

**\$108,000**  
**Town of Elizabeth, West Virginia**  
**Sewer Revenue Bonds,**  
**Series 1999**  
**(State Revolving Fund)**

**Closing: August 31, 1999**

LOAN AGREEMENT

THIS WATER POLLUTION CONTROL REVOLVING FUND LOAN AGREEMENT (the "Loan Agreement"), made and entered into in several counterparts, by and among the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY, a governmental instrumentality and body corporate of the State of West Virginia (the "Authority"), the WEST VIRGINIA DIVISION OF ENVIRONMENTAL PROTECTION, a division of the West Virginia Bureau of Environment (the "DEP"), and the local government designated below (the "Local Government").

TOWN OF ELIZABETH  
(Local Government)

WITNESSETH:

WHEREAS, the United States Congress under Title VI of the federal Clean Water Act, as amended (the "Clean Water Act"), has provided for capitalization grants to be awarded to states for the express purpose of establishing and maintaining state water pollution control revolving funds for the planning, design, construction, acquisition and/or improvement of wastewater treatment facilities;

WHEREAS, pursuant to the provisions of Chapter 20, Article 5I, of the Code of West Virginia, 1931, as amended (the "Act"), the State of West Virginia (the "State") has established a state water pollution control revolving fund program (the "Program") to direct the distribution of loans to particular local governments pursuant to the Clean Water Act;

WHEREAS, under the Act the DEP is designated the instrumentality to enter into capitalization agreements with the United States Environmental Protection Agency ("EPA") to accept capitalization grant awards (U.S. General Services Administration; Catalog of Federal Domestic Assistance, 32nd Edition § 66.458 (1998)) and DEP has been awarded capitalization grants to partially fund the Program;

WHEREAS, under the Act and under the direction of DEP, the Authority has established a permanent perpetual fund known as the "West Virginia Water Pollution Control Revolving Fund" (hereinafter the "Fund");

WHEREAS, pursuant to the Act, the Authority and DEP are empowered to make loans from the Fund to local governments for the acquisition or construction of

wastewater treatment projects by such local governments, all subject to such provisions and limitations as are contained in the Clean Water Act and the Act;

WHEREAS, the Local Government constitutes a local government as defined by the Act;

WHEREAS, the Local Government is included on the DEP State Project Priority List and the Intended Use Plan and has met DEP's pre-application requirements for the Program;

WHEREAS, the Local Government is authorized and empowered by the statutes of the State to construct, operate and improve a wastewater treatment project and to finance the cost of constructing or acquiring the same by borrowing money to be evidenced by revenue bonds issued by the Local Government;

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

WHEREAS, the Local Government has completed and filed with the Authority and DEP an Application for a Loan with attachments and exhibits and an Amended Application for a 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 the Fund having available sufficient funds therefor, the Authority and DEP are willing to lend the Local Government the amount set forth on Schedule X attached hereto and incorporated herein by reference, through the purchase of revenue bonds of the Local Government with moneys held in the Fund, subject to the Local Government's satisfaction of certain legal and other requirements of the Program.

NOW, THEREFORE, in consideration of the premises and the mutual agreements hereinafter contained, the Local Government, DEP and the Authority hereby agree as follows:

## ARTICLE 1

### Definitions

I.1 Except where the context clearly indicates otherwise, the terms "Authority," "cost," "fund," "local government," and "project" have the definitions and meanings ascribed to them in the Act or in the SRF Regulations.

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

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

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

1.5 "Local Bonds" means the revenue bonds to be issued by the Local Government pursuant to the provisions of the Local Statute, as hereinafter defined, to evidence the Loan and to be purchased by the Authority with money held in the Fund, all in accordance with the provisions of this Loan Agreement.

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

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

1.8 "Program" means the wastewater treatment facility acquisition, construction and improvement program coordinated through the capitalization grants program established under the Clean Water Act and administered by DEP.

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

1.10 "SRF Regulations" means the regulations set forth in Title 47, Series 31 of the West Virginia Code of State Regulations.

1.11 "System" means the wastewater treatment facility owned by the Local Government, 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 Local Government by the Consulting Engineers, the DEP and Authority having found, to the extent applicable, that the Project is consistent with the applicable provisions of the Program.

2.2 Subject to the terms, conditions and provisions of this Loan Agreement and of the Local Act, the Local Government 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 Local Government 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 Local Government, 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 is approved by DEP and the Authority.

2.4 The Local Government agrees that the Authority and DEP and their respective 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 Local Government further agrees that the Authority and DEP and their respective duly authorized agents shall, prior to, at and after completion of construction and commencement of operation of the Project, have such rights of access to the System site and System facilities as may be reasonably necessary to accomplish all of the powers and rights of the Authority and DEP with respect to the System pursuant to the pertinent provisions of the Act.

2.5 The Local Government 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 Local Government shall permit the Authority and DEP, acting by and through their Directors or 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 Local Government shall submit to the Authority and DEP such documents and information as it 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 Local Government agrees that it will permit the Authority and DEP and their respective agents to have access to the records of the Local Government 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 Local Government shall require that each construction contractor furnish a performance bond and a payment bond, each in an amount at least equal to one hundred percent (100%) of the contract price of the portion of the Project covered by the particular contract, as security for the faithful performance of such contract.

2.8 The Local Government shall require that each of its contractors and all subcontractors maintain, during the life of the construction contract, workers' compensation coverage, public liability insurance, property damage insurance and vehicle liability insurance in amounts and on terms satisfactory to the Authority and DEP. Until the Project facilities are completed and accepted by the Local Government, the Local Government or (at the option of the Local Government) 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 Local Government, 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 Local Government on or before the Date of Loan Closing, as hereinafter defined, and maintained so long as any of the Local Bonds are outstanding. Prior to commencing operation of the Project, the Local Government 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 Local Government shall provide and maintain competent and adequate resident engineering services satisfactory to the Authority and DEP covering the supervision and inspection of the development and construction of the Project and bearing the responsibility of assuring that construction conforms to the plans, specifications and designs prepared by the Consulting Engineers, which have been approved by all necessary governmental bodies. Such resident engineer shall certify to the Authority, DEP and the Local Government 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. The Local Government shall require the Consulting Engineers to submit Recipient As-Built Plans, as defined in the SRF Regulations, to it within 60 days of the completion of the Project. The Local Government shall notify DEP in writing of such receipt. The Local Government shall submit a Performance Certificate, the form of which is attached hereto as Exhibit A, and being incorporated herein by reference, to DEP within 60 days of the end of the first year after the Project is completed.

2.10 The Local Government shall require the Consulting Engineers to submit the final Operation and Maintenance Manual, as defined in the SRF Regulations, to DEP when the Project is 90% completed. The Local Government agrees that it will at all times provide operation and maintenance of the System to comply with any and all State and federal standards. The Local Government agrees that qualified operating personnel properly certified by the State will be employed before the Project is 25% complete and agrees that it will retain such a certified operator(s) to operate the System during the entire term of this Loan Agreement. The Local Government shall notify DEP in writing of the certified operator employed at the 25% completion stage.

2.11 The Local Government hereby covenants and agrees to comply with all applicable laws, rules and regulations issued by the Authority, DEP 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 Local Government, commencing on the date contracts are executed for the construction of the Project and for two years following the completion of the Project, shall each month complete a Monthly Financial Report, the form of which is attached hereto as Exhibit B and incorporated herein by reference, and forward a copy by the 10th of each month to the Authority.

2.13 The Local Government, during construction of the Project, shall complete Payment Requisition Forms, the form of which is attached hereto as Exhibit C and incorporated herein by reference, and forward the Form to DEP in compliance with the Local Government's construction schedule.

### ARTICLE III

#### Conditions to Loan; Issuance of Local Bonds

3.1 The agreement of the Authority and DEP to make the Loan is subject to the Local Government's fulfillment, to the satisfaction of the Authority and DEP, 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 Local Government shall have delivered to the Authority a report listing the specific purposes for which the proceeds of the Loan will be expended and the procedures as to the disbursement of loan proceeds, including an estimated monthly draw schedule;

(b) The Local Government shall have performed and satisfied all of the terms and conditions to be performed and satisfied by it in this Loan Agreement;

(c) The Local Government 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;

(d) The Local Government 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 financing of construction, the Local Government 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 DEP shall have received a certificate of the Consulting Engineers to such effect, the form of which certificate is attached hereto as Exhibit D;

(e) The Local Government 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 DEP shall have received a certificate of the Consulting Engineers to such effect;

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

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

(h) The Local Government 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, and the Authority and DEP shall have received an opinion of counsel to the Local Government, which may be local counsel to the Local Government, bond counsel or special PSC counsel but must be satisfactory to the Authority and DEP, to such effect;

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

(j) The net proceeds of the Local Bonds, together with all moneys on deposit or to be simultaneously deposited (or, with respect to proceeds of grant anticipation notes or other indebtedness for which a binding purchase contract has been entered, to be deposited 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 and DEP shall have received a certificate of the Consulting Engineers, or such other person or firm experienced in the financing of wastewater treatment projects and satisfactory to the Authority and DEP, to such effect, such certificate to be in form and substance satisfactory to the Authority and DEP, and evidence satisfactory to the Authority and DEP 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 and DEP, including the SRF Regulations, 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 Local Government and the Local Government shall accept the Loan from the Authority, and in furtherance thereof it is agreed that the Local Government 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 Local Government 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, DEP and the Local Government. 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 set forth in Exhibit E hereto.

3.5 The Local Government understands and acknowledges that it is one of several local governments which have applied to the Authority and DEP for loans to finance wastewater treatment projects and that the obligation of the Authority to make any such loan is subject to the Local Government's fulfilling all of the terms and conditions of this Loan Agreement on or prior to the Date of Loan Closing and to the requirements of the Program. The Local Government specifically recognizes that the Authority will not purchase the Local Bonds unless and until sufficient funds are available in the Fund to purchase all the Local Bonds and that, prior to such purchase, the Authority may purchase the bonds of other local governments set out in the State Project Priority List, as defined in the SRF Regulations. The

Local Government further specifically recognizes that all loans will be originated in conjunction with the SRF Regulations and with the approval of DEP.

3.6 The Local Government shall provide DEP with the appropriate documentation to comply with the special conditions established by federal and state regulations as set forth in Exhibit E hereto at such times as are set forth in Exhibit E.

