bill, water service to the customer will be discontinued and will not be restored until all past due bills have been paid in full, together with all penalty charges and the reconnection charge, subject to applicable rules of the Public Service Commission of West Virginia.

RECONNECTION CHARGE

The reconnection charge shall be \$25.

SECTION 2. EFFECTIVE DATE

The sewer rates, connection charge, delayed payment penalty and reconnection charge provided herein shall be effective upon substantial completion of the new sewerage facilities of the Town, expected to be August, 1998, but in no event prior to 45 days after the enactment hereof.

SECTION 3. SEPARABILITY; REPEAL OF CONFLICTING ORDINANCES

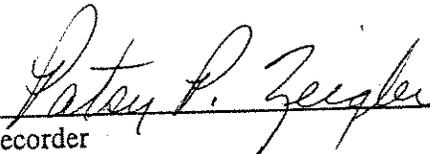
The provisions of this Ordinance are separable, and if any clause, provision or section hereof shall be held void or unenforceable by any court of competent jurisdiction, such holding shall not affect the remainder of this Ordinance. Upon the effective date hereof, all ordinances, resolutions, orders or parts thereof in conflict with the provisions of this Ordinance are, to the extent of such conflicts, hereby repealed; and to the extent that the provisions of this Ordinance do not touch upon the provisions of prior ordinances, resolutions, orders or parts thereof, the same shall remain in full force and effect.

SECTION 4. STATUTORY NOTICE AND PUBLIC HEARING

Upon introduction hereof, the Recorder shall publish a copy of this Ordinance once a week for 2 successive weeks within a period of 14 consecutive days, with at least 6 full days intervening between each publication, in The Herald Record, a qualified newspaper published and of general circulation in the Town of West Union, and said notice shall state that this Ordinance has been introduced, and that any person interested may appear before Council at the Lion's Club Community Building on Court Street in West Union, West Virginia, on the 19th day of February, 1998, at 5:00 p.m., which date is not less than

CERTIFICATION AND NOTICE

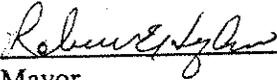
The foregoing Ordinance has been introduced and adopted on first reading at a meeting of the Council held on January 27, 1998. Any person interested may appear before the Council of the Town of West Union at the Lion's Club Community Building on Court Street in West Union, West Virginia, on the 19th day of February, 1998, at 5:00 p.m., being the date, time and place of the proposed final adoption of this Ordinance, and be heard. The Council will then take such action as it shall deem proper in the premises. The proposed ordinance may be inspected by the public at the Office of the Recorder in the Town Hall, West Union, West Virginia.


Recorder

10 days subsequent to the date of the first publication of the Ordinance and notice, and present protests. At such hearing all objections and suggestions shall be heard and the Council shall take such action as it shall deem proper in the premises. Copies of this Ordinance shall be available to the public for inspection at the office of the Recorder in the Town Hall, West Union, West Virginia.

Passed on First Reading: January 27, 1998.

Passed on Second Reading
Following Public Hearing: February 19, 1998.



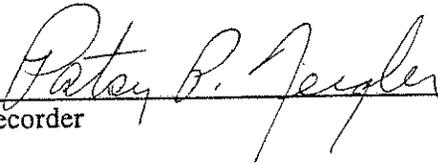
Mayor

CERTIFICATION

Certified a true copy of an Ordinance duly enacted by the Council of the TOWN OF WEST UNION on the 19th day of February, 1998.

Dated: February 19, 1998.

[SEAL]


Recorder

01/22/98
959170/97001

APR 29 1998

Special Studies Section
P.S.C. W. Va. No. 3
Canceling P.S.C. W. Va. No. 2

TOWN OF WEST UNION, a municipal corporation
OF
WEST UNION, WEST VIRGINIA

RATES, RULES AND REGULATIONS FOR FURNISHING
SEWERAGE AND SEWAGE DISPOSAL SERVICE

AT

West Union and its environs, Doddridge County, West Virginia

Filed with THE PUBLIC SERVICE COMMISSION

of

WEST VIRGINIA

Issued April 21, 1998

Effective April 6, 2000
or as otherwise provided herein

Passed by Town Council

Issued by Town of West Union, a municipal corporation

Public Service Commission of WV
Utilities Division
Special Studies Section

APR 29 1998

By Rebecca Hylton

Mayor
Title

RECEIVED

APPLICABILITY

Applicable to entire area served

AVAILABILITY

Available for general domestic, commercial and industrial service

(A) RATE

Customer charge \$6.00
Consumption charge \$5.00 per 1,000 gallons

(A) MINIMUM BILL

The minimum bill shall be \$16.00 per month

(N) UNMETERED RATE

The unmetered bill shall be \$28.50 per month

(C,A) CONNECTION CHARGE

The connection charge for each new connection to the system shall be \$300.00

DELAYED PAYMENT PENALTY

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

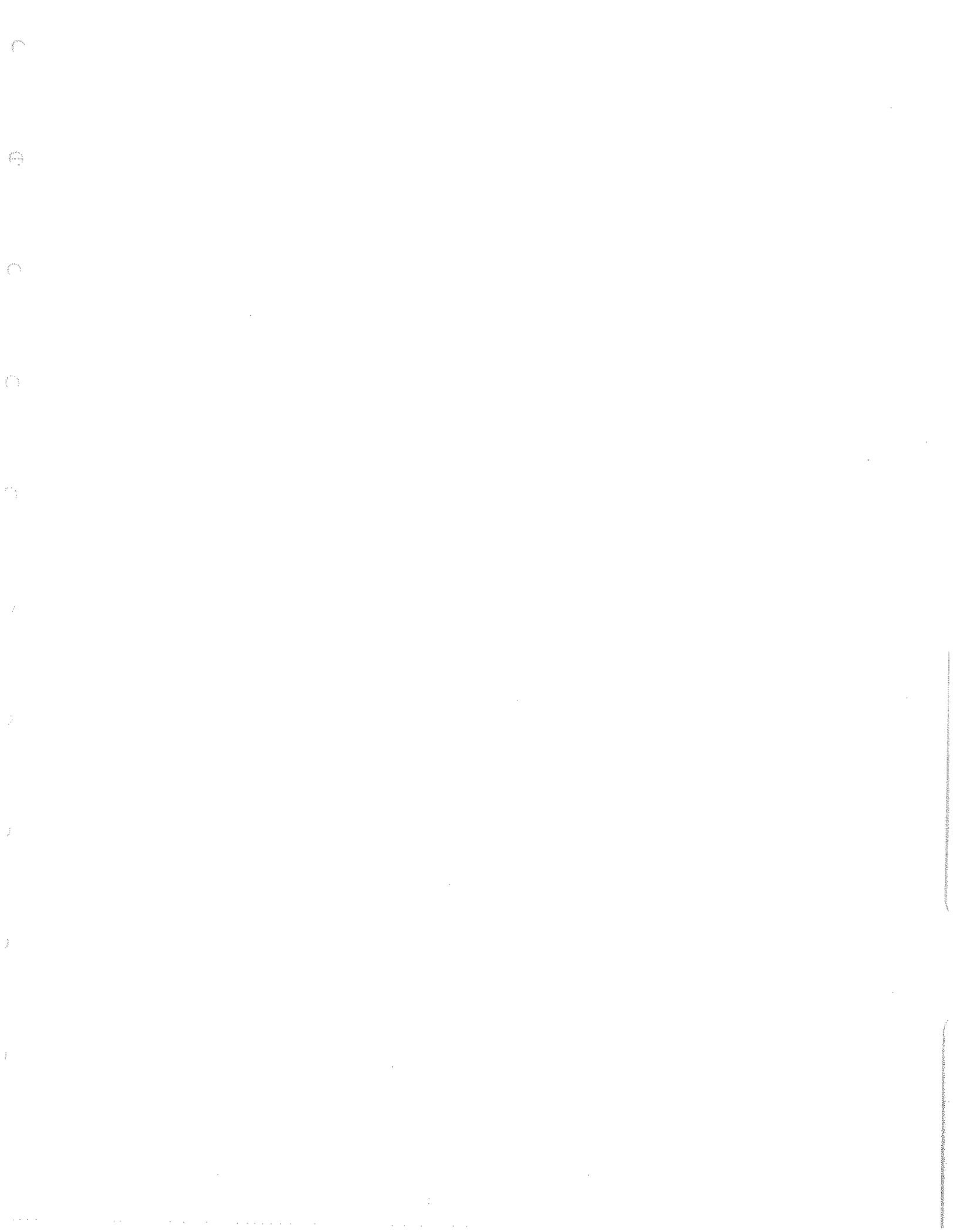
(N) DISCONNECT FOR NON-PAYMENT

If any bill is not paid within 60 days from the date of the bill, water service to the customer will be discontinued and will not be restored until all past due bills have been paid in full, together with all penalty charges and the reconnection charge, subject to applicable rules of the Public Service Commission of West Virginia.

(C,A) RECONNECTION CHARGE

The reconnection charge shall be \$25.

- (A) Indicates advance
- (N) Indicates new
- (C) Indicates change



SPECIAL MEETING JANUARY 27, 1998

The West Union Town Council met in Special Session on Tuesday, January 27, 1998 at 1:00 P.M. in the City Building. Present were: R. Heflin, Mayor; P. Zeigler, Recorder; J. Lebel, S. King, G. Poole, P. Stubbs and R. Wagner; members of Council.

The purpose of the meeting was to consider and adopt the First Reading of a proposed rate ordinance increasing the sewer rates of the Town of West Union.

Motion by Stubbs to accept first reading of Sewer Rates Ordinance. Seconded by Poole and passed by Council.

Patsy P. Zeigler
RECORDER

Robert Heflin
MAYOR

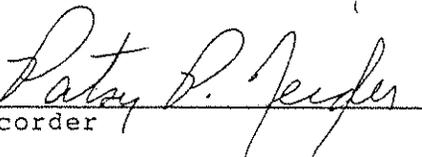
SPECIAL MEETING FEBRUARY 19, 1998

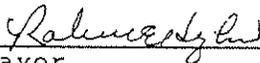
The West Union Town Council met in Special Session on Thursday, February 19, 1998 at 5 P.M. in the Community Building. Present were R. Heflin, Mayor; P. Zeigler, Recorder; P. Stubbs, S.King, G. Poole and J. Lebel; members of Council.

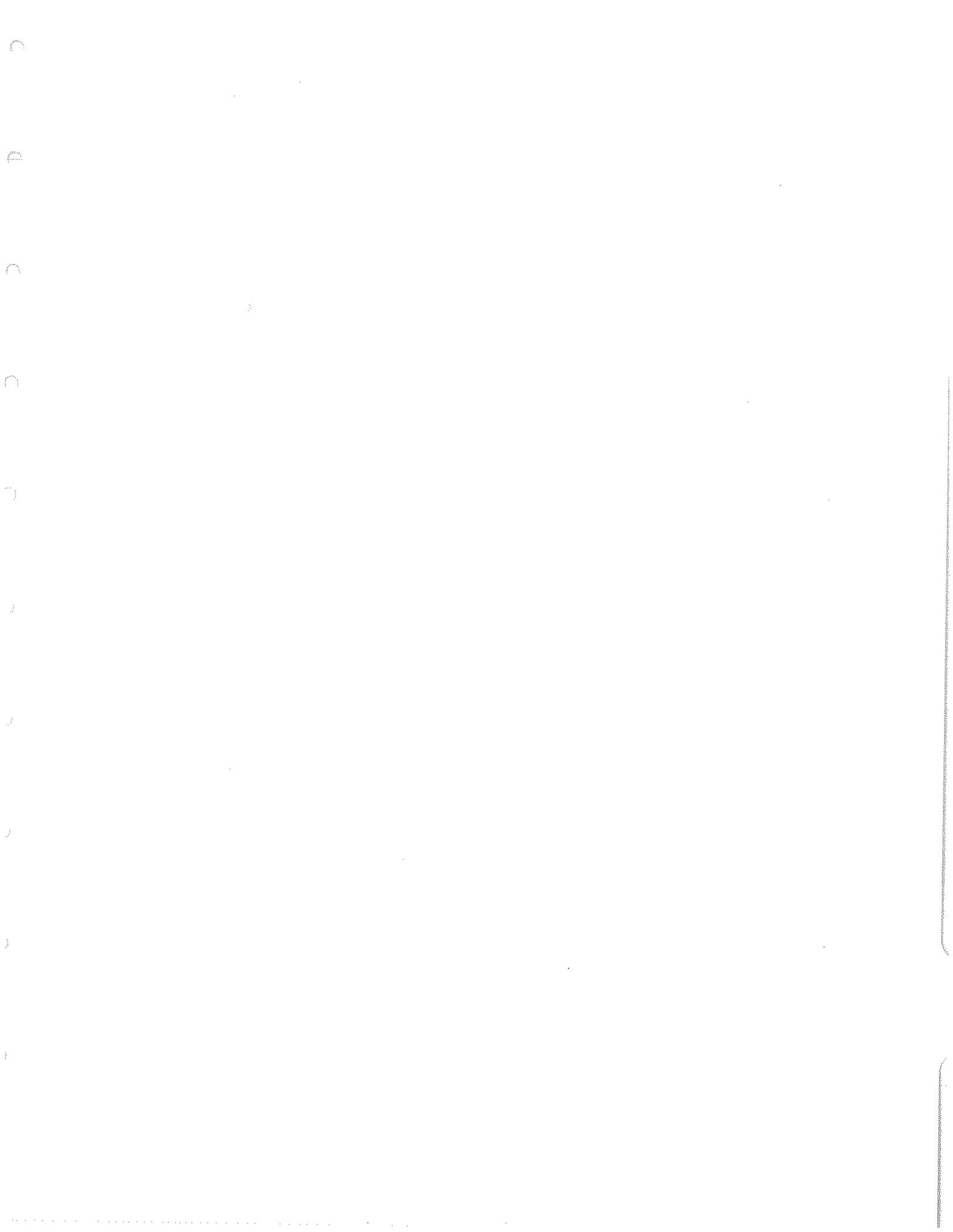
The purpose of the meeting was to have a public hearing to consider and adopt upon second reading a proposed rate ordinance increasing the Sewer Rates of the Town.

Ken Moran, Engineer for Thrasher Engineering and Vince Collins of Steptoe & Johnson were present to explain the Sewer Project and Ordinance for Rates.

The Mayor made the second reading of the rate ordinance. Motion by Stubbs to accept-this was with a correction of date instead of August 1998 to August 1999. Seconded by S. King and Passed by Council.


Recorder


Mayor



NOTICE OF PUBLIC HEARING ON
TOWN OF WEST UNION RATE
ORDINANCE

ORDINANCE SETTING FORTH SEWER
FEES, CONNECTION CHARGE, DELAYED
PAYMENT PENALTY AND
RECONNECTION CHARGE FOR SERVICE
TO CUSTOMERS OF THE SEWERAGE
SYSTEM OF THE TOWN OF WEST UNION

THE COUNCIL OF THE TOWN OF WEST
UNION HEREBY ORDAINS: The following
schedule of sewer rates, connection charge,
delayed payment penalty and reconnection charge
are hereby fixed and determined as the sewer
rates, connection charge, delayed payment penalty
and reconnection charge to be charged to
customers of the sewerage system of the Town of
West Union throughout the territory served:

SECTION 1. SCHEDULE OF RATES

APPLICABILITY

Applicable to entire area served.

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Available for general domestic, commercial and
industrial service.

RATES

Customer charge: \$6.00

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MINIMUM BILL

The minimum bill shall be \$16.00 per month.

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The unmetered bill shall be \$28.50 per month.

CONNECTION CHARGE

The connection charge for each new connection
to the system shall be \$300.

DELAYED PAYMENT PENALTY

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in full within 20 days of the date of bill, 10% will
be added to the net amount shown. This delayed
payment penalty is not interest and is only to be
collected once for each bill where it is appropriate.

DISCONNECT FOR NON-PAYMENT

If any bill is not paid within 60 days from the
date of the bill, water service to the customer will
be disconnected and will not be restored until all
past due bills have been paid in full, together with
all penalty charges and the reconnection charge,
subject to applicable rules of the Public Service
Commission of West Virginia.

RECONNECTION CHARGE

The reconnection charge shall be \$28.

SECTION 2. EFFECTIVE DATE

The sewer rates, connection charge, delayed
payment penalty and reconnection charge
provided herein shall be effective upon substantial
completion of the new sewerage facilities of the
Town, expected to be August, 1998, but in no event
prior to 45 days after the enactment hereof.

SECTION 3. SEPARABILITY: REPEAL OF
CONFLICTING ORDINANCES

The provisions of this Ordinance are separable,
and if any clause, provision or section hereof shall
be held void or unenforceable by any court of
competent jurisdiction, such holding shall not
affect the remainder of this Ordinance. Upon the
effective date hereof, all ordinances, resolutions,
orders or parts thereof in conflict with the
provisions of this Ordinance are, to the extent of
such conflicts, hereby repealed; and to the extent
that the provisions of this Ordinance do not touch
upon the provisions of prior ordinances,
resolutions, orders or parts thereof, the same shall
remain in full force and effect.

SECTION 4. STATUTORY NOTICE AND
PUBLIC HEARING

Upon introduction hereof, the Recorder shall
publish a copy of this Ordinance once a week for
2 successive weeks within a period of 14
consecutive days, with at least 6 full days
intervening between each publication, in The
Herald Record, a qualified newspaper published
and of general circulation in the Town of West
Union, and said notice shall state that this
Ordinance has been introduced, and that any
person interested may appear before Council at
the Lion's Club Community Building on Court
Street in West Union, West Virginia, on the 19th
day of February, 1998, at 5:00 p.m., which date is
not less than 10 days subsequent to the date of the
first publication of the Ordinance and notice, and
present protests. At such hearing all objections
and suggestions shall be heard and the Council
shall take such action as it shall deem proper in
the premises. Copies of this Ordinance shall be
available to the public for inspection at the office
of the Recorder in the Town Hall, West Union,
West Virginia.

CERTIFICATION AND NOTICE

The foregoing Ordinance has been introduced
and adopted on first reading at a meeting of the
Council held on January 27, 1998. Any person
interested may appear before the Council of the
Town of West Union at the Lion's Club
Community Building on Court Street in West
Union, West Virginia, on the 19th day of February,
1998, at 5:00 p.m., being the date, time and place
of the proposed final adoption of this Ordinance,
and be heard. The Council will then take such
action as it shall deem proper in the premises. The
proposed ordinance may be inspected by the public
at the Office of the Recorder in the Town Hall,
West Union, West Virginia.

Dated: February 3, 1998.

Patry P. Zeigler
Recorder
1-3-98

STATE OF WEST VIRGINIA,
COUNTY OF DODDRIDGE, TO-WIT:

I, VIRGINIA NICHOLSON, EDITOR OF THE
HERALD RECORD, A WEEKLY NEWSPAPER
PUBLISHED REGULARLY IN DODDRIDGE
COUNTY, WEST VIRGINIA, DO HEREBY
CERTIFY UPON OATH THAT THE ACCOMPANY-
ING LEGAL NOTICE ENTITLED:

Public Hearing

WAS PUBLISHED IN SAID PAPER FOR 2
SUCCESSIVE WEEKS BEGINNING WITH THE ISSUE
OF February 3, 1998

AND ENDING WITH THE ISSUE OF
February 10th, 1998, AND THAT SAID
NOTICE CONTAINS 1148 WORD SPACE AT

six CENTS A WORD AMOUNTS TO THE SUM
OF \$ 68.88 FOR FIRST PUBLICATION
SECOND PUBLICATION IS 75% OF THE
FIRST PUBLICATION \$51.66

AND EACH PUBLICATION THEREAFTER
\$120.54 TOTAL

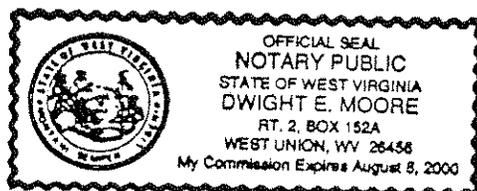
Virginia Nicholson EDITOR.

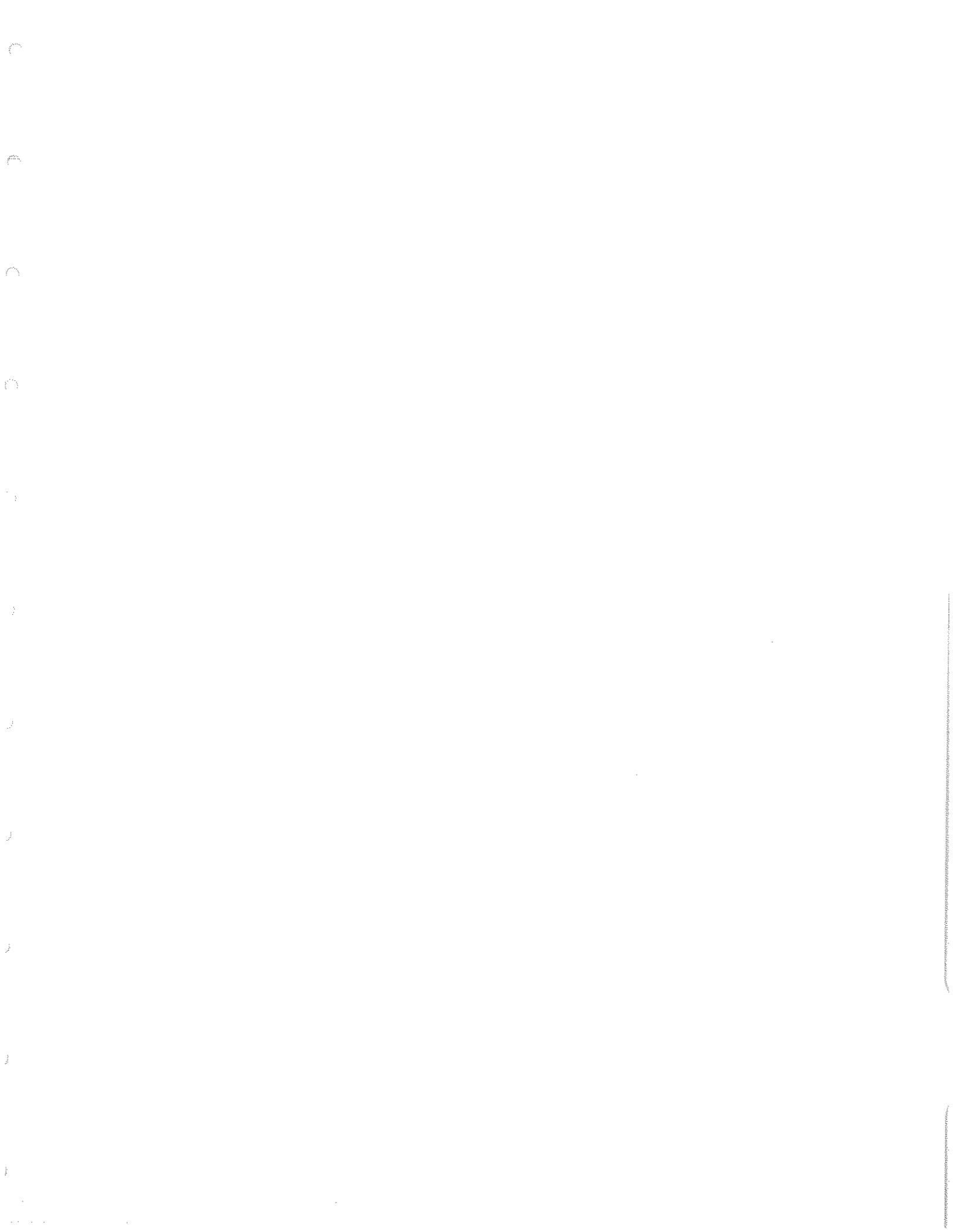
SWORN TO AND SUBSCRIBED BEFORE ME THIS
THE 20th DAY OF February, 1998

Dwight E. Moore NOTARY PUBLIC.

My commission expires on the 8th

day of August, 2000

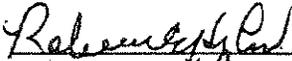




Special Meeting for the
First Reading of the Bond for the Water Project
July 29, 2002 - 11:00 AM

Meeting was called to order by Mayor Heflin. In attendance were Council members Mary Daugherty, James Heflin, Jr., Lorelei Phillips, and Recorder, Etta Stadler. Owen Mossor and Charles Langfitt were absent.

Mayor Heflin read the Bond Ordinance for the funding of the water project. James Heflin, Jr. motioned to pass the first reading of the ordinance and Mary Daugherty seconded; Council approved unanimously. Meeting adjourned at 11:15 AM.



Mayor



Recorder

Regular Meeting of West Union Town Council
August 6, 2002 - 7:00 PM

Meeting was called to order by Mayor Heflin. In attendance were Council members Owen Mossor, Mary Daugherty, James Heflin, Jr., Charles Langfitt, Lorelei Phillips, and Recorder, Etta Stadler.

James B. Heflin, Jr., motioned to accept the minutes of the last meeting, as read; Mary Daugherty seconded, and Council approved.

Motion was made by Mary Daugherty, and seconded by Lorelei Phillips to approve the invoices and pay any incoming outstanding invoices. Council unanimously approved.

Mr. Woody Thrasher asked to hold another work session on August 13, 2002 to review the list that was sent on May 18. Council tentatively agreed.

Councilmembers and Mayor were asked to participate in the Veteran's Day parade. Council will take it under advisement, but considered it a possibility.

Public Hearing on August 23, 2002 at 11:00 AM at the City Building for the bond ordinance. Cam Seigrist, Bond Counsel, requests that a quorum be present at the meeting.

Etta is to check with Allegheny Power on the topping or removal of two trees on Walnut and one on East Main Street.

Chief Turner requested that the Town participate in the fingerprinting of the students at the Middle School and the High School. Council approved allocating 1/3 the costs, if the other agencies were also helping to defray the cost of the kits. The FBI would be doing the Elementary School, as a partner in education.

Drainage between the Dennison and Barton properties was discussed. Mr. James Heflin suggested the Maintenance Department put a trench along the upper side to resolve the washout of the alley.

Lorelei Phillips, head of the Christmas light committee, stated that Mr. Hayes would like to meet with council to outline his designs for the Christmas lights. Council felt it could be addressed at the next meeting.

Under old business, the second reading of the Bond Ordinance for the Water Project was read. James Heflin, Jr., motion to accept the second reading of the ordinance and Owen Mossor seconded the motion. The motion was approved unanimously. Council was reminded about the meeting on August 23, 2002.

Meeting adjourned 8:30 PM.