#### ARTICLE IV

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

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

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

(i) to pay Operating Expenses of the System;

(ii) 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 in an amount equal to an amount at least equal to the maximum amount of principal and interest which will come due on the Local Bonds in the then current or any succeeding year (the "Reserve Requirement"), 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 Local Government 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 the net revenues from the System;

(ii) That the schedule of rates or charges for the services of the System shall be sufficient to provide funds which, along with other revenues of the System, will pay all Operating Expenses and leave a balance each year equal to at least one hundred fifteen percent (115%) of the maximum amount required in any year for debt service on the Local Bonds and all other obligations secured by a lien on or payable from the revenues of the System prior to or on a parity with the Local Bonds or, if the reserve account established for the payment of debt service on the Local Bonds is funded (whether by Local Bond proceeds, monthly deposits or otherwise) 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 Local Government will complete the Project and operate and maintain the System in good condition;

(iv) That, except as otherwise required by State law or the Regulations, the System may be sold, mortgaged, leased or otherwise disposed of as a whole or substantially as a whole provided that the net proceeds to be realized from such sale, mortgage, lease or other disposition shall be sufficient to fully pay all of the local bonds outstanding and further provided that portions of the System when no longer required for the ongoing operation of such System as evidenced by certificates from the Consulting Engineer, may be disposed of with such restrictions as are normally contained in such covenants;

(v) That the Local Government 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 written consent of the Authority and DEP; 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 Local Government 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 Local Government will not render any free services of the System;

(viii) That any Local Bond owner may, by proper legal action, compel the performance of the duties of the Local Government under the Local Act, including the making and collection of sufficient rates or charges for services rendered by the System, and shall also have, in the event of a default in payment of principal or of 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 and all rights as set forth in Section 5 of the Act;

(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 Local Government will not grant any franchise to provide any services which would compete with the System;

(xi) That the Local Government 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 DEP, which report shall include a statement that the Local Government is in compliance with the terms and provisions of the Local Act and this Loan Agreement and that the Local Government's revenues are adequate to meet its operation and maintenance expenses and debt service requirements;

(xii) That the Local Government 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 DEP 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, except for accrued interest and capitalized interest, if any, must (a) be deposited in a construction fund, which, except as otherwise agreed to in writing by the Authority, shall be held separate and apart from all other funds of the Local Government and on which the owners of the Local Bonds shall have a lien until such proceeds are applied to the construction of the Project (including the repayment of any incidental interim financing for non-construction costs) and/or (b) be used to pay (or redeem) bond anticipation notes or other interim funding of such Local Government, the proceeds of which were used to finance the construction of the Project; provided that, with the prior written consent of the Authority and DEP, 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 Local Government may authorize redemption of the Local Bonds with 30 days written notice to the Authority;

(xvi) That the Local Government 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 West Virginia Municipal Bond Commission (the "Commission") its required interest, principal and reserve fund payment. The Local Government shall complete the Monthly Payment Form, attached hereto as Exhibit F and incorporated herein by reference, and submit a copy of said form along with a copy of the check to the Authority by the 5th day of such calendar month;

(xvii) That the Commission shall serve as paying agent for all Local Bonds;

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

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

(xx) That the Local Government shall, to the full extent permitted by applicable law and the rules and regulations of the West Virginia Public Service Commission, terminate the services of any water facility owned by it to any customer of the System who is delinquent in payment of charges for services provided by the System and will

not restore the services of the water facility until all delinquent charges for the services of the System have been fully paid or, if the water facility is not owned by the Local Government, then the Local Government shall enter into a termination agreement with the water provider.

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

4.2 The Loan shall be secured by the pledge and assignment by the Local Government, as effected by the Local Act, of the fees, charges and other revenues of the Local Government from the System.

4.3 At least five percent (5%) of the proceeds of the Local Bonds will be advanced on the Date of Loan Closing. The remaining proceeds of the Local Bonds shall be advanced by the Authority monthly as required by the Local Government to pay Costs of the Project, provided, however, if the proceeds of the Local Bonds will be used to repay an interim financing, the proceeds will be advanced on a schedule mutually agreeable to the Local Government, the DEP and the Authority. The Local Bonds shall not bear interest during the construction period but interest shall commence accruing on the completion date as defined in the SRF Regulations, provided that the annual repayment of principal and payment of interest shall begin not later than one (1) year after the completion date. The repayment of principal and interest on the Local Bonds shall be as set forth on Schedule Y hereto. In no event shall the interest rate on or the net interest cost of the Local Bonds exceed any statutory limitation with regard thereto.

4.4 The Local Bonds shall be delivered to the Authority in fully registered form, transferable and exchangeable as provided in the Local Act at the expense of the Local Government. Anything to the contrary herein notwithstanding, the Local Bonds may be issued in one or more series.

4.5 As provided by the SRF Regulations, the Local Government agrees to pay from time to time, if required by the Authority and DEP, the Local Government's allocable share of the reasonable administrative expenses of the Authority relating to the Program. Such administrative expenses shall be determined by the Authority and shall include without limitation Program expenses, legal fees paid by the Authority and fees paid to the trustee and paying agents for any bonds or notes to be issued by the Authority for contribution to the Fund and the fees and expenses of any corporate trustee for the Fund.

4.6 The obligation of the Authority to make any loans shall be conditioned upon the availability of moneys in the Fund in such amount and on such terms and conditions as, in the sole judgment of the Authority, will enable it to make the Loan.

## ARTICLE V

### Certain Covenants of the Local Government; Imposition and Collection of User Charges; Payments To Be Made by Local Government to the Authority

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

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

5.3 In the event the Local Government defaults in any payment due to the Authority pursuant to Section 4.2 hereof, the amount of such default shall bear interest at the interest rate of the installment of the Loan next due, from the date of the default until the date of the payment thereof.

5.4 The Local Government hereby irrevocably covenants and agrees with the Authority that, in the event of any default hereunder by the Local Government, the Authority may exercise any or all of the rights and powers granted under Section 5 of the Act, including without limitation the right to impose, enforce and collect directly charges upon users of the System.

## ARTICLE VI

### Other Agreements of the Local Government

6.1 The Local Government hereby acknowledges to the Authority and DEP its understanding of the provisions of the Act, vesting in the Authority and DEP certain powers, rights and privileges with respect to wastewater treatment projects in the event of default by local governments in the terms and covenants of loan agreements, and the Local Government hereby covenants and agrees that, if the Authority should hereafter have

recourse to said rights and powers, the Local Government shall take no action of any nature whatsoever calculated to inhibit, nullify, void, delay or render nugatory such actions of the Authority in the due and prompt implementation of this Loan Agreement.

6.2 The Local Government hereby warrants and represents that all information provided to the Authority and DEP 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 DEP 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 DEP by the Local Government in connection with the Loan shall be incorrect or incomplete in any material respect or (b) the Local Government has violated any commitment made by it in its Application or in any supporting documentation or has violated any of the terms of the SRF Regulations or this Loan Agreement.

6.3 The Local Government hereby agrees to repay on or prior to the Date of Loan Closing any moneys due and owing by it to the Authority or any other lender for the planning or design of the Project, provided that such repayment shall not be made from the proceeds of the Loan.

6.4 The Local Government 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 Local Government fails to make any such rebates as required, then the Local Government 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.

6.5 Notwithstanding Section 6.4, the Authority and DEP may at any time, in their sole discretion, cause the rebate calculations prepared by or on behalf of the Local Government to be monitored or cause the rebate calculations for the Local Government to be prepared, in either case at the expense of the Local Government.

6.6 The Local Government hereby agrees to give the Authority and DEP prior written notice of the issuance by it of any other obligations to be used for the Project, payable from the revenues of the System or from any grants for the Project or otherwise related to the Project or the System.

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

## ARTICLE VII

### Miscellaneous

7.1 Schedule 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 Local Government supplementing the Local Act, a certified copy of which official action shall be submitted to the Authority.

7.2 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.

7.3 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.

7.4 No waiver by any 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.

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

7.6 By execution and delivery of this Loan Agreement, notwithstanding the date hereof, the Local Government 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.

7.7 This Loan Agreement shall terminate upon the earlier of:

- (i) written notice of termination to the Local Government from either the Authority or DEP;
- (ii) termination by the Authority and DEP pursuant to Section 6.2 hereof; or

(iii) payment in full of the principal of and interest on the Loan and of any fees and charges owed by the Local Government to the Authority or DEP; provided that the amount of the Loan made under this Loan Agreement in any succeeding fiscal year is contingent upon funds being appropriated by the legislature or otherwise being available to make the Loan. In the event funds are not appropriated or otherwise available to make all of the Loan, the responsibility of the Authority and DEP to make all the Loan is terminated; provided further that the obligation of the Local Government to repay the amount of the Loan made by the Authority and DEP as set forth in (iii) above is not terminated due to such non-funding on any balance on the Loan. The DEP agrees to use its best efforts to have the amount contemplated under this Loan Agreement included in its budget. Non-appropriation or non-funding shall not be considered an event of default under the Loan Agreement.

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 Elizabeth

[Proper Name of Local Government]

(SEAL)

By: Lewis H. Field  
Its: Mayor

Attest:

Date: 8-16-99

Denny McFar  
Its Recorder

WEST VIRGINIA DIVISION OF  
ENVIRONMENTAL PROTECTION

By: Barbara B. Meadows  
Its: Chief

Date: 8/19/99

WEST VIRGINIA WATER DEVELOPMENT  
AUTHORITY

(SEAL)

By: Daniel B. Gunkel  
Its: Director

Attest:

Date: August 13, 1999

Barbara B. Meadows  
Secretary-Treasurer

**EXHIBIT A**

**[Form of Performance Certificate]**

**[TO BE PROVIDED BY DEP]**

EXHIBIT B

[Form of Monthly Financial Report]  
[Name of Local Government]  
[Name of Bond Issue]  
Fiscal Year - \_\_\_\_  
Report Month: \_\_\_\_\_

|    | <u>ITEM</u>                                                            | <u>CURRENT<br/>MONTH</u> | <u>YEAR TO<br/>DATE</u> | <u>BUDGET<br/>YEAR TO<br/>DATE</u> | <u>BUDGET<br/>DIFFERENCE</u> |
|----|------------------------------------------------------------------------|--------------------------|-------------------------|------------------------------------|------------------------------|
| 1. | Gross Revenues<br>Collected                                            |                          |                         |                                    |                              |
| 2. | Operation and<br>Maintenance<br>Expense                                |                          |                         |                                    |                              |
| 3. | Other Bond<br>Debt Payments<br>(including<br>Reserve Fund<br>deposits) |                          |                         |                                    |                              |
| 4. | SRF Bond Payments<br>(include Reserve Fund<br>deposits)                |                          |                         |                                    |                              |
| 5. | Renewal and<br>Replacement Fund<br>Deposit                             |                          |                         |                                    |                              |
| 6. | Funds available<br>for capital<br>construction                         |                          |                         |                                    |                              |

Witnesseth my signature this \_\_\_\_ day of \_\_\_\_, \_\_\_\_.

[Name of Local Government]

By: \_\_\_\_\_  
Authorized Officer

EXHIBIT C

PAYMENT REQUISITION FORM

(All Copies to Be Provided by DEP for Each Project)

EXHIBIT D

FORM OF CERTIFICATE OF CONSULTING ENGINEER

\_\_\_\_\_  
(Issuer)

\_\_\_\_\_  
(Name of Bonds)

I, \_\_\_\_\_, Registered Professional Engineer, West Virginia License No. \_\_\_\_\_, of \_\_\_\_\_, Consulting Engineers, \_\_\_\_\_, hereby certify that my firm is engineer for the acquisition and construction of \_\_\_\_\_ to the \_\_\_\_\_ system (herein called the "Project") of \_\_\_\_\_ (the "Issuer") to be constructed primarily in \_\_\_\_\_ 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 \_\_\_\_\_ passed by the \_\_\_\_\_ of the Issuer on \_\_\_\_\_, 19\_\_\_\_, effective \_\_\_\_\_, 19\_\_\_\_, and the Loan Agreement by and among the Issuer, the West Virginia Water Development Authority (the "Authority"), and the West Virginia Division of Environmental Protection ("DEP") dated \_\_\_\_\_, 19\_\_\_\_.

1. The Bonds are being issued for the purpose of

\_\_\_\_\_  
(the "Project").

2. The undersigned hereby certifies that (i) the Project will be constructed in accordance with the approved plans, specifications and designs prepared by my firm and as described in the application submitted to the Authority requesting the Authority to purchase the Bonds (the "Application") and approved by all necessary governmental bodies, (ii) the Project is adequate for the purpose for which it was designed and has an estimated useful life of at least twenty years, (iii) the Issuer has received bids for the construction of the Project which are in an amount and otherwise compatible with the plan of financing described in the Application and my firm has ascertained that all contractors 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 by my firm for accuracy, (iv) the Issuer has obtained all permits required by the laws of the State and the federal government necessary for the construction of the Project, (v) the rates and charges for the System as adopted by the \_\_\_\_\_ of the Issuer are sufficient to comply with the provisions of Subsection 4.1(b) of the Loan Agreement, (vi) 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 irrevocably committed therefor, are sufficient to pay the costs of construction and

acquisition of the Project as set forth in the Application, and (vii) attached hereto as Exhibit A is the final amended "Schedule A - Total Cost of Project and Sources of Funds" for the Project.

WITNESS my signature on this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

\_\_\_\_\_  
By \_\_\_\_\_

West Virginia License No. \_\_\_\_

[SEAL]

## EXHIBIT E

### SPECIAL CONDITIONS

A. The recipient agrees to include, when issuing statements, press releases, requests for proposals, bid solicitations and other documents describing projects or programs funded in whole or in part with Federal money, (1) the percentage of the total costs of the program or project which will be financed with Federal money, (2) the dollar amount of Federal funds for the project or program, and (3) percentage and dollar amount of the total costs of the project or program that will be financed by non-governmental sources.

B. AUDIT REQUIREMENT (Supplement to Article IV 4.1 (b) (xi)) - The loan recipient that receives \$300,000 or more in a fiscal year must obtain audits in accordance with the Single Audit Act Amendments of 1996 and OMB Circular A-133 or any appropriate successor. Financial statement audits are required once all funds have been received by the loan recipient.

EXHIBIT F

[Monthly Payment Form]

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

Re: [Name of bond issue]

Dear Sirs:

The following deposits were made to the West Virginia Municipal Bond  
Commission on behalf of [Local Government] on \_\_\_\_\_, \_\_.

Sinking Fund:

Interest \$ \_\_\_\_\_

Principal \$ \_\_\_\_\_

Total: \$ \_\_\_\_\_

Reserve Fund: \$ \_\_\_\_\_

Witness my signature this \_\_\_\_ day of \_\_\_\_\_.

[Name of Local Government]

By: \_\_\_\_\_  
Authorized Officer

Enclosure: copy of check(s)

## EXHIBIT G

[Opinion of Bond Counsel for Local Government]

[To Be Dated as of Date of Loan Closing]

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

Gentlemen:

We are bond counsel to \_\_\_\_\_ (the "Local Government"), a  
\_\_\_\_\_.

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

| <u>Year</u> | <u>Installment</u> | <u>Interest Rate</u> |
|-------------|--------------------|----------------------|
|-------------|--------------------|----------------------|

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

We have also examined the applicable provisions of \_\_\_\_\_ of the Code of West Virginia, 1931, as amended (the "Local Statute"), and the bond \_\_\_\_\_ duly enacted by the Local Government on \_\_\_\_\_ (the "Local Act"), pursuant to and under which Local Statute and Local Act the Local Bonds are authorized and issued, and the Loan Agreement that has been undertaken. The Local Bonds are subject to redemption prior to maturity to the extent, at the time, under the conditions and subject to the limitations set forth in the Local Act and the Loan Agreement.

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

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

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

3. The Local Government is a duly organized and presently existing \_\_\_\_\_, with full power and authority to construct and acquire the Project and to operate and maintain the System referred to in the Loan Agreement and to issue and sell the Local Bonds, all under the Local Statute and other applicable provisions of law.

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

5. The Local Bonds are valid and legally enforceable special obligations of the Local Government, payable from the net revenues of the System referred to in the Local Act and secured by a [first] lien on and pledge of the net revenues of said System, all in accordance with the terms of the Local Bonds and the Local Act, and have been duly issued and delivered to the Authority.

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

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

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

Very truly yours,

## SCHEDULE X

### DESCRIPTION OF BONDS

|                           |            |
|---------------------------|------------|
| Principal Amount of Bonds | \$ 108,000 |
| Purchase Price of Bonds   | \$ 108,000 |

Interest on the Bonds shall be zero percent from the date of delivery ~~to and including~~  
----- Principal ~~and interest~~ on the Bonds is payable quarterly,  
commencing March 1, 2001, at a rate of 0 % per annum. Quarterly payments will be  
made thereafter on each September 1, December 1, March 1 and June 1 as set forth on  
Schedule Y attached hereto and incorporated herein by reference. As of the date of this Loan  
Agreement, it is the Authority's and DEP's understanding that the Local Government has  
[other obligations outstanding which have a lien as to the source of and security for payment  
equal to or superior to the lien being granted by the Bonds] or [provide list of outstanding  
debt]. (See attached schedule) \*

The Local Government shall submit its payments monthly to the West Virginia  
Municipal Bond Commission with instructions that the West Virginia Municipal Bond  
Commission will make quarterly payments to the West Virginia Water Development  
Authority at such address as is given to the Bond Commission in writing by the Authority.  
If the Reserve Fund is not fully funded at closing, the Local Government shall commence the  
payment of the 1/120 of the maximum annual debt service on the first day of the month it  
makes its first monthly payment to the Bond Commission. The Local Government shall  
instruct the Bond Commission to notify the Authority of any monthly payments which are  
not received by the 20th day of the month in which the payment was due.

The Bonds will be fully registered in the name of the West Virginia Water  
Development Authority as to principal ~~and interest~~ and such Bonds shall grant the Authority  
a first lien on the net revenues of the Local Government's system.

The Local Government may prepay the Bonds in full at any time at the price of par  
upon 30 days' written notice to the Authority and DEP. The Local Government shall request  
approval from the Authority and DEP in writing of any proposed debt which will be issued  
by the Local Government on a parity with the Bonds which request must be filed at least 60  
days prior to the intended date of issuance.

\*Sewer Revenue Bonds, Series 1982, issued September 13, 1982, in the original  
principal amount of \$300,000.

SCHEDULE Y

**Town of Elizabeth (West Virginia)**

*Loan of \$108,000*

*20 Years, 0% Interest Rate, 1% Administrative Fee*

*Closing Date: August 31, 1999*

**DEBT SERVICE SCHEDULE**

| <b>Date</b> | <b>Principal</b> | <b>Coupon</b> | <b>Total P+I</b> |
|-------------|------------------|---------------|------------------|
| 9/01/1999   | -                | -             | -                |
| 12/01/1999  | -                | -             | -                |
| 3/01/2000   | -                | -             | -                |
| 6/01/2000   | -                | -             | -                |
| 9/01/2000   | -                | -             | -                |
| 12/01/2000  | -                | -             | -                |
| 3/01/2001   | 1,350.00         | -             | 1,350.00         |
| 6/01/2001   | 1,350.00         | -             | 1,350.00         |
| 9/01/2001   | 1,350.00         | -             | 1,350.00         |
| 12/01/2001  | 1,350.00         | -             | 1,350.00         |
| 3/01/2002   | 1,350.00         | -             | 1,350.00         |
| 6/01/2002   | 1,350.00         | -             | 1,350.00         |
| 9/01/2002   | 1,350.00         | -             | 1,350.00         |
| 12/01/2002  | 1,350.00         | -             | 1,350.00         |
| 3/01/2003   | 1,350.00         | -             | 1,350.00         |
| 6/01/2003   | 1,350.00         | -             | 1,350.00         |
| 9/01/2003   | 1,350.00         | -             | 1,350.00         |
| 12/01/2003  | 1,350.00         | -             | 1,350.00         |
| 3/01/2004   | 1,350.00         | -             | 1,350.00         |
| 6/01/2004   | 1,350.00         | -             | 1,350.00         |
| 9/01/2004   | 1,350.00         | -             | 1,350.00         |
| 12/01/2004  | 1,350.00         | -             | 1,350.00         |
| 3/01/2005   | 1,350.00         | -             | 1,350.00         |
| 6/01/2005   | 1,350.00         | -             | 1,350.00         |
| 9/01/2005   | 1,350.00         | -             | 1,350.00         |
| 12/01/2005  | 1,350.00         | -             | 1,350.00         |
| 3/01/2006   | 1,350.00         | -             | 1,350.00         |
| 6/01/2006   | 1,350.00         | -             | 1,350.00         |
| 9/01/2006   | 1,350.00         | -             | 1,350.00         |
| 12/01/2006  | 1,350.00         | -             | 1,350.00         |
| 3/01/2007   | 1,350.00         | -             | 1,350.00         |
| 6/01/2007   | 1,350.00         | -             | 1,350.00         |
| 9/01/2007   | 1,350.00         | -             | 1,350.00         |
| 12/01/2007  | 1,350.00         | -             | 1,350.00         |
| 3/01/2008   | 1,350.00         | -             | 1,350.00         |
| 6/01/2008   | 1,350.00         | -             | 1,350.00         |
| 9/01/2008   | 1,350.00         | -             | 1,350.00         |
| 12/01/2008  | 1,350.00         | -             | 1,350.00         |
| 3/01/2009   | 1,350.00         | -             | 1,350.00         |
| 6/01/2009   | 1,350.00         | -             | 1,350.00         |
| 9/01/2009   | 1,350.00         | -             | 1,350.00         |
| 12/01/2009  | 1,350.00         | -             | 1,350.00         |
| 3/01/2010   | 1,350.00         | -             | 1,350.00         |
| 6/01/2010   | 1,350.00         | -             | 1,350.00         |
| 9/01/2010   | 1,350.00         | -             | 1,350.00         |
| 12/01/2010  | 1,350.00         | -             | 1,350.00         |
| 3/01/2011   | 1,350.00         | -             | 1,350.00         |