GENERAL FUND		
8/01/2002		
Town of West Union	Payroll	2460.52
First National Bank	Social Security	183.31
WV Public Emp. Retirement	Employer	227.83
WV Public Emp. Insurance	Employer	856.13
CIT Financial USA	Police Vehicle	471.79
DC Farm Services		53.27
Equitable Gas	Office/Shop	6.91
Greer Industries	Asphalt/Stone	1,113.28
Kalleys Sunoco	Police	120.50
Lexis Nexis	WV Traffic Codes	30.74
WV Dept. of Highways	Stone	90.84
Allegheny Power Company	Street Lts 701.57/Office 65.87	767.44
WV State Treasurer	CVR/LET/RJAIL	600.00
Verizon	Office 83.41/Police 69.83	133.24
Miracle Foam Roof	Hail Damage/Insurance	1,440.00
AT & T	Long Distance	41.15
Municipal League	Recorder's Dues	25.00
Region VI	Dues	100.00
RD Wilson	Towels/Maintenance	70.06
Fleet Pride	Hitch/Trailer	133.01
Waste Management	Trash	11.01

WATER & SEWER REVENUE FUND		
08/01/2002		
Rural Development Administration		1,709.00
1998 Series A /B USDA		4,820.00
Municipal Bond Commission		4,908.94
Town of West Union Payroll		11,746.72

First National Bank	898.62
WV Public Employees Retirement	1,025.37
WV Public Employees Insurance	3,198.54
New Holland Credit Co.	584.70
H.L. Heaster Computer grant	130.00
Roediger	375.65
Mansfield Bag Company	3,320.00
S. & S. Landfill	575.75
Miss Utility	10.00
Neal Hughes Survey	945.00
Galeton Gloves	127.95
Rasa V-Training Manuals	70.00
BFS Petroleum	289.13
Verizon	119.29
Preiser Scientific	256.27
Waste Management	89.88
Allegheny Power Company	1,878.65
Town/General Fund	985.41
Kelleys Sunoco	406.03
General Products	103.18
Water Works & Industrial Supply	1,216.45
WV Dept of Health & Human Resources	28.00
Allegheny Power Company	186.29
C I Thornburg	320.00

Robert G. Galt

 Mayor

Eric A. Stader

 Recorder

*Not approved
 by Council*

Special Meeting
August 23, 2002 at 11:00AM

Mayor Heflin called the meeting to order at 11:05 AM. Council members, Owen Mossor, Lorelei Phillips, Mary Daugherty, Charles Langfitt, and Recorder Etta Stadler were present. James B Heflin, Jr. was absent. Bond Counsel for the 2002 Water Project, Camden Siegrist, of Bowles, Rice, McDavid, Graff, and Love was in attendance.

Since this was the Public Hearing for the Bond Ordinance, he opened the floor to public comments. No additional citizens were in attendance and Council had no comments. Charles Langfitt motioned to adopt and put into effect the Bond Ordinance that was passed on August 6, 2002. The motion was seconded by Owen Mossor and approved by Council unanimously.

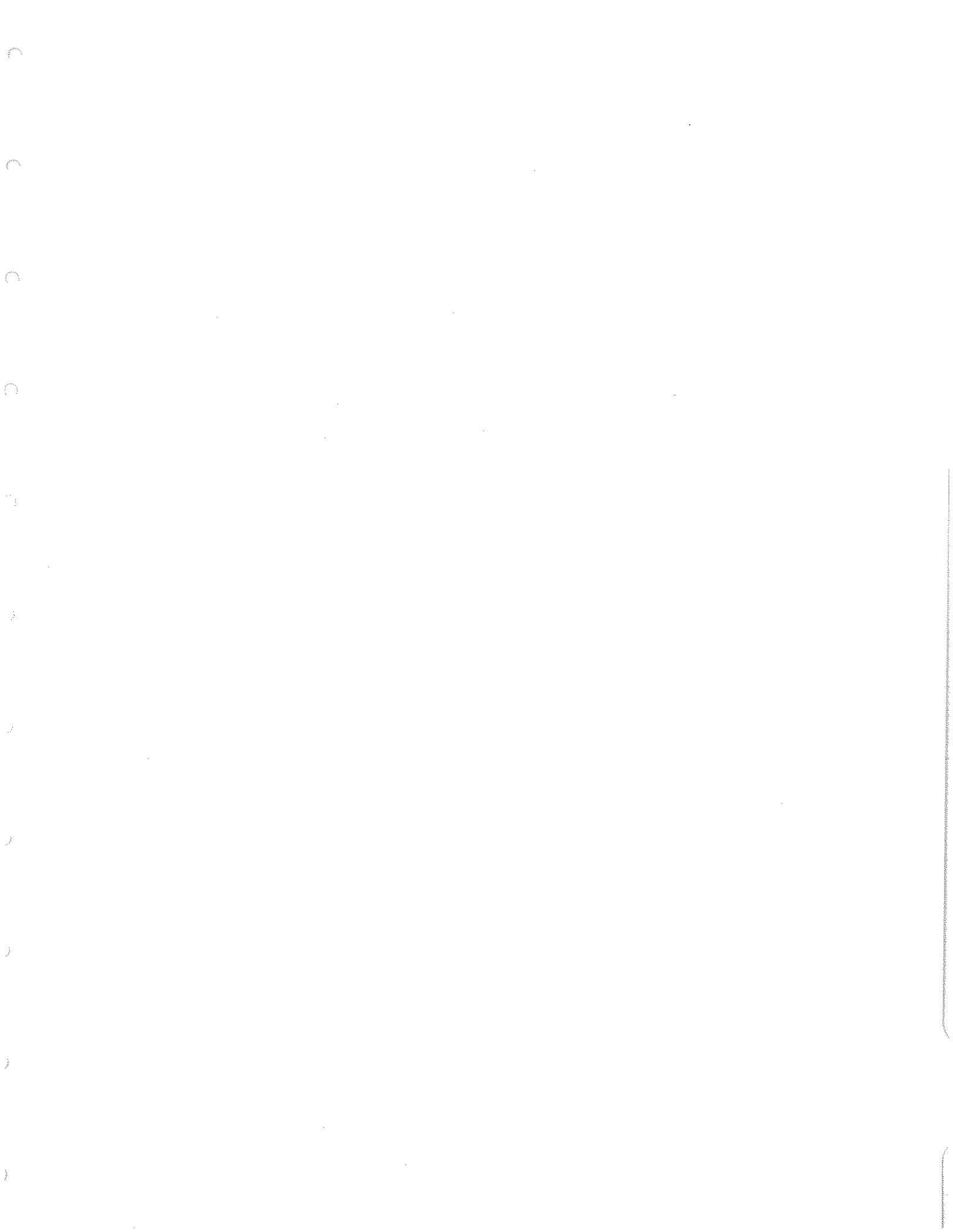
Mayor Heflin then read the Supplemental Resolution outlining the terms and rates of the bonds to be issued. Owen Mossor motioned to approve the Supplemental Resolution, as read, and Mary Daugherty seconded the motion. Council's vote was unanimous.

Meeting adjourned at 11:30 AM.

Robert E. Heflin, Mayor


Etta A. Stadler, Recorder

*Pending Council
Approval*



TO
CAM SIEGRIST

1 of 1

NOTICE OF PUBLIC HEARING
ON WATER BOARD
ORDINANCE

A public hearing will be held on the following subject (Ordinance) at a special meeting of the Council of the Town of West Union to be held on Friday, August 23, 2002, at 11:00 A.M. in the Council Chambers at the Town Hall, 201 Court Street, West Union, West Virginia, and to which anyone interested and suggestions shall be heard by the Council and it shall then take such action as it shall deem proper in the premises upon all Ordinance entitled:

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN ADDITIONS, IMPROVEMENTS AND IMPROVEMENTS TO THE WATERWORKS PORTION OF THE EXISTING PUBLIC COMBINED WATERWORKS AND SEWERAGE SYSTEM OF THE TOWN OF WEST UNION AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE TOWN OF WEST UNION OF NOT MORE THAN EIGHT HUNDRED TEN THOUSAND DOLLARS (\$8,000.00) IN AGGREGATE PRINCIPAL AMOUNT OF TOWN OF WEST UNION COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2001 (WEST VIRGINIA INFRASTRUCTURE FUNDS), PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE HOLDERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT WITH THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY ACTING ON BEHALF OF THE WEST VIRGINIA INFRASTRUCTURE AND JOB DEVELOPMENT COUNCIL RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND DELIVERY FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

The above quoted title of the Ordinance describes generally the contents thereof and the purpose of the same have been explained thereby. The Bonds are to provide financial assistance for a portion of the costs of acquisition and construction of certain improvements to the waterworks portion of the public combined waterworks and sewerage system for the Town of West Union (the "Project"). The Bonds are payable solely from revenues derived from the ownership and operation of the public combined waterworks and sewerage system of the Town of West Union. No time may elapse time be levied for the purposes of the Bonds or the interest thereon.

A certified copy of the above cited Ordinance is on file in the office of the Recorder of the Town of West Union for review by interested parties during regular office hours.

Following the said public hearing, the Town Council intends to put said Ordinance into effect.

Dated: August 7, 2002.

John A. Steuber, Recorder
8-13-02b

STATE OF WEST VIRGINIA,
COUNTY OF DODDRIDGE, TO WIT:

I, Virginia Nicholson, Editor of THE HERALD RECORD, a weekly newspaper published regularly in Doddridge County, West Virginia, Do Hereby Certify Upon Oath That the Accompanying Legal Notice Entitled:

*Notice of Public Hearing
Town of West Union
on Water Board Ordinance*

was published in said paper for 2...
successive weeks beginning with the

issue of August 13, 2002 and

ending with the issue of

August 20, 2002 and

that said notice contains 512.5

WORD SPACE at 08.5 cents a word

amounts to the sum of \$ 43.56

FOR FIRST PUBLICATION. SECOND
PUBLICATION IS 78% OF THE FIRST

PUBLICATION \$ 32.67

and each publication thereafter.

\$ 76.23 TOTAL

Virginia Nicholson EDITOR

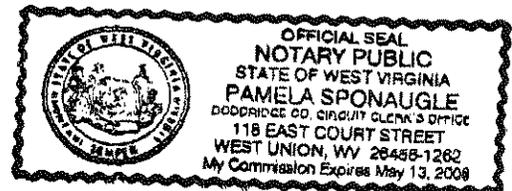
SWORN TO AND SUBSCRIBED BEFORE ME

THIS THE 23rd DAY OF August, 2002

Pamela Spoung NOTARY PUBLIC

MY COMMISSION EXPIRES ON THE

13th DAY OF May, 2008



Legal Advertisement**IN THE COUNTY COMMISSION OF
DODDRIDGE COUNTY WEST VIRGINIA
NOTICE OF ADMINISTRATION**

The administration of the following estates is pending before the County Commission of Doddridge County, West Virginia, whose address is 118 E. Court St., Room 102, West Union, WV 26456: The names and addresses of the personal representative and the personal representative's attorney, if there be one, are set forth below.

Claims against the estates must be filed in accordance with Article w, Chapter 44, of the Code of West Virginia, 1931 as amended.

Any person seeking to impeach or establish a will must make a complaint in accordance with the provisions of Section 11, 12 or 13, Article 5, Chapter 41 of the Code of West Virginia, 1931, as amended.

Any interested person objecting to the qualifications of the personal representative or the venue or jurisdiction of the court must be filed with the County Commission within 3 months after the date of the first publication or thirty days of service of the notice, whichever is later.

The date of the first publication of this Notice is August 6, 2002.

In the Estate of ELISHA W. SHIELDS, DECEASED

Personal Representative:

RUTH ANN DAVISSON

RT. 1, BOX 8

WEST UNION, WV 26456

Attorney for Personal Representative: NONE ON RECORD

In the Estate of FLOSSIE P. FLEMING, DECEASED

Personal Representative:

BETTY LOU STANSBERRY

208 STUART ST.

WEST UNION, WV 26456

RUTH E. SWENTZEL GAUGHAN

RT. 2, BOX 154

WEST UNION, WV 26456

Attorney for Personal Representative: NONE ON RECORD

In the Estate of HAROLD J. COLLINS, DECEASED

Personal Representative:

KATHY L. JONES

70 TERRACE AVE.

SALEM, WV 26456

Attorney for Personal Representative: NONE ON RECORD

In the Estate of LESLIE STEVEN ANDERSON, DECEASED

Personal Representative:

ALICIA SUE ANDERSON

HC 67, BOX 190

WEST UNION, WV 26456

Attorney for Personal Representative: NONE ON RECORD

In the Estate of PAUL E. IRONS, DECEASED

Personal Representative:

BARBARA L. IRONS

312 FRONT ST.

WEST UNION, WV 26456

Attorney for Personal Representative: NONE ON RECORD

In the Estate of ORVAL T. FERREBEE, DECEASED

Personal Representative:

MARY K. ARBOGAST

RT. 3, BOX 92-A

SALEM, WV 26426

Attorney for Personal Representative: NONE ON RECORD

In the Estate of DAVID LAWRENCE BOYD, DECEASED

Personal Representative:

RUBY MARCELENE SWENTZEL

RT. 2, BOX 138

WEST UNION, WV 26456

Attorney for Personal Representative: NONE ON RECORD

JANICE ELLIFRITT COX, CLERK
DODDRIDGE COUNTY COMMISSION

8-6-2xb

**NOTICE TO CREDITORS AND
BENEFICIARIES**

Notice is hereby given that settlement of the estate of the following named decedents will proceed without reference to a fiduciary commissioner unless within NINETY DAYS from the first publication of this notice such reference is

Legal Advertisement**NOTICE OF FILING OF ESTATE ACCOUNTS
OR
WAIVERS OF FINAL SETTLEMENT**

I have before me the accounts of the executorial or administrator(s) of the estates of the following deceased persons:

Amy L. Boyce

Any person having a claim against the estate of any such deceased person, or who has any beneficial interest therein, may appear before me or the county commission at any time within thirty days after first publication of this notice, and request reference of said estate to a Fiduciary Commissioner or object to confirmation of said accounting. In the absence of such request or objections, the accounting may be approved by the county commission.