# **Town of Elizabeth (West Virginia)**

*Loan of \$108,000*

*20 Years, 0% Interest Rate, 1% Administrative Fee*

*Closing Date: August 31, 1999*

## **DEBT SERVICE SCHEDULE**

| <b>Date</b>  | <b>Principal</b>  | <b>Coupon</b> | <b>Total P+I</b>    |
|--------------|-------------------|---------------|---------------------|
| 6/01/2011    | 1,350.00          | -             | 1,350.00            |
| 9/01/2011    | 1,350.00          | -             | 1,350.00            |
| 12/01/2011   | 1,350.00          | -             | 1,350.00            |
| 3/01/2012    | 1,350.00          | -             | 1,350.00            |
| 6/01/2012    | 1,350.00          | -             | 1,350.00            |
| 9/01/2012    | 1,350.00          | -             | 1,350.00            |
| 12/01/2012   | 1,350.00          | -             | 1,350.00            |
| 3/01/2013    | 1,350.00          | -             | 1,350.00            |
| 6/01/2013    | 1,350.00          | -             | 1,350.00            |
| 9/01/2013    | 1,350.00          | -             | 1,350.00            |
| 12/01/2013   | 1,350.00          | -             | 1,350.00            |
| 3/01/2014    | 1,350.00          | -             | 1,350.00            |
| 6/01/2014    | 1,350.00          | -             | 1,350.00            |
| 9/01/2014    | 1,350.00          | -             | 1,350.00            |
| 12/01/2014   | 1,350.00          | -             | 1,350.00            |
| 3/01/2015    | 1,350.00          | -             | 1,350.00            |
| 6/01/2015    | 1,350.00          | -             | 1,350.00            |
| 9/01/2015    | 1,350.00          | -             | 1,350.00            |
| 12/01/2015   | 1,350.00          | -             | 1,350.00            |
| 3/01/2016    | 1,350.00          | -             | 1,350.00            |
| 6/01/2016    | 1,350.00          | -             | 1,350.00            |
| 9/01/2016    | 1,350.00          | -             | 1,350.00            |
| 12/01/2016   | 1,350.00          | -             | 1,350.00            |
| 3/01/2017    | 1,350.00          | -             | 1,350.00            |
| 6/01/2017    | 1,350.00          | -             | 1,350.00            |
| 9/01/2017    | 1,350.00          | -             | 1,350.00            |
| 12/01/2017   | 1,350.00          | -             | 1,350.00            |
| 3/01/2018    | 1,350.00          | -             | 1,350.00            |
| 6/01/2018    | 1,350.00          | -             | 1,350.00            |
| 9/01/2018    | 1,350.00          | -             | 1,350.00            |
| 12/01/2018   | 1,350.00          | -             | 1,350.00            |
| 3/01/2019    | 1,350.00          | -             | 1,350.00            |
| 6/01/2019    | 1,350.00          | -             | 1,350.00            |
| 9/01/2019    | 1,350.00          | -             | 1,350.00            |
| 12/01/2019   | 1,350.00          | -             | 1,350.00            |
| 3/01/2020    | 1,350.00          | -             | 1,350.00            |
| 6/01/2020    | 1,350.00          | -             | 1,350.00            |
| 9/01/2020    | 1,350.00          | -             | 1,350.00            |
| 12/01/2020   | 1,350.00          | -             | 1,350.00            |
| <b>Total</b> | <b>108,000.00</b> | <b>-</b>      | <b>108,000.00 *</b> |

\*Plus \$136.69 quarterly administrative fee. Total fee paid over the life of the loan is \$10,935.20.

\$108,000  
TOWN OF ELIZABETH  
SEWER REVENUE BOND,  
SERIES 1999

GENERAL CERTIFICATE

1. TERMS
2. NO LITIGATION
3. GOVERNMENTAL APPROVALS AND BIDDING
4. NO ADVERSE FINANCIAL CHANGE; INDEBTEDNESS
5. SIGNATURES
6. INCUMBENCY AND OFFICIAL NAME
7. LOAN AGREEMENT
8. PUBLIC SERVICE COMMISSION ORDER
9. LAND AND RIGHTS-OF-WAY
10. MEETINGS
11. INSURANCE
12. RATES
13. TRUTH AND ACCURACY
14. SPECIMEN BOND
15. BOND PROCEEDS
16. PRIVATE USE OF FACILITIES
17. NO FEDERAL GUARANTY
18. CONFLICT OF INTEREST
19. CLEAN WATER ACT
20. COUNTERPARTS

We, the undersigned MAYOR and RECORDER of the TOWN OF ELIZABETH, Wirt County, West Virginia (the "Town"), and the undersigned ATTORNEY for said Town, hereby certify in connection with the Town of Elizabeth, Sewer Revenue Bond, Series 1999 (the "Bond"), in the aggregate principal amount of \$108,000, numbered R-1, dated the date hereof and bearing interest at the rate of zero percent (0%), plus an annual administrative fee of one percent (1%) payable quarterly, as follows:

1. TERMS: All capitalized words and terms used in this General Certificate and not otherwise defined herein shall have the same meaning as in the Ordinance enacted by the City Council (the "Council") and effective on August 30, 1999 (the "Ordinance"), and the Loan Agreement (the "Loan Agreement") entered into among the Town, the West Virginia Division of Environmental Protection ("DEP") and the West Virginia Water Development Authority (the "Authority"), dated August 19, 1999.

2. NO LITIGATION: No controversy or litigation of any nature is now pending, or, to the knowledge of any of the undersigned, threatened, restraining, enjoining or affecting the issuance and delivery of the Bond; nor questioning the proceedings and authority by which the Council authorized the issuance and sale of the Bond; nor affecting the validity of the Bond or any provisions made or

authorized for the payment thereof, including, but not limited to the pledge of Net Revenues of the System for such payment; nor questioning the existence of the Town or the title of the members or officers of the Town or the Council to their respective offices; nor questioning the acquisition, construction and equipping of certain additions, betterments and improvements to the sewer system facilities of the Town (the "System"), which is being financed out of the proceeds of sale of the Bond.

3. **GOVERNMENTAL APPROVALS AND BIDDING:** All applicable approvals and certificates required by law for the acquisition, construction and equipping of the Project, the operation of the System and the issuance of the Bond have been or will be duly and timely obtained and remain in full force and effect, including approval by the Public Service Commission of West Virginia. Competitive bids for construction of the Project will be solicited in accordance with West Virginia law. The Issuer has procured the services of the Consulting Engineers in accordance with Chapter 5G, Article 1 of the West Virginia Code of 1931, as amended.

4. **NO ADVERSE FINANCIAL CHANGE; INDEBTEDNESS:** There has been no adverse change in the financial condition of the Town or the System since the approval, execution and delivery by the Town of the Loan Agreement, among the Authority, DEP and the Town. There has been no adverse change in the financial condition of the Town or the System since the approval by the Authority and DEP of a loan to assist in the acquisition, construction and equipping of the Project. Upon issuance and delivery of the Bonds, the Town will have the Bond and its Sewer Revenue Bonds, Series 1982 A as debt outstanding, both of which constitute a first parity lien on the Net Revenues of the System, and the Sewer Revenue Bonds, Series 1982 B which are junior and subordinate to the Series 1982 A Bonds and the Series 1999 Bonds. The Town has obtained the consent of the holder of the Prior Bonds to the issuance of the Bond.

5. **SIGNATURES:** The undersigned MAYOR and RECORDER are the duly elected or appointed, qualified and serving officials as indicated by the official titles opposite their signatures below, are duly authorized to execute and seal the Bond for the Town, and on the date hereof have signed and sealed the Bond for the Town. The seal appearing hereon and on the Bond is the only official seal of the Town.

6. **INCUMBENCY AND OFFICIAL NAME:** The proper corporate title of the Town is "Town of Elizabeth", and it is a municipality, public corporation and political subdivision duly created under the laws of the State of West Virginia in Wirt County of said State. The governing body of the Town is the Mayor, Recorder and the Town Council of six (6) councilmen or women, whose names, terms and offices are as follows:

| <u>Name</u>       | <u>Date of Termination<br/>of Office</u> | <u>Office</u> |
|-------------------|------------------------------------------|---------------|
| Lewis Full        | April 10, 2000                           | Mayor         |
| Penny McVay       | Appointed                                | Recorder      |
| James Cumberledge | April 10, 2000                           | Councilman    |

|                    |                |              |
|--------------------|----------------|--------------|
| Edith Cumberledge  | April 8, 2002  | Councilwoman |
| Carl George        | April 10, 2000 | Councilman   |
| Kenneth Stempowski | April 10, 2000 | Councilman   |
| Anna Haney         | April 8, 2002  | Councilwoman |
| Dennis Gage        | April 8, 2002  | Councilman   |

The duly appointed and acting Attorney for the Town is Theodore Davitan, Parkersburg, West Virginia.

7. **LOAN AGREEMENT:** As of the date hereof, (i) representations of the Town 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 Town 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 is necessary to be disclosed therein in order to make the statements and information contained therein not misleading; and (iv) the Town ratifies and reaffirms all the covenants made in the Loan Agreement as if they were specifically set forth herein.

8. **PUBLIC SERVICE COMMISSION ORDER:** The Town covenants that it has filed any information with the PSC and taken any other actions required to maintain the PSC Commission Order entered on August 27, 1999, in Case No. 99-0281-S-CN, in full force and effect, with the time for rehearing and appeal having expired.

9. **LAND AND RIGHTS-OF-WAY:** All land in fee simple and all rights-of-way and easements necessary for the construction, operation and maintenance of this System have been acquired or can and will be acquired by purchase, or, if necessary, by condemnation by the Town 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 Town to pay for the same without jeopardizing the security of or payments on the Bond.

10. **MEETINGS:** All actions, ordinances, Ordinances, orders and agreements taken, adopted and entered into by or on behalf of the Town in any way connected with the acquisition, construction, equipping and financing of the Project and the operation of the System were authorized or adopted at meetings of the Council duly called and held pursuant to all applicable statutes and the customary procedure of the Council, and a quorum of duly appointed, qualified and acting members of the Council 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.

11. **INSURANCE:** The Town will maintain or, as appropriate, will require all contractors to maintain Workers' Compensation, public liability and property damage insurance, standard hazard

insurance, builder's risk insurance, flood insurance and business interruption insurance, where applicable, in accordance with the Loan Agreement and the Ordinance.

12. **RATES:** Based upon information submitted by the Consulting Engineers and an independent Certified Public Accountant, the rates and charges for the System which were authorized on January 25, 1991, and remain in full force and effect, will, so long as the Bond is outstanding, provide Net Revenues sufficient to pay (a) the interest upon the Bond and the Prior Bonds, (b) the necessary fiscal agency charges, (c) the principal amount of the Bond and the Prior Bonds at or before its maturity, (d) a margin of safety or reserve for such Bond and the Prior Bonds and for the payment into the reserve account created on account of the Bond, and (e) meet the requirements set forth in the Loan Agreement.

13. **TRUTH AND ACCURACY:** As of the date hereof, Lewis Full, Mayor, and Penny McVay, Recorder, hereby certify that the copies of documents previously or on the date hereof certified by them as being true and accurate are true and accurate as of the date hereof and that none of such documents have been repealed, rescinded, amended or otherwise modified.

14. **SPECIMEN BOND:** Attached hereto as Exhibit A is a specimen of the Bond which, except as to execution and authentication, is identical in all respects with such Bond this day delivered to the Authority and being substantially in the form prescribed in the Ordinance.

15. **BOND PROCEEDS:** On the date hereof, the Town received \$92,561.00 from the Authority and DEP, being a portion of the principal amount of the Bond and more than a de minimis amount of the proceeds of the Bond. The balance of the principal amount of the Bond will be advanced to the Town as acquisition, construction and equipping of the Project progresses.

16. **PRIVATE USE OF FACILITIES:** The Town shall at all times take, and refrain from taking, and shall not fail to take, any and all actions necessary in order to assure the initial and continued tax-exempt status of the Bond and the interest thereon. Less than ten percent (10%) of the proceeds of the Bond will be used, directly or indirectly, for any private business use, and less than ten percent (10%) of the payment of principal of, or the interest on, such issue, under the terms of such issue or any underlying arrangement, is, directly or indirectly, secured by any interest in property used or to be used for a private business use, payments in respect of such property, or to be derived from payments (whether or not to the Town) in respect of property, or borrowed money, used or to be used for a private business use. None of the proceeds of the Bond will be used, directly or indirectly, for any private business use which is not related to the governmental use of the proceeds of the Bond, including the disproportionate related business use of the proceeds of the Bond, and none of the payment of principal on, or the interest on, such issue, under the terms of any underlying arrangement, is, directly or indirectly, secured by any interest in property used, or to be used for a private business use, payments in respect of such property or to be derived from payments (whether or not to the Issuer) in respect of property, or borrowed money, used or to be used for a private business use with respect to such private business use, which is not related to any government use of such proceeds, including the disproportionate business use of the issue of the Bond. None of the proceeds of the issue

of the Bond will be used, directly or indirectly, to make or finance loans to persons other than governmental units. For purposes of this paragraph, private business use means use, directly or indirectly, in a trade or business carried on by any person, including related persons, other than a governmental unit or other than use as a member of the general public. All of the foregoing shall be determined in accordance with and within the meaning of the Internal Revenue Code of 1986, as amended, including any successor provisions and rules and regulations thereunder (the "Code").

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

18. **CONFLICT OF INTEREST:** No officer or employee of the Town has a substantial financial interest, direct, indirect or by reason of ownership of stock in any corporation, in any contract with the Town or in the sale of any land, materials, supplies or services to the Town or to any contractor supplying the Issuer, relating to the Bond, the Ordinance, 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 five percent (5%) of the particular business enterprise or contract.

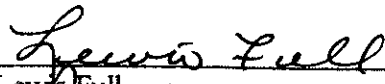
19. **CLEAN WATER ACT:** The project as described in the Ordinance complies with Sections 208 and 303(e) of the Clean Water Act.

20. **COUNTERPARTS:** This Certificate may be executed in counterpart, and such parts shall be deemed to be the Certificate.

WITNESS our signatures and the official seal of the Town of Elizabeth on the 31st day of August, 1999.

SIGNATURE

OFFICIAL TITLE

  
\_\_\_\_\_  
Lewis Full

Mayor

  
\_\_\_\_\_  
Penny McVay

Recorder

  
\_\_\_\_\_  
Theodore Davitan

Attorney

**Exhibit A**

**(Specimen Bond-See Tab 32)**

\$108,000  
TOWN OF ELIZABETH  
SEWER REVENUE BOND,  
SERIES 1999

CERTIFICATE OF CONSULTING ENGINEER

I, James B. Hildreth, Consulting Engineer, Spencer West Virginia, a Registered Professional Engineer, West Virginia License No. 7719, hereby certify that I am the engineer for the acquisition, construction and equipping of certain additions, betterments and improvements to the sewer system (herein called the "Project") of the Town of Elizabeth (the "Issuer"), located in Wirt County, West Virginia, which acquisition, construction and equipping cost is being financed by the above-captioned bond (the "Bond") of the Issuer. Capitalized terms used and not otherwise defined herein shall have the meaning assigned to such terms in the Ordinance enacted by the Town Council of the Issuer and effective on August 30, 1999 (the "Ordinance"), and the Loan Agreement by and among the Issuer, the West Virginia Water Development Authority (the "Authority"), and the West Virginia Division of Environmental Protection ("DEP") dated August 19, 1999.

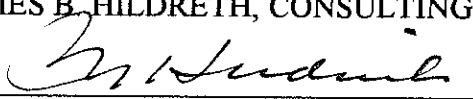
1. The Bond is being issued for the purpose of financing a portion of the costs of the Project.

2. The undersigned hereby certifies that to the best of his knowledge after due inquiry (i) the Project will consist of the acquisition, construction and equipping of sewer system improvements based upon approved plans, specifications and designs which will be prepared by my firm as described in and in accordance with the application submitted to the Authority requesting the Authority to purchase the Bond (the "Application") and which have been or will be approved by all necessary governmental bodies, (ii) the Project is adequate for the purpose for which it will be constructed and will have an estimated useful life of at least twenty (20) years, (iii) the Issuer has received bids for the construction of the Project which are in an amount and otherwise compatible with the plan of financing described in the Application and my firm has ascertained that all contractors 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 by my firm for accuracy, (iv) the chosen bidder received any and all addenda to the original bid documents, (v) the bid documents reflect the Project as approved by the West Virginia Division of Environmental Protection; (vi) the chosen bid includes every construction item necessary to complete the Project, or explains any deviation thereof, (vii) the uniform bid procedures were followed, (viii) the Issuer has obtained or will obtain all permits required by the laws of the State and the federal government necessary for the construction of the Project, (ix) the rates and charges for the System as adopted by the Town Council of the Issuer are or will be sufficient to comply with the provisions of Subsection 4.1(b) of the Loan Agreement, (x) the net proceeds of the Bond, together with all other moneys on deposit or to be simultaneously deposited and irrevocably pledged thereto and the proceeds of grants irrevocably committed therefor, are or will be sufficient to pay the costs of acquisition, construction and equipping of the Project as set forth in the Application, and (xi) attached hereto as Exhibit B is the final amended "Schedule A - Total Cost of Project and Sources of Funds" for the Project.

WITNESS my signature on this 31st day of August, 1999.

JAMES B. HILDRETH, CONSULTING ENGINEER

By:



Engineer

West Virginia License No. 7719

[SEAL]

# SCHEDULE A

Rev. 8/30/99

Name of Governmental Agency: TOWN OF ELIZABETH

Project Description: WASTEWATER SYSTEM IMPROVEMENTS

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

|                                                                     | Total         | SRF<br>Loan   | ARC<br>Grant  |
|---------------------------------------------------------------------|---------------|---------------|---------------|
| <b>A. Cost of Project</b>                                           |               |               |               |
| 1. Construction (Based on Actual Bids)                              | \$ 378,636.90 | \$ 15,439.00  | \$ 363,197.90 |
| 2. Technical Services                                               |               |               |               |
| Design Phase                                                        | \$ 26,600.00  | 26,600.00     | 0             |
| SSES                                                                | 9,953.00      | 9,953.00      | 0             |
| Video Inspection                                                    | 41,914.00     | 41,914.00     | 0             |
| Aerial Mapping                                                      | 5,000.00      | 5,000.00      | 0             |
| Bid Phase                                                           | 3,800.00      | 3,800.00      | 0             |
| Construction Phase                                                  | 8,733.00      | 0             | 8,733.00      |
| Inspection                                                          | 29,000.00     | 0             | 29,000.00     |
| Subtotal                                                            | 125,000.00    | 87,267.00     | 37,733.00     |
| 3. Legal and Fiscal                                                 | 2,500.00      | 0             | 2,500.00      |
| 4. Administration                                                   | 1,000.00      | 544.00        | 456.00        |
| 5. Sites and Other Lands                                            | 0             | 0             | 0             |
| 6. Fac. Plan/Design or<br>Other Loan Repayment -                    | 0             | 0             | 0             |
| 7. Interim Financing Costs                                          | 0             | 0             | 0             |
| 8. Contingency                                                      | 27,863.10     | 0             | 27,863.10     |
| 9. Total                                                            | 535,000.00    | 103,250.00    | 431,750.00    |
| <b>B. Source of Funds</b>                                           |               |               |               |
| 10. Federal Grant:                                                  | 432,000.00    | 0             | 0             |
| 11. State Grants:                                                   | 0             | 0             | 0             |
| 12. Other Grants:                                                   | 0             | 0             | 0             |
| 13. Any Other Source:                                               | 0             | 0             | 0             |
| 14. Total                                                           | 432,000.00    | 0             | 0             |
| 15. Net Proceeds Required from<br>Bond Issue (Line 9 minus Line 14) | 103,000.00    | 103,250.00    | 431,750.00    |
| <b>C. Cost of Financing</b>                                         |               |               |               |
| 16. Capitalized Interest                                            | 0             | 0             | 0             |
| 17. Funded Reserve Account                                          | 0             | 0             | 0             |
| 18. Other Costs (Bond Counsel)                                      | 5,000.00      | 4,750.00      | 250.00        |
| 19. Total Cost of Financing                                         | 5,000.00      | 4,750.00      | 250.00        |
| 20. Size of Bond Issue                                              | \$ 108,000.00 | \$ 108,000.00 |               |