Dated this 2nd day of August, 2002.

Janice Ellifritt Cox
Clerk of the County Commission
of Doddridge County, W.Va.
8-6-2xb

**NOTICE OF PUBLIC HEARING
TOWN OF WEST UNION
NOTICE OF PUBLIC HEARING
ON WATER BOARD
ORDINANCE**

A public hearing will be held on the following entitled Ordinance at a special meeting of the Council of the Town of West Union to be held on Friday, August 23, 2002, at 11:00 a.m., in the Council Chambers at the Town Hall, 300 Court Street, West Union, West Virginia, and at such hearing all objections and suggestions shall be heard by the Council and it shall then take such actions as it shall deem proper in the premises upon an Ordinance entitled: ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE WATERWORKS PORTION OF THE EXISTING PUBLIC COMBINED WATERWORKS AND SEWERAGE SYSTEM OF THE TOWN OF WEST UNION AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE TOWN OF WEST UNION OF NOT MORE THAN EIGHT HUNDRED TEN THOUSAND DOLLARS (\$810,000.00) IN AGGREGATE PRINCIPAL AMOUNT OF TOWN OF WEST UNION COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2002 (WEST VIRGINIA INFRASTRUCTURE FUND); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE HOLDERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT WITH THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY ACTING ON BEHALF OF THE WEST VIRGINIA INFRASTRUCTURE AND JOBS DEVELOPMENT COUNCIL RELATING TO SUCH BONDS, AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

The above quoted title of the Ordinance describes generally the contents thereof and the purposes of the Bond issue contemplated thereby. The Bonds are to provide permanent financing of a portion of the costs of acquisition and construction of certain improvements to the waterworks portion of the public combined waterworks and sewerage system for the Town of West Union (the "Project"). The Bonds are payable solely from revenues derived from the ownership and operation of the public combined waterworks and sewerage system of the Town of West Union. No taxes may at any time be levied for the payment of the Bonds or the interest thereon.

A certified copy of the above-titled Ordinance is on file at the office of the Recorder of the Town of West Union for review by interested parties during regular office hours.

Following the said public hearing, the Town Council intends to put said Ordinance into effect.

Dated: August 7, 2002.

/s/Eita A. Stadler, Recorder
8-13-2xb

**ORDER OF PUBLICATION
CIRCUIT COURT OF
DODDRIDGE COUNTY, WEST
VIRGINIA**

The object of this suit is to notify the "acknowledged" father, David A. Beeson, whose address is unknown, but whose last address was in Barbour County, West Virginia.

And it appearing by the "Affidavit" filed in this action that the whereabouts of David A. Beeson, is unknown, it

**DCHS Athletic
Boosters Need
Help!!!**

An organizational meeting for the upcoming school year was recently held and we had a great turn out of about 15 people. While that was good, what is still lacking are officers and volunteers to get the sports program completed, as this is the largest single fundraiser of the year and to get the concession stands organized. We need volunteers willing to help with buying concession supplies, stocking pop machines, calling concession workers, etc. Without parents obligating to this cause, this organization cannot exist.

Besides providing additional funds for the purchase of new uniforms as needed, insurance, and the many miscellaneous items such as plaques for awards, flowers for senior nights, the banquet, etc., the boosters help provide the continual upgrade of the sports programs in Doddridge County. Last year we provided partial funds for the purchase of the new sound system at the football field, gymnasium, and baseball field, in addition to a new baseball scoreboard for the Doddridge County Park.

This year a new swim team is being added. There are presently 49 football players. This is the largest number in quite a few years, so additional football uniforms and pads are needed. Without the revenues from the sports program and the concession stand, the boosters cannot survive and the quality of our sports programs will decline. We are calling on all parents of any athlete - football, cross country, cheerleaders, basketball, volleyball, track and swimming to pitch in and help. Do not sit back and wait for someone else to do these things for you. All parents of athletes should feel a responsibility to do THEIR part to make their child's sport experience a memorable one. IF EVERYONE WOULD DO A LITTLE, NO ONE

Town of West Union
8/21/02

Legal Advertisement

NOTICE OF PUBLIC HEARING
TOWN OF WEST UNION
NOTICE OF PUBLIC HEARING
ON WATER BOARD
ORDINANCE

A public hearing will be held on the following entitled Ordinance at a special meeting of the Council of the Town of West Union to be held on Friday, August 23, 2002, at 11:00 a.m. in the Council Chambers at the Town Hall, 300 Court Street, West Union, West Virginia, and at such hearing all objections and suggestions shall be heard by the Council and it shall then take such actions as it shall deem proper in the premises upon an Ordinance entitled: **ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE WATERWORKS PORTION OF THE EXISTING PUBLIC COMBINED WATERWORKS AND SEWERAGE SYSTEM OF THE TOWN OF WEST UNION AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE TOWN OF WEST UNION OF NOT MORE THAN EIGHT HUNDRED TEN THOUSAND DOLLARS (\$810,000.00) IN AGGREGATE PRINCIPAL AMOUNT OF TOWN OF WEST UNION COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2002 (WEST VIRGINIA INFRASTRUCTURE FUND); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE HOLDERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT WITH THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY ACTING ON BEHALF OF THE WEST VIRGINIA INFRASTRUCTURE AND JOBS DEVELOPMENT COUNCIL RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.**

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A certified copy of the above-titled Ordinance is on file at the office of the Recorder of the Town of West Union for review by interested parties during regular office hours.

Following the said public hearing, the Town Council intends to put said Ordinance into effect.

Dated: August 7, 2002.

/s/ETHA A. SINDLER, Recorder
8-13-2xb

ORDER OF PUBLICATION
CIRCUIT COURT OF
DODDRIDGE COUNTY, WEST
VIRGINIA

The object of this suit is to notify the "acknowledged" father, David A. Beeson, whose address is unknown, but whose last address was in Barbour County, West Virginia. And it appearing by the "Affidavit" filed in this action that the whereabouts of David A. Beeson is unknown, it is hereby ordered that David A. Beeson serve upon Heather Ireland Moleska, Petitioner's attorney, whose address is 105 High Street, West Union, West Virginia 26456, an answer, including any related counter claim of defense you may have to the petition filed in this action on or before the 13th day of September, 2002. If you fail to do so, thereafter judgment, upon proper hearing and trial, may be taken against you for the relief demanded in the petition.

A copy of said petition can be obtained from the undersigned Clerk at his office at the Doddridge County Courthouse, 118 Court Street, West Union, West Virginia 26456.

Entered by Clerk of said Court August 9th, 2002.
Dwight E. Moore
CLERK OF COURT
8-13-2xb

Local
Pl. of Ir
How
Trust
Com
Dec
Gold
Lend
cond
deed
with
Trust

Cam SERRIST
1 of 1
I'll get affidavit
NEXT WEEK ES

6th DAY OF SEPTEMBER 2002
at the front doors of the Courthouse in Doddridge County, West Virginia, the following real estate more particularly described as follows:
All that certain tract and parcel of real estate, being Lots Nos. Twenty (20) and Twenty One (21) situate in the Charter Addition in the Town of West Union, Doddridge County, WV and more particularly bounded and described as follows, to-wit:
Beginning at the south east corner of Central Avenue, and running parallel with the Lyon's north line to John Morgan's West line, thence nearly north in a straight line to a post standing about 4 feet from a walnut tree, thence running in a straight line East to a post on the south east corner of Cox's line and thence running a straight line to the beginning excepting the eland starting from southeast corner of Cox's line and running 24 feet front along the street and back west 20 feet parallel with Cox's line which is hereby reserved and being Lots Nos. 20 and 21 as laid down on a plat of the Charter Addition in said town.

The above conveyance is made subject to all exceptions, reservations, covenants, conditions, restrictions, easements, and rights of way as contained in prior deeds of conveyance for the above described parcel of real estate.

It is the intention of this notice to sell the secured property by proper description as was intended to be transferred and conveyed in the aforesaid deed of trust.

The above described real estate is reported to have a mailing address of 119 Railroad Street, West Union, WV 26456

TERMS OF SALE. Cash in hand on day of sale or within 14 days of date of sale upon terms to be agreed upon between Trustee and successful bidder, payment for unpaid real estate taxes to be assumed by the purchaser. The Trustee does not warrant title to this property.

Any sale hereunder may be adjourned from time to time without any notice other than oral proclamation at the time and place appointed for this sale or by posting of a notice of same where legal notices are posted for this county. Should the Trustee not appear at the time appointed for the sale and there is no notice posted of a continuance please contact the office of the Trustee to make further inquiry. Any sale may be conducted or adjourned by the designated agent or attorney of the Trustee. The undersigned is fully vested with the authority to sell said property as Trustee by instrument to be recorded.

Should any party have an inquiry, objections to the sale or protests regarding the sale, or requests regarding the sale, please notify the trustee below by one of the means of communications set forth below

R VANCE GOLDEN, TRUSTEE
543 Fifth Street, PO Box 81
Parkersburg, WV 26102
Telephone (304) 485-3851
Facsimile (304) 485-0261
8-20-2xb

NOTICE TO THE CREDITORS AND
BENEFICIARIES OF THE ESTATE OF
LEWIS K. KIGER

All persons having claims against the estate of the said LEWIS K. KIGER, deceased, whether due or not, are notified to exhibit their claims, with the voucher thereof, legally verified, to the undersigned at his office in West Union, West Virginia, on or before the 30th day of November, 2002, otherwise, they may by law be excluded from all benefit of said estate. All beneficiaries of said estate may appear on or before said day to examine said claims and otherwise protect their interests.

Given under my hand this 12th day of August, 2002
Matthew W. Alexander
Fiduciary Commissioner
Doddridge County
8-13-2xb

Jane Lew Labor
Day Craft Show

The Jane Lew Fire Department will be holding their 18th annual craft show August 30, 31 and September 1 at the Fire Hall located one mile from exit 105 on I-79, Jane Lew, WV.

In 1984 the late Juanita Stanley began her quest to help crafters and the Jane Lew Fire Department. With hard work and determination, the three day event over Labor Day weekend has grown and improved each year. What started as just 12 crafters in one room, is now at 150 crafters inside and outside the building as well as in the city park.

You will find an array of fine handcrafted contemporary and heritage items to fit anyone's taste, including country, Victorian, rustic, Americana and more.

Crafts that can be found at Jane Lew are classic and creative hand-blown glass, wood furniture, birdhouses, yard art, scrollwork, shelves, wall decorations, hand-carved items, hand-sewn and needleart toys, dolls, animals, quilts, wallhangings, placemats, goose clothes, thread and yarn crochet and cross-stitch, leather belts, wallets, and hair items, handcrafted jewelry of silver and gold, colorful beads and gemstones, dried and silk flower arrangements, engraved welcome

stones, baskets of vin ceramics, pottery, por creations, natural hc and soaps, scented : candles, painting and wonderful West specialities like hone: jams and jellies. : butter, kettle corn, : sticks and corn meal.

And you won't go h tasty food available department or one of organizations outside

There is also a dis engines located across from the Fire Depart

Proceeds from the the Jane Lew V Department and are t the fire hall and equipment.

Hours for the Friday, August 30 August 31 are 10:00 Sunday, September 7:00 pm. We would l public to come to experience the pride talented artisans.

Information may contacting the 1 Convention and Vis 304-269-7328, Elle 457-3097, Willadea 304-269-3758 or D: at 304-624-7149.

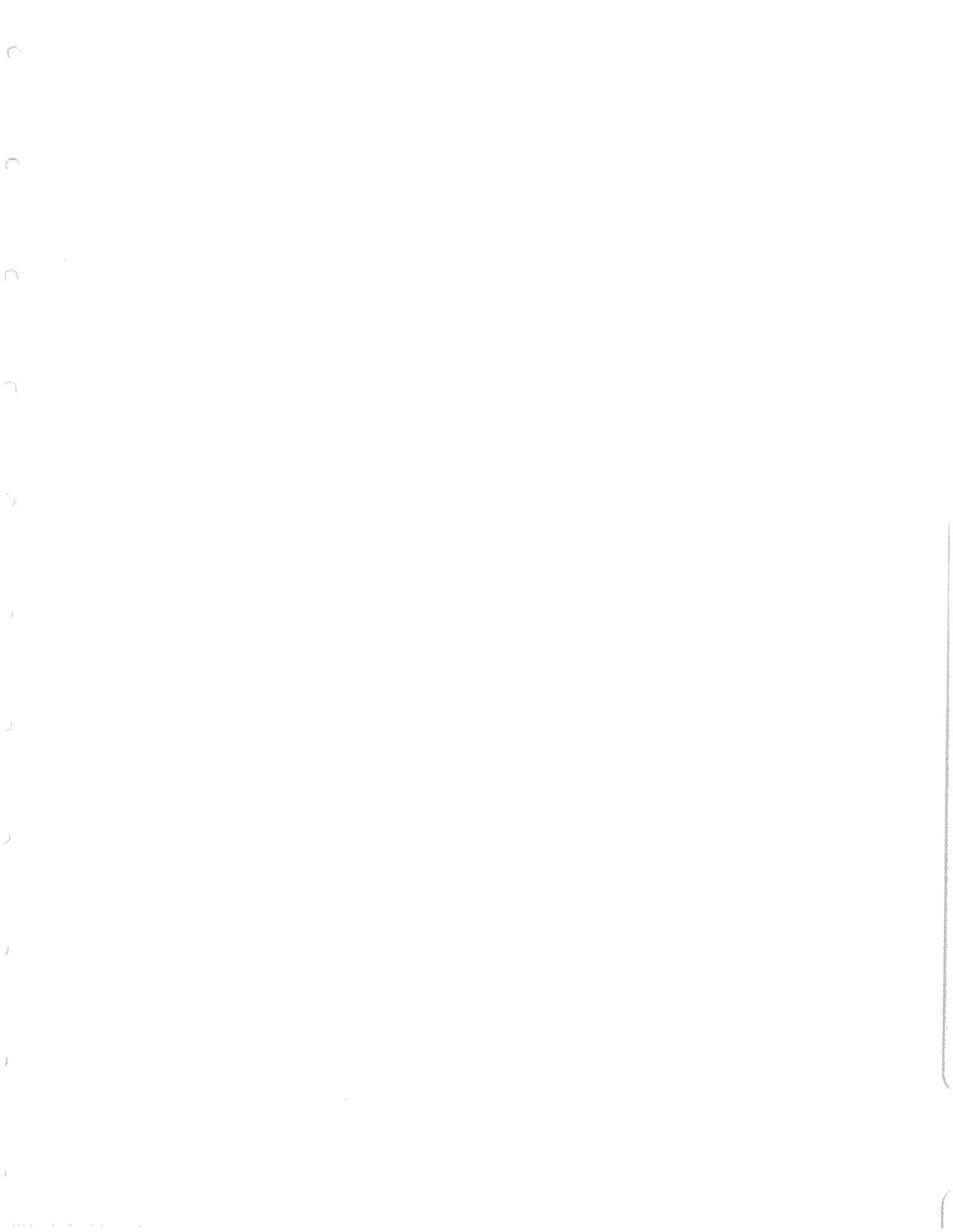
New Liv

The new livestock show barn at the County 4-H and FFA members will be exhibiting th generous donations and many volunteer hot and construction for the barn came from ma