Town of Elizabeth

Boyles & Hildreth, Consulting Engineers

Lewis Lull  
Mayor

[Signature]

8-31-99

8.31.99

Date

Date

HOWARD M. CLOKE III  
Certified Public Accountant  
P. O. Box 513  
Barboursville, West Virginia 25504  
Tel & Fax 1-304-736-8162

\$108,000  
TOWN OF ELIZABETH  
SEWER REVENUE BONDS  
SERIES 1999

CERTIFIED PUBLIC ACCOUNTANT'S CERTIFICATE

I, Howard M. Cloke III, a Certified Public Accountant, License No. 1181, Barboursville, West Virginia, have reviewed the sewer service rates which were enacted by the Town of Elizabeth (the "Town"), by a Rate Ordinance enacted on January 25, 1991, and customer usage, revenues and expenses. It is my opinion that the schedule of rates set forth in the Rate Ordinance are adequate to pay operation and maintenance expenses of the System, as defined in the Bond Ordinance, hereinafter described, to pay the principal of and interest, if any, on the 1999 Bonds and the 1982 Bonds, as defined in the Bond Ordinance, and to meet the one hundred fifteen percent (115%) debt service coverage requirement of the 1982 Bonds and the 1999 Bonds and the Bond Ordinance enacted by the Town Council of the Town and effective on August 30, 1999, and are sufficient to comply with the provisions of the Loan Agreement entered into among the Town, the West Virginia Water Development Authority and the West Virginia Division of Environmental Protection dated August 19, 1999. It is my further opinion that the Net Revenues actually derived from the System during any 12 consecutive months, within the 18 months immediately preceding the date of the actual issuance of the 1999 Bonds, plus the estimated average increased annual Net Revenues to be received in each of the three succeeding years after the completion of the improvements to be financed by the 1999 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 1999 Bonds and the 1982 Bonds.

WITNESS my signature as of this 30th day of August, 1999.

Howard M. Cloke III  
Certified Public Accountant

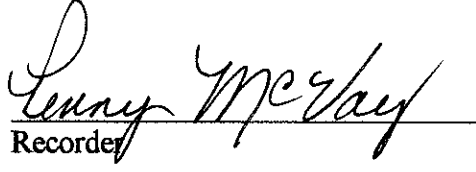
\$108,000  
TOWN OF ELIZABETH  
SEWER REVENUE BOND,  
SERIES 1999

**CERTIFICATE OF RECORDER AS TO TRUTH  
AND ACCURACY OF DOCUMENTS DELIVERED**

I, Penny McVay, the duly appointed Recorder of the Town of Elizabeth (the "Issuer"), hereby certify that the copies of the following documents being delivered in connection with the closing of the sale of the \$108,000 Town of Elizabeth, Sewer Revenue Bond, Series 1999 (the "Bond"), are, as of the date hereof, true and accurate copies of the originals of those documents maintained on file with the Issuer and delivered in the transcript of proceedings, and that said documents are still in full force and effect as of the date hereof and have not been repealed, rescinded, superseded, amended or modified in any way unless the document effecting such repeal, rescission, supersedence, amendment or modification is also listed below:

1. Charter of the Issuer.
2. Oaths of Office of the Mayor, Recorder and Members of the Town Council (the "Council").
3. Sewage Rate Tariff authorized on January 25, 1991.
4. Minutes of the meeting of the Council wherein the Sewage Rate Tariff was adopted.
5. Bond Ordinance (the "Ordinance") enacted on August 30, 1999.
6. Minutes of the August 5 and August 12, 1999 meetings and the August 30, 1999 public hearing of the Council wherein the Ordinance was read and approved.
7. Affidavit of publication of the abstract and notice of meeting on the Ordinance published in the Wirt Journal.
8. Loan Agreement dated August 19, 1999.
9. Recommended Decision of the Public Service Commission of West Virginia entered on August 27, 1999, which became final on August 27, 1999, in Case No. 99-0281-S-CN.
10. Approval Letter from the West Virginia Infrastructure and Jobs Development Council dated October 15, 1996.

WITNESS my signature and the official seal of the Town of Elizabeth as of the 31st day of August, 1999.

  
Recorder

(SEAL)

\$108,000  
TOWN OF ELIZABETH  
SEWER REVENUE BONDS,  
SERIES 1999  
(STATE REVOLVING FUND)

CONSENT TO ISSUANCE OF PARITY BOND

The West Virginia Water Development Authority (the "Authority"), as the registered owner of the Town of Elizabeth, Sewer Revenue Bond, Series 1982A and 1982B, issued pursuant to an ordinance enacted on February 9, 1981, as supplemented by a resolution adopted on September 9, 1982 (the "Prior Bonds"), hereby consents to the issuance by the Town of Elizabeth, West Virginia (the "Town"), of not more than \$108,000 in aggregate principal amount of parity sewer revenue bonds (the "1999 Bond") to be sold to the West Virginia Water Development Authority, on behalf of the Division of Environmental Protection. The Authority hereby further consents that the 1999 Bond may be payable from the revenues of the sewer system of the Town and otherwise secured on a parity with the Prior Bonds. This consent is given pursuant to Section 6.08 of the ordinance authorizing the Prior Bonds, as amended.

By the execution of this Consent, the undersigned hereby certifies that he is fully empowered and authorized to execute this Consent on behalf of the Authority.

WITNESS my signature this 31st day of August, 1999.

WEST VIRGINIA WATER  
DEVELOPMENT AUTHORITY

By:   
Director

## REGISTRAR'S AGREEMENT

THIS REGISTRAR'S AGREEMENT, dated as of the 31st day of August, 1999, by and between TOWN OF ELIZABETH, a municipality, public corporation and political subdivision duly created under the laws of the State of West Virginia (the "Issuer"), and WESBANCO TRUST AND INVESTMENT SERVICES, a Division of WesBanco Bank Wheeling, a state banking corporation, having its principal office in Wheeling, West Virginia (the "Registrar").

WHEREAS, the Issuer has, contemporaneously with the execution hereof, issued and sold its \$108,000 aggregate principal amount of Sewer Revenue Bond, Series 1999 (State Revolving Fund), in fully registered form (the "Bond"), pursuant to an Ordinance enacted by the Issuer and effective on August 30, 1999 (the "Ordinance");

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 Ordinance, a copy of which is attached as Exhibit A hereto and incorporated herein by reference;

WHEREAS, the Ordinance provides for the appointment by the Issuer of a Registrar for the Bond; and

WHEREAS, the Issuer desires to appoint, and by the Ordinance and this Registrar's Agreement does appoint, the Registrar to act as Registrar under the Ordinance 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 the Registrar, all as set forth in the Ordinance, such duties including, among other things, the duties to authenticate, register and deliver the Bond upon original issuance and when properly presented for exchange or transfer, and shall do so with the intention of maintaining the exemption of interest on the Bond from federal income taxation, in accordance with any rules and regulations promulgated by the United States Treasury Department or by the Municipal Securities Rulemaking Board or similar regulatory bodies as the Issuer advises it of and with generally accepted industry standards.

2. The Registrar agrees to furnish the Issuer with appropriate records of all transactions carried out by it as Registrar and to furnish the Issuer with the names and specimen signatures of the Registrar's authorized officers for the purposes of acting as the Registrar and with such other information and reports as the Issuer may from time to time reasonably require.

3. The Registrar shall have no responsibility or liability for any action taken by it at the specific direction of the Issuer.

4. As compensation for acting as Registrar pursuant to this Registrar's Agreement, the Issuer hereby agrees to pay to the Registrar, from time to time, reasonable compensation for services rendered and reimbursement for reasonable expenses incurred in connection therewith.

5. It is intended that this Registrar's Agreement shall carry out and implement the provisions of the Ordinance with respect to the Registrar. In the event of any conflict between the terms of this Registrar's Agreement and the Ordinance, the terms of the Ordinance 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 Ordinance will violate any order, decree or agreement to which it is a party or by which it is bound.

7. This Registrar's Agreement may be terminated by either party upon sixty (60) days' written notice sent by registered or certified mail to the other party, at the following respective addresses:

ISSUER:                   Town of Elizabeth  
                              Attention: Mayor  
                              P.O. Box 478  
                              Elizabeth, WV 26143

REGISTRAR:           WesBanco Trust and Investment Services, a Division  
                              of WesBanco Bank Wheeling  
                              Attention: Rhonda J. Revels  
                              1 Bank Plaza  
                              Wheeling, WV 26003-3565

8. The Registrar is hereby requested and authorized to authenticate and deliver the Bond in accordance with the Ordinance and instructions provided by the Issuer and the Purchaser thereof.

IN WITNESS WHEREOF, TOWN OF ELIZABETH and WESBANCO TRUST AND INVESTMENT SERVICES, a Division of WesBanco Bank Wheeling, have caused this Registrar's Agreement to be signed in their names and on their behalf, all as of the day, month and year first above-written.

TOWN OF ELIZABETH

By: Lewin Full  
Mayor

WESBANCO TRUST AND INVESTMENT SERVICES,  
a Division of WesBanco Bank Wheeling

By: Rhonda J. Revels  
Senior Trust Officer

Exhibit A

See Ordinance (Tab No. 5)

\$108,000  
TOWN OF ELIZABETH  
SEWER REVENUE BOND,  
SERIES 1999

ACCEPTANCE OF DUTIES AS DEPOSITORY BANK

WesBanco Bank Parkersburg, Elizabeth Branch, a state banking corporation, at its office located in Elizabeth, Wirt County, West Virginia, hereby accepts appointment as Depository Bank in connection with an Ordinance of the Town of Elizabeth (the "Town") duly enacted by the Town Council of the Town and effective on August 30, 1999 (the "Ordinance"), authorizing issuance by the Town of its Sewer Revenue Bond, Series 1999, dated August 31, 1999, in the aggregate principal amount of \$108,000, and agrees to perform all duties of Depository Bank as set forth in the Ordinance.

Witness my signature as of the 31st day of August, 1999.

WesBanco Bank Parkersburg, Elizabeth Branch

By:   
Assistant Branch Manager

\$108,000  
TOWN OF ELIZABETH  
SEWER REVENUE BOND,  
SERIES 1999  
(STATE REVOLVING FUND)

ACCEPTANCE OF DUTIES AS REGISTRAR

WesBanco Trust and Investment Services, a Division of WesBanco Bank Wheeling, a state banking corporation, with its principal office located in Wheeling, Ohio County, West Virginia, hereby accepts appointment as Registrar in connection with an Ordinance of the Town of Elizabeth (the "Town") duly enacted by the Town Council of the Town and effective on August 30, 1999, authorizing the issuance by the Town of Elizabeth of its Sewer Revenue Bond, Series 1999, dated August 31, 1999, in the aggregate principal amount of \$108,000, and agrees to perform all duties of Registrar as set forth in the Ordinance.

Witness my signature as of the 31st day of August, 1999.

WESBANCO TRUST AND INVESTMENT SERVICES,  
a Division of WesBanco Bank Wheeling

By: Rhonda J. Revels  
Senior Trust Officer

REQUEST AND AUTHORIZATION AS TO AUTHENTICATION  
AND DELIVERY OF THE BOND

August 31, 1999

WesBanco Trust and Investment Services, a Division  
of WesBanco Bank Wheeling  
1 Bank Plaza  
Wheeling, WV 26003-3565

Ladies and Gentlemen:

We herewith hand to you, duly executed, the \$108,000 Town of Elizabeth, Sewer Revenue Bond, Series 1999 (State Revolving Fund) (the "Bond"), in the form of one bond, numbered R-1, of the Town of Elizabeth (the "Town"), authorized to be issued under and pursuant to the Ordinance, duly enacted by the Town Council of the Town and effective on August 30, 1999.

You are hereby requested and authorized to authenticate and register the Bond and to deliver the Bond on behalf of the Town to the West Virginia Water Development Authority, the original purchaser thereof, upon receipt by the Town of \$92,561.00, being more than a de minimis portion of the \$108,000 proceeds of the Bond.

TOWN OF ELIZABETH

By: Lewin Full  
Mayor

(SEAL)

Attest:

Jimmy McVay  
Recorder

\$108,000  
TOWN OF ELIZABETH  
SEWER REVENUE BOND,  
SERIES 1999  
(STATE REVOLVING FUND)

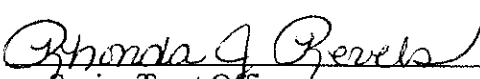
CERTIFICATE OF REGISTRATION OF BONDS

I, Rhonda J. Revels, Senior Trust Officer of WesBanco Trust and Investment Services, a Division of WesBanco Bank Wheeling, as Registrar (the "Registrar"), under a Registrar's Agreement between the Registrar and the Town of Elizabeth (the "Town") dated as of the date hereof, hereby certify that on the 31st day of August, 1999, the bond of the Town in the principal amount of \$108,000 designated "Town of Elizabeth Sewer Revenue Bond, Series 1999 (State Revolving Fund)", and numbered R-1, dated as of the date hereof, was registered as to principal and interest in the name of "The West Virginia Water Development Authority" on the books of the Registrar kept for that purpose at our office, by a duly authorized officer on behalf of the Registrar.

WITNESS my signature as of the 31st day of August, 1999.

WESBANCO TRUST AND INVESTMENT SERVICES,  
a Division of WesBanco Bank Wheeling

By:

  
Senior Trust Officer

BOND REGISTRY

\$108,000  
TOWN OF ELIZABETH  
SEWER REVENUE BOND,  
SERIES 1999

| <u>BOND NO.</u> | <u>AMOUNT</u> | <u>HOLDER</u>                                                                                      | <u>DATE ACQUIRED</u> |
|-----------------|---------------|----------------------------------------------------------------------------------------------------|----------------------|
| R-1             | \$108,000     | West Virginia Water Development<br>Authority<br>180 Association Drive<br>Charleston, WV 25311-1571 | August 31, 1999      |

ALL ASSIGNMENTS OR CHANGES OF OWNERSHIP OF THIS BOND MUST BE  
REPORTED ON THIS REGISTRY PURSUANT TO SECTION 3.05 OF THE BOND  
ORDINANCE.

\$108,000  
TOWN OF ELIZABETH  
SEWER REVENUE BOND,  
SERIES 1999

CROSS-RECEIPT FOR BONDS AND BOND PROCEEDS

The undersigned Daniel B. Yonkosky, Director of the West Virginia Water Development Authority (the "WDA"), and Lewis Full, Mayor of the Town of Elizabeth, Wirt County, West Virginia (the "Issuer"), hereby certify as follows:

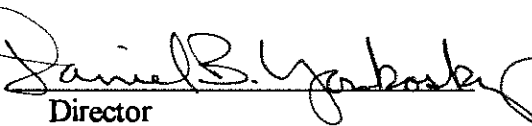
1. On the 31st day of August, 1999, the WDA received the entire original issue in aggregate principal amount of \$108,000 of the Sewer Revenue Bond, Series 1999, of the Issuer (the "Bond"). The Bond, as so received on original issuance, is dated August 31, 1999, and is issued as Bond Number R-1, in the denomination of \$108,000.

2. At the time of such receipt of the Bond, the Bond had been executed by Lewis Full, as Mayor of the Issuer, by his manual signature, and by Penny McVay, as Recorder of the Issuer, by her manual signature, and the official seal of the Issuer had been imprinted upon the Bond.

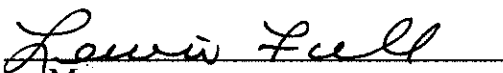
3. The Issuer has received and hereby acknowledges receipt from the WDA, as the original purchaser of the Bond, of \$92,561.00, being more than a de minimus portion of the proceeds of the Bond. The balance will be advanced from time to time to pay costs of the Project as described in the Loan Agreement.

IN WITNESS WHEREOF, this receipt has been signed and delivered on behalf of the West Virginia Water Development Authority, and the Town of Elizabeth, Wirt County, West Virginia, has caused this receipt to be executed by its Mayor, as of the 31st day of August, 1999.

WEST VIRGINIA WATER DEVELOPMENT  
AUTHORITY

By:   
Director

TOWN OF ELIZABETH

By:   
Mayor

# TOWN OF ELIZABETH

P.O. BOX 478 ELIZABETH, WV 26143 TELEPHONE 304-275-3200 FAX NUMBER 304-275-3038

**MAYOR**  
*Lewis Full*

**COUNCIL**  
**MEMBERS**

*James Cumberledge*  
*Carl "Bud" George*  
*Edith Cumberledge*  
*Ken Stempowski*  
*Anna Hancy*  
*Dennis "Dex" Gage*

August 24, 1999

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

## NOTICE OF DELIVERY OF BONDS

Pursuant to Paragraph 3.4 of the Loan Agreement among the West Virginia Water Development authority, the West Virginia Division of Environmental Protection and the Town of Elizabeth, you are hereby notified that the Town can deliver the Bond on any date on or after August.

TOWN OF ELIZABETH

By

*Lewis H Full*  
Mayor

812 Quarrier Street, Suite 300  
Charleston, WV 25301  
(304) 558-3971

Date of Report: August 25, 1999  
(See Reverse for Instructions)

**BOND COUNSEL:** Goodwin & Goodwin, LLP  
Contact Person: W.K. Bragg, Jr.  
Phone 346-7000

**REGISTRAR:** WesBanco Bank Wheeling  
WesBanco Trust and Investment  
Services, a Division of  
Contact Person: Janet L. Shelburne  
Phone: (304) 234-9436

LENDER'S COUNSEL: Jackson & Kelly PLLC  
Contact Person: Samme L. Gee  
Phone: 340-1318

**Contact Person: Lewis Full**  
**Position: Mayor**  
**Phone: 275-3200**

|               |                             |            |
|---------------|-----------------------------|------------|
| By _____ Wire | _____ Accrued Interest:     | \$ _____ 0 |
| _____ Check   | _____ Capitalized Interest: | \$ _____ 0 |
|               | _____ Reserve Account:      | \$ _____ 0 |
|               | _____ Other:                | \$ _____   |

|               |                              |              |
|---------------|------------------------------|--------------|
| By _____ Wire | _____ To Escrow Trustee:     | \$ _____ N/A |
| _____ Check   | _____ To Issuer:             | \$ _____ N/A |
| _____ IGT     | _____ To Cons. Invest. Fund: | \$ _____ N/A |
|               | _____ Other:                 | \$ _____     |

**FOR MUNICIPAL BOND COMMISSION USE ONLY:**

**REQUIRED:**

**REQUIRED:**

UNITED STATES OF AMERICA  
STATE OF WEST VIRGINIA  
TOWN OF ELIZABETH  
SEWER REVENUE BOND,  
SERIES 1999  
(STATE REVOLVING FUND)

No. R-1

\$108,000

Date: August 31, 1999

KNOW ALL MEN BY THESE PRESENTS: That TOWN OF ELIZABETH, a municipality, public corporation and political subdivision of the State of West Virginia in Wirt 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 order of the West Virginia Water Development Authority (the "Authority") or registered assigns, the sum of One Hundred Eight Thousand and 00/100 Dollars (\$108,000.00), or such lesser amount as set forth on the Record of Advances attached as Exhibit A hereto and incorporated herein by reference, plus interest on the unpaid principal balance hereof at the rate set out below. Interest on this Bond is set at zero percent (0%) per annum, plus an annual administrative fee of one percent (1%) payable quarterly. Principal on the Bond is payable in quarterly installments commencing March 1, 2001, and thereafter in quarterly installments on each March 1, June 1, September 1 and December 1, as set forth on the "Debt Service Schedule" attached as Exhibit B hereto and incorporated herein by reference. The final installment of principal shall be paid at the end of twenty (20) years from the date amortization of debt service on the Bond begins and shall be in an amount equal to the amount of outstanding principal due on the Bond at said date. Notwithstanding any provision of this Bond to the contrary, this Bond shall evidence only the indebtedness reflected as outstanding on the Record of Advances attached hereto.

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"). Principal on this Bond is payable by check or draft of the Paying Agent mailed to the registered owner hereof at the address as it appears on the books of WesBanco Trust and Investment Services, a Division of WesBanco Bank Wheeling, at its principal office in Wheeling, West Virginia (the "Registrar"), on the 15th day of the month next preceding such payment date, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner hereof.

This Bond may be redeemed prior to its stated date of maturity in whole at par, but only upon thirty (30) days prior written notice to the Authority and the West Virginia Division of Environmental Protection ("DEP") and upon the terms and conditions prescribed by and otherwise in compliance with the Loan Agreement by and among the Issuer, the Authority and DEP.