- Simonton Windows
- Greer Industries
- Dominion Hope Transmission
- West Union Bank
- First National Bank
- Equibrand/ Rick Barton

West Virginia Family Nutrition

Free Classes



WEST VIRGINIA MUNICIPAL BOND COMMISSION

Suite 500

8 Capitol Street, Charleston, WV 25301

(304) 558-3971

NEW ISSUE REPORT FORM

Date of Report: August 29, 2002

ISSUE: Town of West Union Combined Waterworks and Sewerage System Revenue Bonds,
Series 2002 (West Virginia Infrastructure Fund)

ADDRESS: 300 Court Street, P. O. Box 5, West Union, West Virginia 26456 COUNTY: Doddridge

PURPOSE OF ISSUE: New Money X
Refunding _____ Refunds issue(s) dated: _____

ISSUE DATE: August 29, 2002 CLOSING DATE: August 29, 2002

ISSUE AMOUNT: \$ 810,000 RATE: 0%

1st DEBT SERVICE DUE: December 1, 2003 1st PRINCIPAL DUE: December 1, 2003

1st DEBT SERVICE AMOUNT: \$ 5,225.81 PAYING AGENT: Municipal Bond Commission

BOND COUNSEL: Bowles Rice McDavid UNDERWRITERS COUNSEL: Jackson & Kelly, PLLC
Graff & Love, PLLC

Contact Person: Camden P. Siegrist Contact Person: Samme L. Gee, Esq.
Phone: (304) 347-1129 Phone: (304) 340-1318

CLOSING BANK: West Union Bank ESCROW TRUSTEE: _____
Contact Person: Raymond W. Jones, Pres. Contact Person: _____
Phone: 304-873-2361 Phone: _____

KNOWLEDGEABLE ISSUER CONTACT: OTHER: West Virginia Infrastructure & Jobs Development Council
Contact Person: Etta A. Stadler Contact Person: Katy Mallory, P.E.
Position: City Clerk/Recorder Function: Executive Secretary
Phone: (304) 873-1400 Phone: (304) 558-4607

DEPOSITS TO MBC AT CLOSE: _____ Accrued Interest: \$ _____
By _____ Wire _____ Capitalized Interest: \$ _____
_____ Check _____ Reserve Account: \$ _____
_____ Other: _____ \$ _____

REFUNDS & TRANSFERS BY MBC AT CLOSE:
By _____ Wire _____ To Escrow Trustee: \$ _____
_____ Check _____ To Issuer: \$ _____
_____ IGT _____ To Cons.Invest.Fund \$ _____
_____ To Other: _____ \$ _____

NOTES: _____

FOR MUNICIPAL BOND COMMISSION USE ONLY:
Documents Required: _____
Transfers Required: _____



**TOWN OF WEST UNION
COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS,
SERIES 2002
(WEST VIRGINIA INFRASTRUCTURE FUND)**

ACCEPTANCE OF DUTIES OF DEPOSITORY BANK

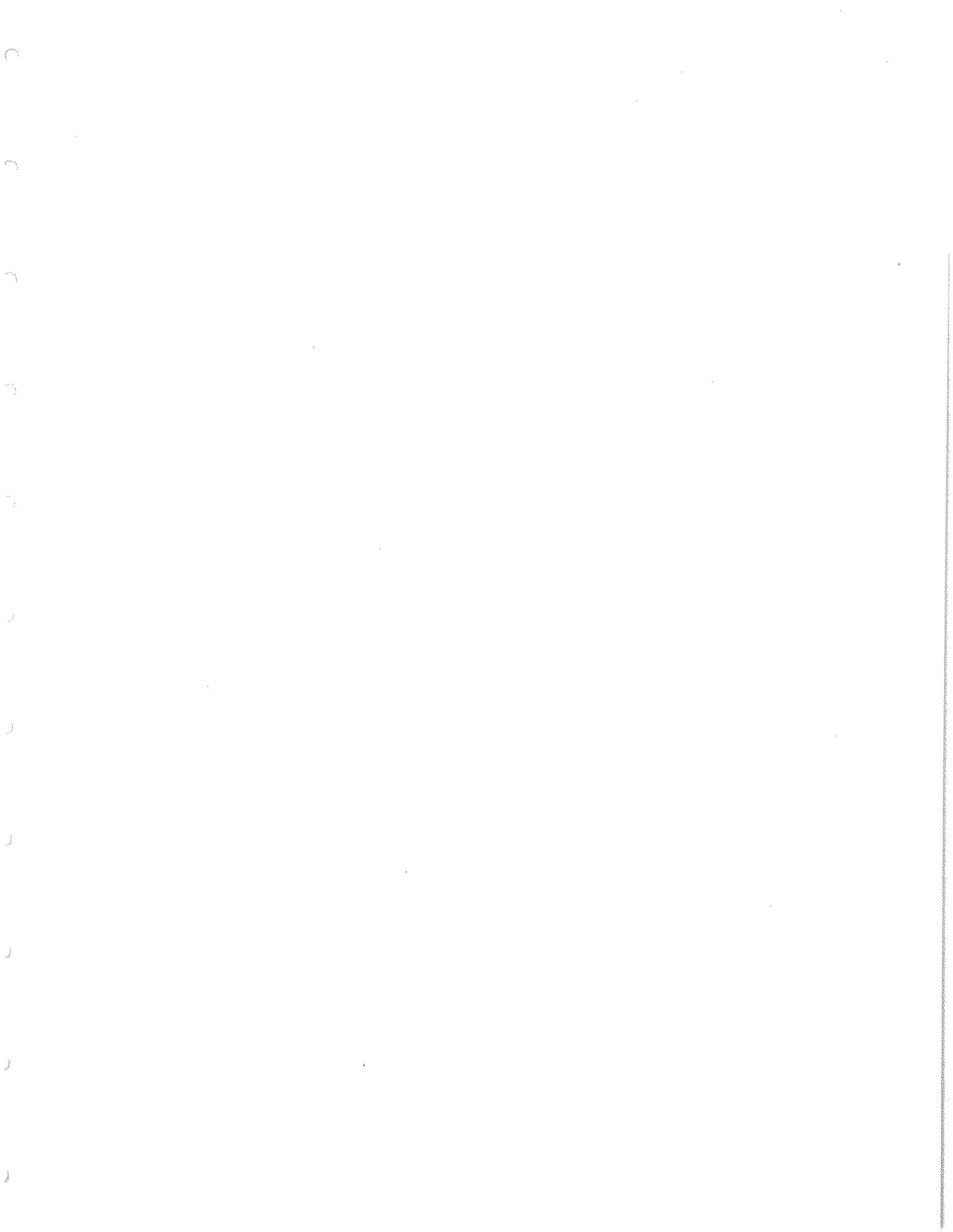
West Union Bank, a West Virginia banking corporation, with offices in the Town of West Union, West Virginia, hereby accepts appointment as Depository Bank in connection with the Bond Ordinance enacted August 6, 2002, as supplemented and amended by a Supplemental Resolution adopted August 23, 2002 (collectively, the "Bond Ordinance") of the Town of West Union (the "Issuer"), authorizing issuance of the Issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 2002 (West Virginia Infrastructure Fund), dated August 29, 2002, in the principal amount of \$810,000 (the "Bonds") and agrees to perform all duties of Depository Bank in connection with such Bonds, all as set forth in said Bond Ordinance.

Dated this 29th day of August, 2002.

WEST UNION BANK

By:


Its: Authorized Representative



**TOWN OF WEST UNION
COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS,
SERIES 2002
(WEST VIRGINIA INFRASTRUCTURE FUND)**

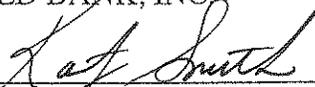
ACCEPTANCE OF DUTIES OF REGISTRAR

United Bank, Inc., a West Virginia banking corporation with offices in the City of Charleston, West Virginia, hereby accepts appointment as Registrar in connection with the Town of West Union Combined Waterworks and Sewerage System Revenue Bonds, Series 2002 (West Virginia Infrastructure Fund), dated August 29, 2002, in the principal amount of \$810,000 (the "Bonds") and agrees to perform all duties of Registrar in connection with the Bonds, all as set forth in the Bond Legislation authorizing issuance of the Bonds.

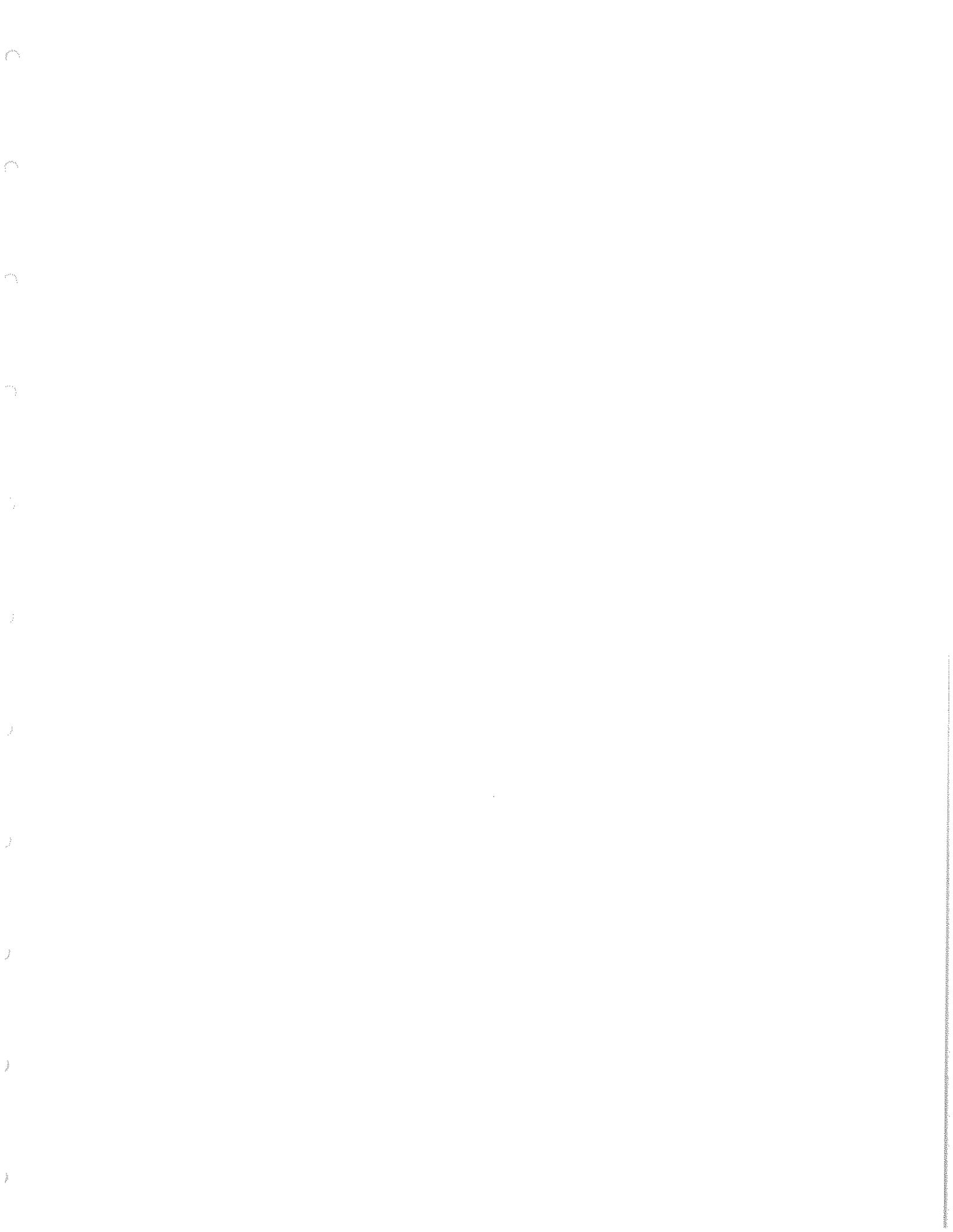
Dated this 29th day of August, 2002.