This Bond is issued (i) to pay a portion of the costs of acquisition, construction and equipping of certain additions, betterments and improvements to the public sewer facilities of the Issuer (the "Project"); and (ii) to pay certain costs of issuance hereof and related costs. The sewer system of the Issuer, together with the Project, and any further extensions, additions, betterments or improvements

thereto is herein called the "System". This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13 and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"), and an Ordinance duly enacted by the Issuer and effective August 30, 1999 (the "Ordinance"), and is subject to all the terms and conditions thereof. The Ordinance 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 Bond under the Ordinance.

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Ordinance) to be derived from the operation of the System, from moneys in the Reserve Account created under the Ordinance for the Bonds (the "Series 1999 Bond Reserve Account") and unexpended proceeds of the Bonds on a parity with the Issuer's Sewer Revenue Bonds, Series 1982 A and senior to the Sewer Revenue Bonds, Series 1982 B (collectively, the "Prior Bonds"). Such Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest hereon except from said special fund provided from the Net Revenues, the moneys in the Series 1999 Bond Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Ordinance, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System and to leave a balance each year equal to at least one hundred fifteen percent (115%) of the maximum amount payable in any year for principal of and interest on the Bonds and the Prior Bonds, and all other obligations secured by a lien on or payable from such net revenues prior to or on a parity with the Bonds, provided however, that so long as there exists in the Series 1999 Bond Reserve Account an amount at least equal to the maximum amount of principal and interest which will become due on the Bonds in the then current or any succeeding year and in the reserve account established for any other obligations outstanding prior to or on a parity with the Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to one hundred ten percent (110%). The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Ordinance. More particularly, the Issuer has covenanted that it will be in default hereunder if any Bond proceeds are used for a purpose that contributes to excessive erosion of highly erodible land or to the conversion of wetlands to produce an agricultural commodity. Remedies provided the registered owners of the Bonds are exclusively as provided in the Ordinance, 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 Ordinance, only upon the books of the Registrar by the registered owner, or by its attorney duly authorized in writing, upon the surrender of this Bond together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered owner or its attorney duly authorized in writing.

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

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

THIS BOND IS ON A PARITY AS TO LIEN AND SOURCE OF PAYMENT WITH THE CERTAIN SEWER REVENUE BONDS, SERIES 1982, OF THE ISSUER DESCRIBED IN AN ORDINANCE ENACTED ON FEBRUARY 9, 1981, AND AMENDED BY A RESOLUTION APPROVED ON SEPTEMBER 13, 1982.

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

All provisions of the Ordinance, 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 ELIZABETH 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 31, 1999.

SPECIMEN TOWN OF ELIZABETH

[SEAL]

By: Lewis Full  
Mayor

ATTEST:

Lenny M. Day  
Recorder

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is the Series 1999 Bond described in the within-mentioned Ordinance and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: August 31, 1999

WesBanco Trust and Investment Services,  
a Division of WesBanco Bank Wheeling

By: Rhonda J. Revels  
Senior Trust Officer

EXHIBIT A  
RECORD OF ADVANCES

| <u>AMOUNT</u>   | <u>DATE</u>     | <u>AMOUNT</u> | <u>DATE</u> |
|-----------------|-----------------|---------------|-------------|
| (1) \$92,561.00 | August 31, 1999 | (6) \$_____   |             |
| (2) \$_____     |                 | (7) \$_____   |             |
| (3) \$_____     |                 | (8) \$_____   |             |
| (4) \$_____     |                 | (9) \$_____   |             |
| (5) \$_____     |                 | (10) \$_____  |             |
|                 |                 | TOTAL \$_____ |             |

## EXHIBIT B

## Town of Elizabeth (West Virginia)

Loan of \$108,000

20 Years, 0% Interest Rate, 1% Administrative Fee

Closing Date: August 31, 1999

## DEBT SERVICE SCHEDULE

| Date       | Principal | Coupon | Total P+I |
|------------|-----------|--------|-----------|
| 9/01/1999  | -         | -      | -         |
| 12/01/1999 | -         | -      | -         |
| 3/01/2000  | -         | -      | -         |
| 6/01/2000  | -         | -      | -         |
| 9/01/2000  | -         | -      | -         |
| 12/01/2000 | -         | -      | -         |
| 3/01/2001  | 1,350.00  | -      | 1,350.00  |
| 6/01/2001  | 1,350.00  | -      | 1,350.00  |
| 9/01/2001  | 1,350.00  | -      | 1,350.00  |
| 12/01/2001 | 1,350.00  | -      | 1,350.00  |
| 3/01/2002  | 1,350.00  | -      | 1,350.00  |
| 6/01/2002  | 1,350.00  | -      | 1,350.00  |
| 9/01/2002  | 1,350.00  | -      | 1,350.00  |
| 12/01/2002 | 1,350.00  | -      | 1,350.00  |
| 3/01/2003  | 1,350.00  | -      | 1,350.00  |
| 6/01/2003  | 1,350.00  | -      | 1,350.00  |
| 9/01/2003  | 1,350.00  | -      | 1,350.00  |
| 12/01/2003 | 1,350.00  | -      | 1,350.00  |
| 3/01/2004  | 1,350.00  | -      | 1,350.00  |
| 6/01/2004  | 1,350.00  | -      | 1,350.00  |
| 9/01/2004  | 1,350.00  | -      | 1,350.00  |
| 12/01/2004 | 1,350.00  | -      | 1,350.00  |
| 3/01/2005  | 1,350.00  | -      | 1,350.00  |
| 6/01/2005  | 1,350.00  | -      | 1,350.00  |
| 9/01/2005  | 1,350.00  | -      | 1,350.00  |
| 12/01/2005 | 1,350.00  | -      | 1,350.00  |
| 3/01/2006  | 1,350.00  | -      | 1,350.00  |
| 6/01/2006  | 1,350.00  | -      | 1,350.00  |
| 9/01/2006  | 1,350.00  | -      | 1,350.00  |
| 12/01/2006 | 1,350.00  | -      | 1,350.00  |
| 3/01/2007  | 1,350.00  | -      | 1,350.00  |
| 6/01/2007  | 1,350.00  | -      | 1,350.00  |
| 9/01/2007  | 1,350.00  | -      | 1,350.00  |
| 12/01/2007 | 1,350.00  | -      | 1,350.00  |
| 3/01/2008  | 1,350.00  | -      | 1,350.00  |
| 6/01/2008  | 1,350.00  | -      | 1,350.00  |
| 9/01/2008  | 1,350.00  | -      | 1,350.00  |
| 12/01/2008 | 1,350.00  | -      | 1,350.00  |
| 3/01/2009  | 1,350.00  | -      | 1,350.00  |
| 6/01/2009  | 1,350.00  | -      | 1,350.00  |
| 9/01/2009  | 1,350.00  | -      | 1,350.00  |
| 12/01/2009 | 1,350.00  | -      | 1,350.00  |
| 3/01/2010  | 1,350.00  | -      | 1,350.00  |
| 6/01/2010  | 1,350.00  | -      | 1,350.00  |
| 9/01/2010  | 1,350.00  | -      | 1,350.00  |
| 12/01/2010 | 1,350.00  | -      | 1,350.00  |
| 3/01/2011  | 1,350.00  | -      | 1,350.00  |

**Town of Elizabeth (West Virginia)**  
*Loan of \$108,000*  
*20 Years, 0% Interest Rate, 1% Administrative Fee*  
*Closing Date: August 31, 1999*

**DEBT SERVICE SCHEDULE**

| Date         | Principal         | Coupon   | Total P+I           |
|--------------|-------------------|----------|---------------------|
| 6/01/2011    | 1,350.00          | -        | 1,350.00            |
| 9/01/2011    | 1,350.00          | -        | 1,350.00            |
| 12/01/2011   | 1,350.00          | -        | 1,350.00            |
| 3/01/2012    | 1,350.00          | -        | 1,350.00            |
| 6/01/2012    | 1,350.00          | -        | 1,350.00            |
| 9/01/2012    | 1,350.00          | -        | 1,350.00            |
| 12/01/2012   | 1,350.00          | -        | 1,350.00            |
| 3/01/2013    | 1,350.00          | -        | 1,350.00            |
| 6/01/2013    | 1,350.00          | -        | 1,350.00            |
| 9/01/2013    | 1,350.00          | -        | 1,350.00            |
| 12/01/2013   | 1,350.00          | -        | 1,350.00            |
| 3/01/2014    | 1,350.00          | -        | 1,350.00            |
| 6/01/2014    | 1,350.00          | -        | 1,350.00            |
| 9/01/2014    | 1,350.00          | -        | 1,350.00            |
| 12/01/2014   | 1,350.00          | -        | 1,350.00            |
| 3/01/2015    | 1,350.00          | -        | 1,350.00            |
| 6/01/2015    | 1,350.00          | -        | 1,350.00            |
| 9/01/2015    | 1,350.00          | -        | 1,350.00            |
| 12/01/2015   | 1,350.00          | -        | 1,350.00            |
| 3/01/2016    | 1,350.00          | -        | 1,350.00            |
| 6/01/2016    | 1,350.00          | -        | 1,350.00            |
| 9/01/2016    | 1,350.00          | -        | 1,350.00            |
| 12/01/2016   | 1,350.00          | -        | 1,350.00            |
| 3/01/2017    | 1,350.00          | -        | 1,350.00            |
| 6/01/2017    | 1,350.00          | -        | 1,350.00            |
| 9/01/2017    | 1,350.00          | -        | 1,350.00            |
| 12/01/2017   | 1,350.00          | -        | 1,350.00            |
| 3/01/2018    | 1,350.00          | -        | 1,350.00            |
| 6/01/2018    | 1,350.00          | -        | 1,350.00            |
| 9/01/2018    | 1,350.00          | -        | 1,350.00            |
| 12/01/2018   | 1,350.00          | -        | 1,350.00            |
| 3/01/2019    | 1,350.00          | -        | 1,350.00            |
| 6/01/2019    | 1,350.00          | -        | 1,350.00            |
| 9/01/2019    | 1,350.00          | -        | 1,350.00            |
| 12/01/2019   | 1,350.00          | -        | 1,350.00            |
| 3/01/2020    | 1,350.00          | -        | 1,350.00            |
| 6/01/2020    | 1,350.00          | -        | 1,350.00            |
| 9/01/2020    | 1,350.00          | -        | 1,350.00            |
| 12/01/2020   | 1,350.00          | -        | 1,350.00            |
| <b>Total</b> | <b>108,000.00</b> | <b>-</b> | <b>108,000.00 *</b> |

\*Plus \$136.69 quarterly administrative fee. Total fee paid over the life of the loan is \$10,935.20.

ASSIGNMENT

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

Dated: \_\_\_\_\_, 19\_\_.

\_\_\_\_\_  
(Assignor)

Witnessed in the presence of:

\_\_\_\_\_