UNITED BANK, INC

By



Its Authorized Representative



**TOWN OF WEST UNION
COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS,
SERIES 2002
(WEST VIRGINIA INFRASTRUCTURE FUND)**

CERTIFICATE OF REGISTRATION OF BONDS

United Bank, Inc., Charleston, West Virginia, as Registrar under the Registrar Agreement and the Bond Ordinance providing for the issuance of the above captioned bonds, hereby certifies that on the date hereof, the single, fully registered Town of West Union Combined Waterworks and Sewerage System Revenue Bond, Series 2002 (West Virginia Infrastructure Fund), dated August 29, 2002, in the principal amount of \$810,000, numbered R-1, was registered as to principal in the name of "West Virginia Water Development Authority" in the books of the Issuer kept for that purpose at our office, by a duly authorized officer on behalf of United Bank, Inc., as Registrar.

WITNESS my signature as of this 29th day of August, 2002.

UNITED BANK, INC.

By: _____

Kat Smith
Its: Authorized Representative



REGISTRAR'S AGREEMENT

THIS REGISTRAR'S AGREEMENT, dated as of the 29th day of August, 2002 by and between the TOWN OF WEST UNION, a municipal corporation and political subdivision of the State of West Virginia (the "Issuer"), and UNITED BANK, INC., Charleston, West Virginia, a West Virginia banking corporation (the "Registrar").

WHEREAS, the Issuer has, contemporaneously with the execution hereof, issued and sold its \$810,000 Combined Waterworks and Sewerage System Revenue Bonds, Series 2002 (West Virginia Infrastructure Fund), in fully registered form (the "Bonds"), pursuant to a Bond Ordinance enacted August 6, 2002 and put into effect following a public hearing held on August 23, 2002, and a Supplemental Resolution adopted August 23, 2002 (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 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. For its fees and expenses hereunder, Registrar shall receive the amount of \$500 if a representative of Registrar attends the closing or \$250 if a representative of Registrar does not attend the closing, said fees and expenses to be payable upon the issuance of the Bonds.

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: Town of West Union
300 Court Street
P. O. Box 5
West Union, West Virginia 26456

Registrar: United Bank, Inc.
500 Virginia Street East
Charleston, West Virginia 25301
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, TOWN OF WEST UNION and UNITED BANK, INC.,
have respectively caused this Registrar's Agreement to be signed in their names and on their behalf,
all as of the day and year first above-written.

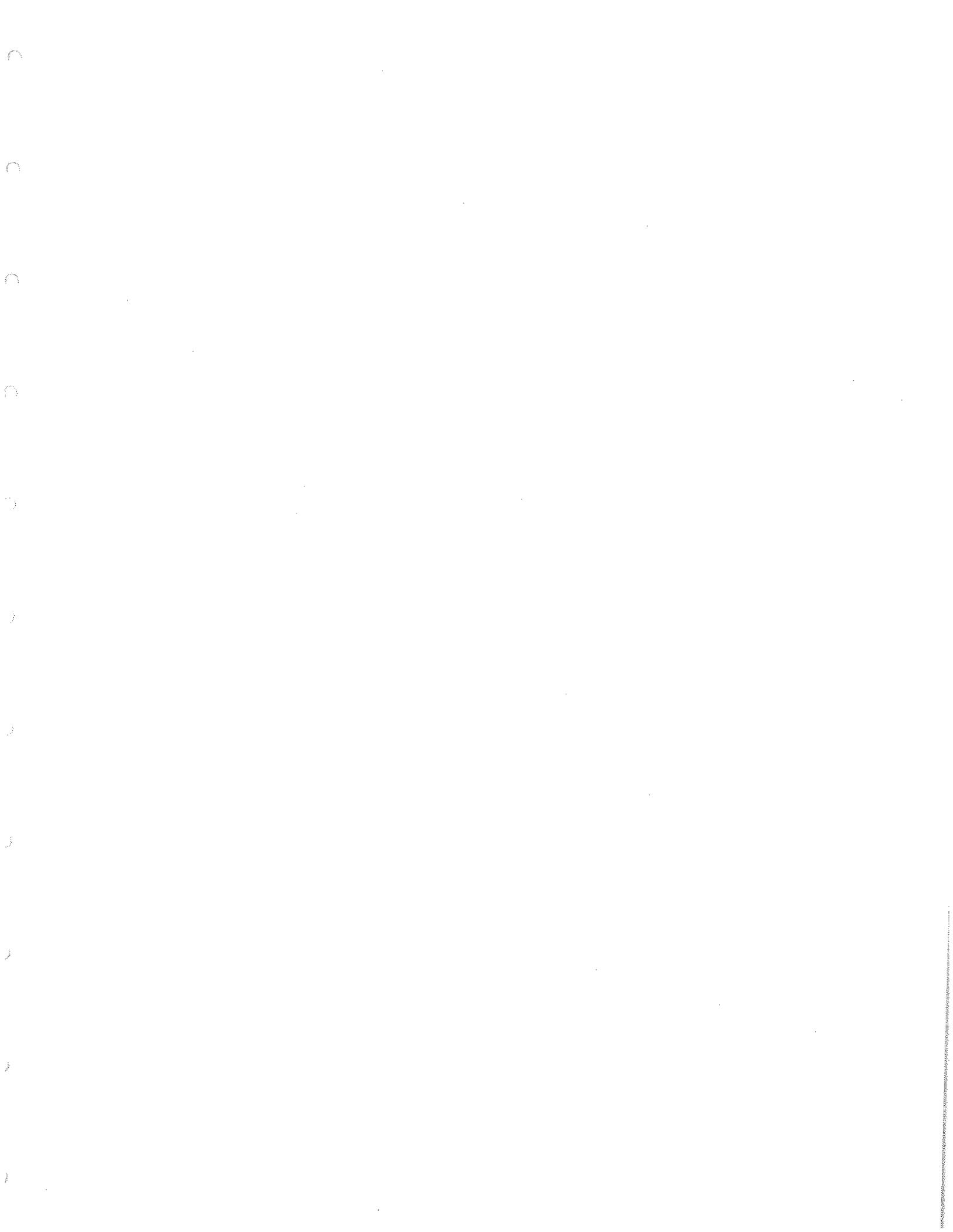
TOWN OF WEST UNION

By: *Ralmon W. Co*
Its: Mayor

UNITED BANK, INC.

By: *Kat Smith*
Its: Authorized Representative

EXHIBIT A



ACORD CERTIFICATE OF LIABILITY INSURANCE

OP ID CM
WESTU-1

DATE (MM/DD/YY)
08/28/02

PRODUCER
Commercial Insurance Services
340 MacCorkle Ave. Ste #200
Charleston WV 25314
Phone: 304-345-8000 Fax: 304-345-8014

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURERS AFFORDING COVERAGE

INSURED
Town Of West Union
P. O. Box 5
West Union WV 26456

INSURER A: **Clarendon Insurance Group**
INSURER B:
INSURER C:
INSURER D:
INSURER E:

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS	
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC	APR12-00135-01	09/01/01	09/01/02	EACH OCCURRENCE	\$ 1,000,000
					FIRE DAMAGE (Any one fire)	\$ 500,000
					MED EXP (Any one person)	\$ 5,000
					PERSONAL & ADV INJURY	\$ 1,000,000
					GENERAL AGGREGATE	\$ 2,000,000
					PRODUCTS - COMP/OP AGG	\$ 2,000,000
	Emp Ben.	1,000,000				
A	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS	APR11-00135-01	09/01/01	09/01/02	COMBINED SINGLE LIMIT (Ea accident)	\$ 1,000,000
					BODILY INJURY (Per person)	\$
					BODILY INJURY (Per accident)	\$
					PROPERTY DAMAGE (Per accident)	\$
	GARAGE LIABILITY <input type="checkbox"/> ANY AUTO				AUTO ONLY - EA ACCIDENT	\$
					OTHER THAN AUTO ONLY: EA ACC	\$
					AGG	\$
A	EXCESS LIABILITY <input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> DEDUCTIBLE <input checked="" type="checkbox"/> RETENTION \$ 10,000	APR16-00135-01	09/01/01	09/01/02	EACH OCCURRENCE	\$ 1,000,000
					AGGREGATE	\$ 1,000,000
						\$
						\$
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY	APR12-00135-01	09/01/01	09/01/02	<input checked="" type="checkbox"/> WC STATUTORY LIMITS	OTHER
					E.L. EACH ACCIDENT	\$ 1,000,000
					E.L. DISEASE - EA EMPLOYEE	\$ 1,000,000
					E.L. DISEASE - POLICY LIMIT	\$ 1,000,000
A	OTHER Property Section	APR13-00135-01	09/01/01	09/01/02	Blanket	1,637,323

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/EXCLUSIONS ADDED BY ENDORSEMENT/SPECIAL PROVISIONS
 Blanket Property includes: Town Office; Sewage Plant; Water Treatment Plant; Raw Water Intake and Garage & Community Building.

CERTIFICATE HOLDER	N	ADDITIONAL INSURED; INSURER LETTER:	CANCELLATION
West Virginia Water Development Authority Attn: Cam Siegrist 180 Association Dr Charleston WV 25311-1217		WESTVCH	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.
			AUTHORIZED REPRESENTATIVE 

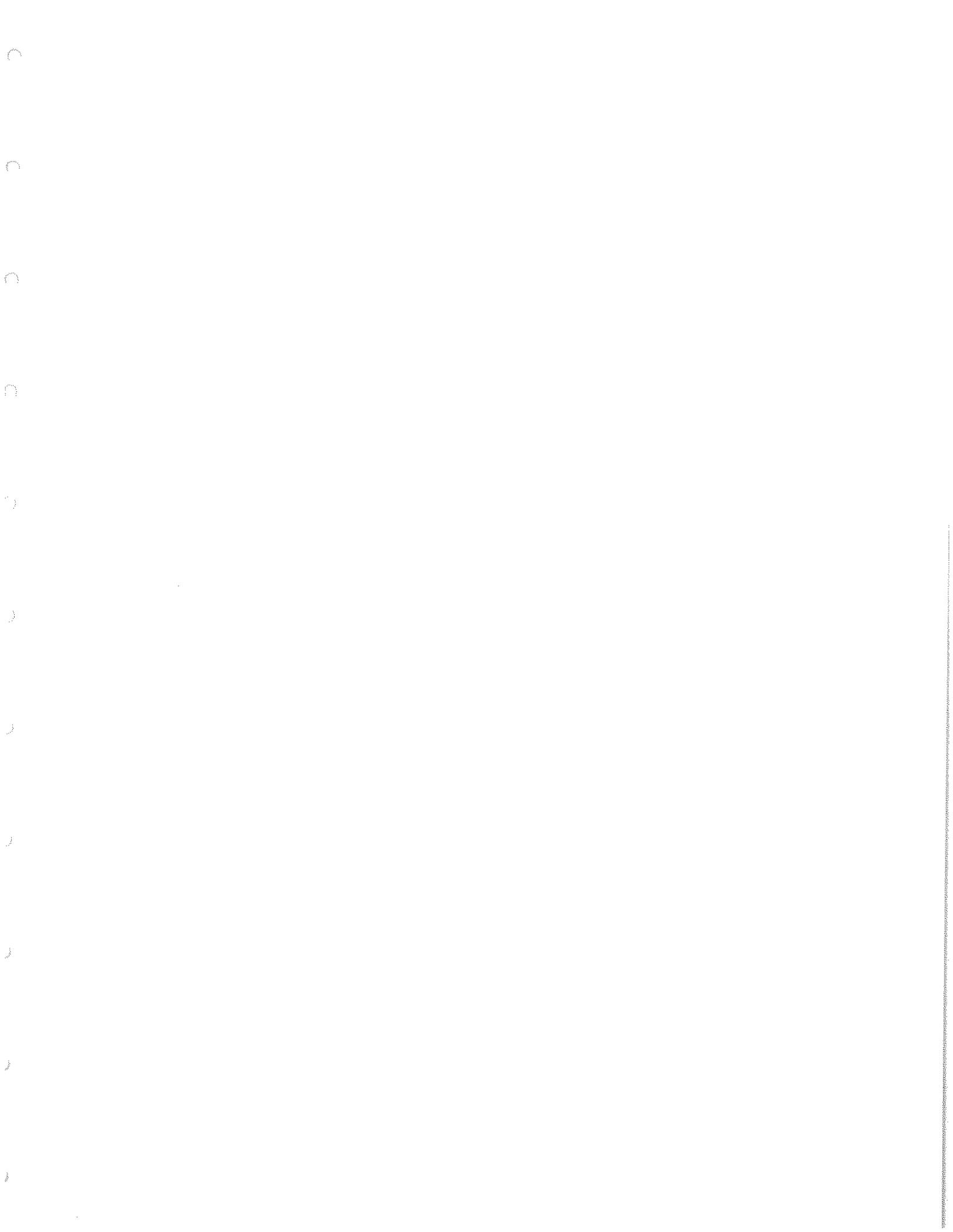
IMPORTANT

If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

DISCLAIMER

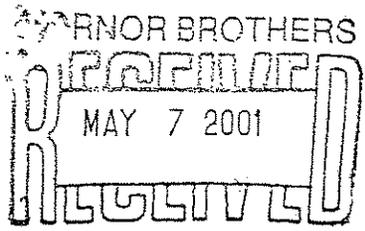
The Certificate of Insurance on the reverse side of this form does not constitute a contract between the issuing insurer(s), authorized representative or producer, and the certificate holder, nor does it affirmatively or negatively amend, extend or alter the coverage afforded by the policies listed thereon.



copy - 1 copy

West Virginia Infrastructure & Jobs Development Council

Public Members:
James D. Williams, Chairman
St. Albans
William J. Harman, PE, Vice Chairman
Grafton
Dwight Calhoun
Petersburg
William P. Stafford, II, Esquire
Princeton



300 Summers Street, Suite 980
Charleston, West Virginia 25301
Telephone: (304) 558-4607
Facsimile: (304) 558-4609

Katy Mallory, PE
Executive Secretary

KMallory@ezwv.com

May 2, 2001

The Honorable Robert E. Heflin
Mayor, Town of West Union
Court Street
P.O. Box 5
West Union, West Virginia 26456

Re: Town of West Union
Water System Improvements Project 2000W-491

Dear Mayor Heflin:

The West Virginia Infrastructure and Jobs Development Council (the "Infrastructure Council") has reviewed the Town of West Union's (the "Town") revised preliminary application regarding its proposed project to replace a 250,000 gallon water storage tank, replacing water main in a slip area, install a river crossing and replace mains to provide fire protection to Doddridge County High School (the "Project").

Based on the findings of the Water Technical Review Committee, the Infrastructure Council has determined that the Project is technically feasible within the guidelines of the Infrastructure and Jobs Development Act. The Town should carefully review the enclosed comments of the Water Technical Review Committee as the Town may need to address certain issues raised in said comments as it proceeds with the Project.

Upon consideration of the preliminary application, the Infrastructure Council determined the Town may be eligible for Infrastructure Fund loan of approximately \$810,000. However, the Infrastructure Council's final decision regarding specific funding of the Project is deferred pending the Town's readiness to proceed and availability of funds in the Infrastructure Fund. This letter is not a commitment letter of Infrastructure Funds. The Project will be placed on the Infrastructure Council's pending list of projects.

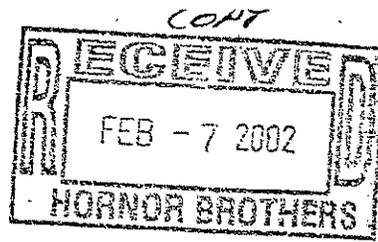
If you have any questions regarding this matter, please contact Katy Mallory at 558-4607.

Sincerely,

James D. Williams

Enclosure
JDW/km

cc: Walt Ivey, BPH (w/o enclosure)
Trey Hornor, Hornor Brothers
Region V Planning & Development Council



State of West Virginia

OFFICE OF ENVIRONMENTAL HEALTH SERVICES

815 QUARRIER STREET, SUITE 418

CHARLESTON, WEST VIRGINIA 25301-2616
TELEPHONE 304-558-2981

PERMIT

PROJECT: (Water)
Water System Upgrade

PERMIT NO.: 15,148

LOCATION: Town of West Union

COUNTY: Doddridge

DATE: February 4, 2002

THIS IS TO CERTIFY that after reviewing plans, specifications, application forms, and other essential information that

Town of West Union
Post Office Box 5
West Union, West Virginia 26456

is hereby granted approval to: install approximately 160 LF of 10", 7,800 LF of 8", 410 LF of 6" and 1,050 LF of 4" water line; replace the existing Bulldog concrete water storage tank with a new 243,000 gallon water storage tank; replace malfunctioning or inoperable gate valves and fire hydrants; add a 350 G.P.M. raw water portable pump; and all necessary valves, controls and appurtenances.

Facilities are being installed to replace undersized and deteriorating water distribution lines; broken water lines; a deteriorating partially buried concrete water storage tank; and to improve the hydraulics in the existing system to allow for improved flows and fire flows.

NOTE: This permit is contingent upon: 1) All new water lines and the water storage tank being disinfected, flushed and bacteriologically tested, prior to use; and 2) Maintaining a minimum ten (10) feet horizontal separation between sewer and water lines and a minimum 18" vertical separation between crossing sewer and water lines, with the water line above the sewer line.

The Office of Environmental Health Services Wheeling District Office, telephone (304) 238-1145, is to be notified when construction begins.

Validity of this permit is contingent upon conformity with plans, specifications, application forms, and other information submitted to the West Virginia Bureau for Public Health.

FOR THE DIRECTOR

William S. Herold, Jr., P.E., Assistant Manager
Infrastructure and Capacity Development
Environmental Engineering Division

WSH:sec

pc: ✓ Hornor Brothers Engineers
James W. Ellars, P.E., PSC-Engineering Division
Amy Swann, PSC
Doddridge County Health Department
OEHS-EED Wheeling District Office



Division of Water Resources
 1560 Kanawha Blvd. E.
 Charleston, WV. 25311
 PHONE: (304) 558-6649
 FAX: 558-3778

Copy Key

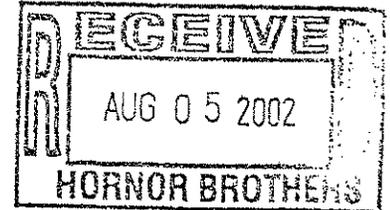
West Virginia Department of Environmental Protection

Bob Wise
 Governor

Michael O. Callaghan
 Director

August 2, 2002

Trey Horner, P.E.
 Horner Brothers Engineers
 Main and Third Streets
 Clarksburg, WV. 26302



Dear Mr. Horner,

This office approves the Sediment Control Plan for the West Union water system improvement in Doddridge County based on the review and recommendations established by the West Fork Soil Conservation District on July 22, 2002.

1. The Sediment Control Plan shall be available on site at all times until completion of the work covered under this plan.
2. The erosion control measures approved by this agency for this project shall be *maintained in proper condition* to individually and collectively perform the functions for which they were designed. In order to ensure the efficiency and proper maintenance of these measures, the operator shall make sufficiently frequent, periodic inspections to detect any impairment of the designed stability, capacity or environmental requirements of the approved measures. The operator shall take immediate steps to correct any such impairment found to exist.
3. You must obtain Section 404 Permits from the Army Corps of Engineers and Public Lands Permit from WV DNR if you intend to work in a stream.

Approval of this plan constitutes exemption from the State Water Quality Standard for turbidity; however, failure to comply with the provision of the plans and conditions stipulated above negates that protection and could result in prosecution should water quality violations occur. Penalties for such violations can range from \$2,000 to \$25,000 a day and/or one year in jail, pursuant to WV Chapter 22-11 and West Virginia Environmental Quality Board Legislative Rules.

Should you have any questions regarding this approval, please do not hesitate to call me at (304) 558-6649. Thank you.

Sincerely,
 DIVISION OF WATER RESOURCES

 Alvan D. Gale,
 Nonpoint Source Coordinator

cc: Brad Durst, WVSCA
 File

"To use all available resources to protect and restore West Virginia's environment in concert with the needs of present and future generations."



West Virginia
 Division of
 Environmental Protection

WV Infrastructure & Jobs Development Council

Certification of Bidder Regarding Compliance with the
WV Jobs Act (SB 103) WV Code 21-1C-1

WV JOBS ACT REQUIREMENTS

- (a) Contractors shall hire at least 75% of employees for the project from the local labor market.
- At least two employees from outside local labor market permissible for each employer
 - Employees shall have resided in the local labor market for at least six months prior to their application for employment.
- (b) Any employer unable to employ the minimum number of employees from the local labor market shall provide the nearest office of the Division of Employment Services, Bureau of Employment Programs the following:
- (1) the number of qualified employees needed; and
 - (2) a job description of positions to be filled
- (c) If, within 3 business days following the placing of the job order with the Division of Employment Services (the "Division"), the Division is unable to refer any qualified applicants to the employer or refers less qualified job applicants than the number requested, then the Division shall issue a waiver to the employer stating the unavailability of applicants and permit the employer to fill any positions covered by the waiver from outside the local labor market.

CONTRACTOR REQUIREMENTS

The contractor hereby agrees to the following:

- (a) The contractor will comply with the Act and will file or cause to be filed with the WV Division of Labor and the Infrastructure Council copies of waiver certificates and certified payrolls as required by the Act, or other comparable documents that include the number of employees, the county and state where the employees reside and their occupation
- (b) the contractor will follow the procedure established by the Division of Labor for efficient collection of the data;
- (c) the contractor will ensure that each subcontract for shall contain provisions conforming to the requirement of the Act
- (d) the contractor will provide with each pay requisition a certification that the contract is in compliance with the Act

Name & Title of Signer (Please type) Daniel R. Williams	
Signature: <i>[Handwritten Signature]</i>	Date 4-23-02

ATTACHMENT - 3. "Local Labor Market"

For the purposes of S.B. 103, the "West Virginia Labor Market" includes all counties in West Virginia and the following out-of-state counties:

Kentucky

Bath, Boyd, Bracken, Breathitt, Carter, Clay, Elliott, Estill, Fleming, Floyd, Greenup, Harlan, Johnson, Knott, Lawrence, Lee, Leslie, Letcher, Lewis, Magoffin, Martin, Mason, Menifee, Montgomery, Morgan, Nicholas, Owsley, Perry, Pike, Powell, Robertson, Rowan, and Wolfe.

Maryland

Allegany, Anne Arundell, Baltimore, Calvert, Carroll, Charles, Frederick, Garrett, Hartford, Howard, Montgomery, Prince George's, St. Mary's, and Washington.

Ohio

Adams, Ashtabula, Athens, Belmont, Brown, Carroll, Columbiana, Coshocton, Cuyahoga, Fairfield, Fayette, Franklin, Gallia, Grauga, Guernsey, Harrison, Highland, Hocking, Holmes, Jackson, Jefferson, Lake, Lawrence, Licking, Mahoning, Medina, Meigs, Monroe, Morgan, Muskingum, Noble, Perry, Pickaway, Pike, Portage, Ross, Sciota, Stark, Summit, Thrumbull, Tuscarawas, Vinton, Washington, and Wayne.

Pennsylvania

Adams, Allegheny, Armstrong, Beaver, Bedford, Blair, Butler, Cambria, Clarion, Crawford, Cumberland, Dauphin, Fayette, Franklin, Fulton, Green, Huntingdon, Indiana, Jefferson, Juniata, Lawrence, Mercer, Mifflin, Perry, Somerset, Venango, Washington, Westmoreland, and York.

North Carolina

Alleghany, Ashe, Avery, Caldwell, Forsyth, Mitchell, Rockingham, Stokes, Surry, Watauga, Wilkes and Yadkin.

Tennessee

Carter, Hawkins, Johnson, Sullivan and Washington.

Virginia

Agusta, Alebemarle, Allegheny, Amherst, Arlington, Bath, Bedford, Botetour, Buckingham, Cambell, Carolina, Carroll, Clarke, Culpeper, Fairfax, Fauquier, Floyd, Fluvanna, Franklin, Frederick, Giles, Grayson, Greene, Henry, Highland, King George, Lee, Loudoun, Louisa, Madison, Montgomery, Nelson, Orange, Page, Patrick, Pitsylvania, Prince William, Pulaski, Rappahannock, Roanoke, Rockbridge, Rockingham, Russell, Scott, Shenandoah, Spotsylvania, Staford, Smyth, Tazewell, Warren, Washington and Wythe.

Washington, D.C.

all

WV Infrastructure & Jobs Development Council

Certification of Bidder Regarding Compliance with the
WV Jobs Act (SB 103) WV Code 21-1C-1

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- (b) the contractor will follow the procedure established by the Division of Labor for efficient collection of the data;
- (c) the contractor will ensure that each subcontract for shall contain provisions conforming to the requirement of the Act
- (d) the contractor will provide with each pay requisition a certification that the contract is in compliance with the Act

Name & Title of Signer (Please type)	
Jerry Morris - President	
Signature: 	Date June 25, 2002

ATTACHMENT - 3. "Local Labor Market"

For the purposes of S.B. 103, the "West Virginia Labor Market" includes all counties in West Virginia and the following out-of-state counties:

Kentucky

Bath, Boyd, Bracken, Breathitt, Carter, Clay, Elliott, Estill, Fleming, Floyd, Greenup, Harlan, Johnson, Knott, Lawrence, Lee, Leslie, Letcher, Lewis, Magoffin, Martin, Mason, Menifee, Montgomery, Morgan, Nicholas, Owsley, Perry, Pike, Powell, Robertson, Rowan, and Wolfe.

Maryland

Allegany, Anne Arundell, Baltimore, Calvert, Carroll, Charles, Frederick, Garrett, Hartford, Howard, Montgomery, Prince George's, St. Mary's, and Washington.

Ohio

Adams, Ashtabula, Athens, Belmont, Brown, Carroll, Columbiana, Coshocton, Cuyahoga, Fairfield, Fayette, Franklin, Gallia, Geauga, Guernsey, Harrison, Highland, Hocking, Holmes, Jackson, Jefferson, Lake, Lawrence, Licking, Mahoning, Medina, Meigs, Monroe, Morgan, Muskingum, Noble, Perry, Pickaway, Pike, Portage, Ross, Scioto, Stark, Summit, Thrumbull, Tuscarawas, Vinton, Washington, and Wayne.

Pennsylvania

Adams, Allegheny, Armstrong, Beaver, Bedford, Blair, Butler, Cambria, Clarion, Crawford, Cumberland, Dauphin, Fayette, Franklin, Fulton, Green, Huntingdon, Indiana, Jefferson, Juniata, Lawrence, Mercer, Mifflin, Perry, Somerset, Venango, Washington, Westmoreland, and York.

North Carolina

Alleghany, Ashe, Avery, Caldwell, Forsyth, Mitchell, Rockingham, Stokes, Surry, Watuga, Wilkes and Yadkin.

Tennessee

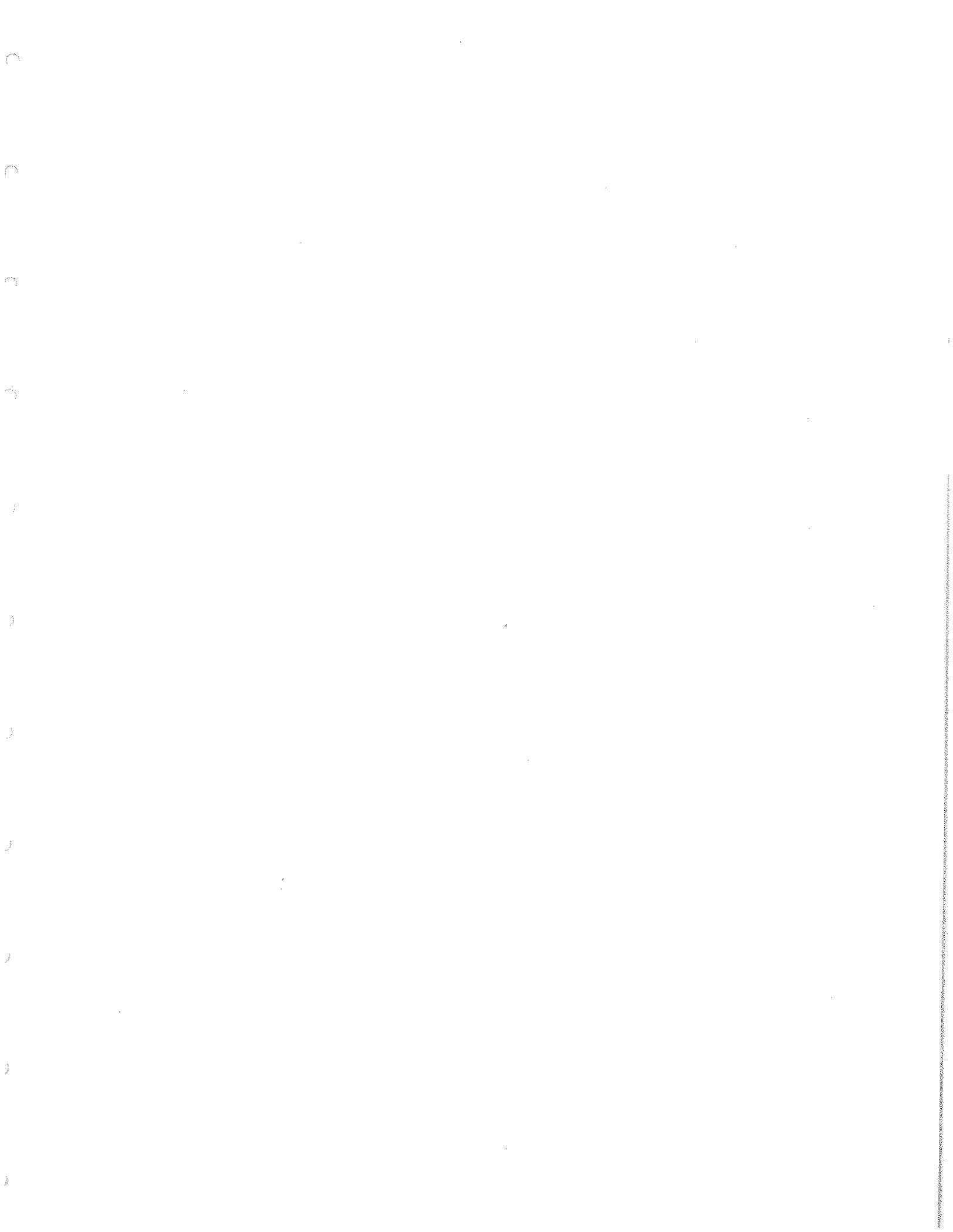
Carter, Hawkins, Johnson, Sullivan and Washington.

Virginia

Agusta, Albemarle, Allegheny, Amherst, Arlington, Bath, Bedford, Botetourt, Buckingham, Cambell, Carolina, Carroll, Clarke, Culpeper, Fairfax, Fauquier, Floyd, Fluvanna, Franklin, Frederick, Giles, Grayson, Greene, Henry, Highland, King George, Lee, Loudoun, Louisa, Madison, Montgomery, Nelson, Orange, Page, Patrick, Pittsylvania, Prince William, Pulaski, Rappahannock, Roanoke, Rockbridge, Rockingham, Russell, Scott, Shenendoah, Spotsylvania, Stafford, Smyth, Tazewell, Warren, Washington and Wythe.

Washington, D.C.

all.





United States
Department of
Agriculture

Rural
Development

Federal Building
75 High Street, Room 320
Morgantown, WV 26505-7500
Phone (304) 284-4888
FAX (304) 284-4892
TTY/TDD (304) 284-4836

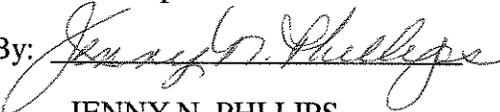
TOWN OF WEST UNION
COMBINED WATERWORKS AND SEWERAGE
SYSTEM REVENUE BONDS, SERIES 2002
(WEST VIRGINIA INFRASTRUCTURE FUND)

TO WHOM IT MAY CONCERN:

The undersigned State Director for the United States Department of Agriculture, Rural Development (formerly the United States of America, Farmers Home Administration), as sole present holder of the Town of West Union Combined Waterworks and Sewerage System Revenue Bond, Series 1987 (the "Series 1987 Bond"), Town of West Union Combined Waterworks and Sewerage System Revenue Bonds, Series 1998 A (United States Department of Agriculture) (the "Series 1998 A Bonds"), and Town of West Union Combined Waterworks and Sewerage System Revenue Bonds, Series 1998 B (United States Department of Agriculture) (the "Series 1998 B Bonds"), hereby consents to the issuance of the Town of West Union Combined Waterworks and Sewerage System Revenue Bonds, Series 2002 (West Virginia Infrastructure Fund) (the "Series 2002 Bonds") in an aggregate principal amount not to exceed \$900,000, on parity with respect to liens, pledges and sources of and security for payment, with the Series 1987 Bond, the Series 1998 A Bonds, and the Series 1998 B Bonds, under the terms of the Bond Ordinance authorizing such Series 2002 Bonds, and hereby waives any requirements imposed by the Series 1987 Bond, the Series 1998 A Bonds, or the Series 1998 B Bonds or the respective Ordinances authorizing the same, regarding the issuance of parity bonds which are not met by the Series 2002 Bonds.

Dated this 5th day of August, 2002.

UNITED STATES OF AMERICA
UNITED STATES DEPARTMENT OF AGRICULTURE
Rural Development

By: 

JENNY N. PHILLIPS
State Director



**TOWN OF WEST UNION
COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS,
SERIES 2002
(WEST VIRGINIA INFRASTRUCTURE FUND)**

TO WHOM IT MAY CONCERN:

In reliance upon the certificate of the certified public accountant of the Town of West Union (the "Issuer"), the undersigned Director of the West Virginia Water Development Authority (the "Authority"), for the Authority, as the registered owner of the Combined Waterworks and Sewerage System Revenue Bonds, Series 1998 C (West Virginia Infrastructure Fund), of the Issuer, dated December 15, 1998 (the "Series 1998 C Bonds"), hereby consents to the issuance of the Issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 2002 (West Virginia Infrastructure Fund), in an aggregate principal amount of not more than \$810,000, on a parity with respect to liens, pledges and sources of and security for payment, with the Series 1998 C Bonds.

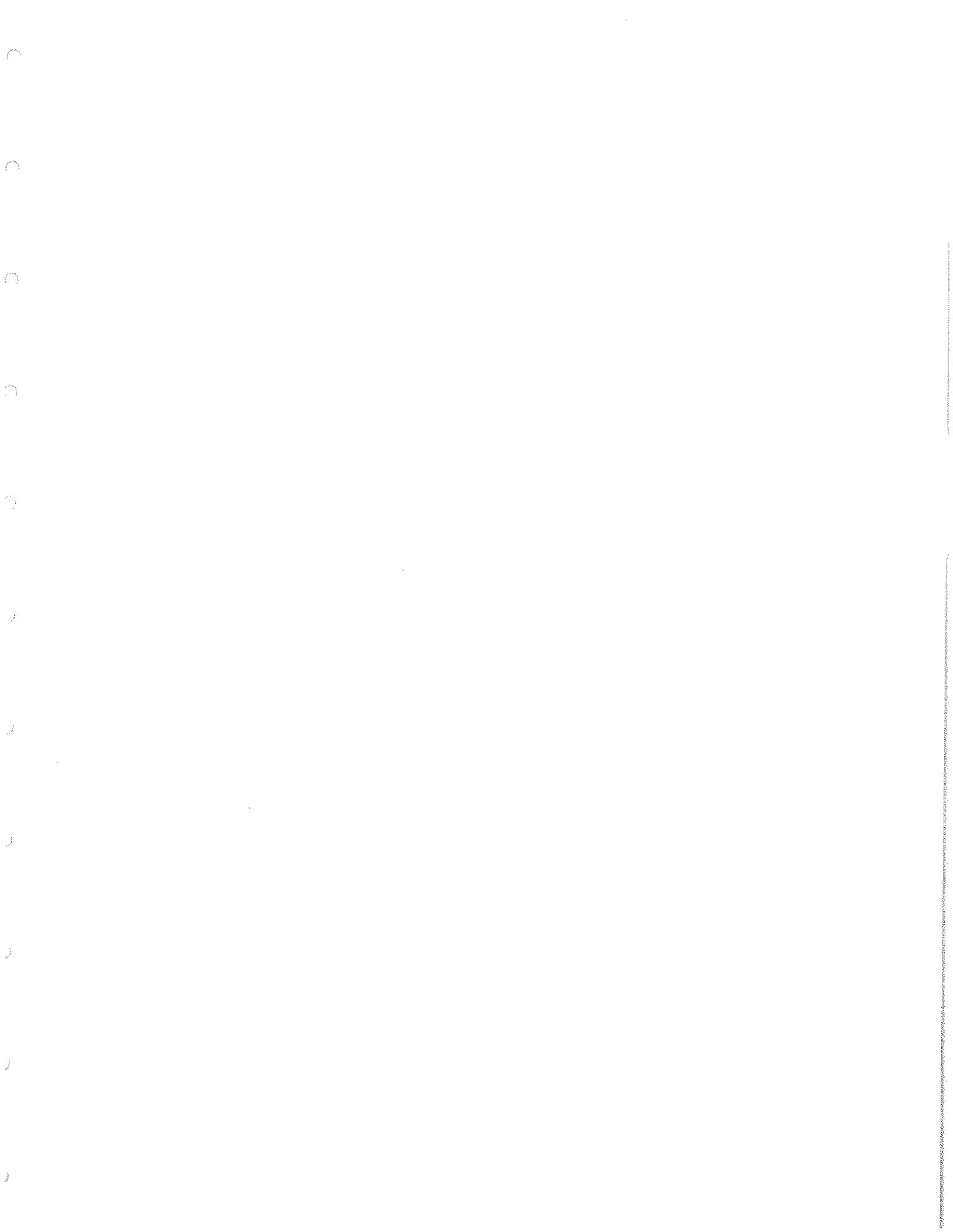
Dated this 29th day of August, 2002.

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

By: _____

Daniel B. Yonkosky

Its: Director



CLOSING MEMORANDUM

To: Financing Team

From: Camden P. Siegrist

Closing Date: August 29, 2002

Re: Town of West Union
Combined Waterworks and Sewerage System Revenue Bonds,
Series 2002 (West Virginia Infrastructure Fund)

1. DISBURSEMENTS TO CITY

Payor: West Virginia Infrastructure and Jobs Development Council
Source: Series 2002 Bonds Proceeds
Amount: \$82,171
Form: Wire Transfer
Payee: Town of West Union
Bank: United Bank, Inc.
Routing #: 051900395
Account #: West Union Bank
West Union, West Virginia
Account Number 8000363
To Further Credit: Town of West Union
2002 WVIJDC Water Project
Account Number 10-3233-8
Contact: Raymond W. Jones, President
Account: Series 2002 Bonds Construction Trust Fund

2. DISBURSEMENTS BY TOWN

A. Payor: Town of West Union
Source: Series 2002 Bonds Proceeds
(Series 2002 Bonds Construction Trust Fund)
Amount: \$2,500.00
Form: Check
Payee: Town of West Union
Combined Waterworks and Sewerage System
Revenue Fund
Memo: Reimbursement for Project Costs

- B. Payor: Town of West Union
Source: Series 2002 Bonds Proceeds
(Series 2002 Bonds Construction Trust Fund)
Amount: \$11,000.00
Form: Check
Payee: Bowles Rice McDavid Graff & Love, PLLC
Memo: Bond Counsel Fee
- C. Payor: Town of West Union
Source: Series 2002 Bonds Proceeds
(Series 2002 Bonds Construction Trust Fund)
Amount: \$61,671.00
Form: Check
Payee: Hornor Brothers Engineers
Memo: Engineer Fee
- D. Payor: Town of West Union
Source: Series 2002 Bonds Proceeds
(Series 2002 Bonds Construction Trust Fund)
Amount: \$7,000.00
Form: Check
Payee: Matthew W. Alexander
Memo: Legal Services