THE CITY OF BELINGTON

Combined Waterworks and Sewerage System
Design Revenue Bonds, Series 1997 B
(West Virginia SRF Program)

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THE CITY OF BELINGTON

COMBINED WATERWORKS AND SEWERAGE SYSTEM DESIGN REVENUE BONDS, SERIES 1997 B (WEST VIRGINIA SRF PROGRAM)

BOND ORDINANCE

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THE CITY OF BELINGTON

ORDINANCE AUTHORIZING THE DESIGN OF EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE SEWERAGE PORTION OF THE EXISTING PUBLIC COMBINED WATERWORKS AND SEWERAGE SYSTEM OF THE CITY OF BELINGTON AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN $350,000 IN AGGREGATE PRINCIPAL AMOUNT OF COMBINED WATERWORKS AND SEWERAGE SYSTEM DESIGN REVENUE BONDS, SERIES 1997 B (WEST VIRGINIA SRF PROGRAM); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

BE IT ORDAINED AND ENACTED BY THE COUNCIL OF THE CITY OF BELINGTON:

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

Section 1.01. Authority for this Ordinance. This Ordinance (together with any ordinance, order or resolution supplemental hereto or amendatory hereof, the "Bond Legislation") is enacted pursuant to the provisions of Chapter 8, Article 20 and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"), and other applicable provisions of law.

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

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

B. The Issuer presently owns and operates a public combined waterworks and sewerage system. However, it is deemed necessary and desirable for the health and

welfare of the inhabitants of the Issuer that there be designed certain extensions, additions, betterments and improvements to the sewerage portion of the existing public combined waterworks and sewerage system of the Issuer, consisting of upgrading the existing wastewater treatment facility, replacing five pump stations, performing a sanitary sewer evaluation study, sewer system rehabilitation, disconnecting storm sewers from sanitary sewers and various line replacements and extensions, together with all appurtenant facilities (collectively, the "Project") (the existing public combined waterworks and sewerage system of the Issuer, the Project and any further additions thereto or extensions thereof are herein called the "System").

C. The estimated revenues to be derived in each year will be sufficient to pay all costs of operation and maintenance of the System, interest on and principal of the Bonds (as hereafter defined) and to make all payments into all funds, accounts and other payments provided for herein.

D. The Issuer intends to permanently finance the costs of design of the Project through the issuance of its revenue bonds to the West Virginia Water Development Authority (the "Authority"), in connection with the West Virginia Water Pollution Control Revolving Fund program (the "SRF Program"), pursuant to the Act, in order to take advantage of the favorable terms available to the Issuer under the SRF Program.

E. It is deemed necessary for the Issuer to issue its Combined Waterworks and Sewerage System Design Revenue Bonds, Series 1997 B (West Virginia SRF Program) (the "Series 1997 B Bonds"), in the total aggregate principal amount of not more than $350,000, initially to be represented by a single bond, to permanently finance the costs of design of the Project. Said costs shall be deemed to include the cost of all property rights, easements and franchises deemed necessary or convenient therefor; amounts which may be deposited in the Series 1997 B Bonds Reserve Account (as hereinafter defined); engineering and legal expenses; expenses for estimates of costs and revenues; expenses for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the enterprise; administrative expense; commitment fees; fees and expenses of the Authority, including the SRF Administrative Fee (as hereinafter defined); discount; initial fees for the services of registrars, paying agents, depositories or trustees or other costs in connection with the sale of the Series 1997 B Bonds and such other expenses as may be necessary or incidental to the financing herein authorized; the design of the Project; and the performance of the things herein required or permitted, in connection with any thereof, provided, that reimbursement to the Issuer for any amounts expended by it for allowable costs prior to the issuance of the Series 1997 B Bonds or the repayment of indebtedness incurred by the Issuer for such purposes shall be deemed Costs of the Project, as hereinafter defined.

F. The period of usefulness of the System after completion of the Project is not less than 20 years.

G. There are outstanding obligations of the Issuer which will rank on a parity with the Series 1997 B Bonds as to liens, pledge, source of and security for payment, being the Water and Sewer Revenue Bonds of 1971, Series B, dated July 1, 1971, issued in the original principal amount of $438,000 (the "Series 1971 Bonds"), and the Combined Waterworks and Sewerage System Revenue Bonds, Series 1997 A (West Virginia Water Development Authority), dated March 3, 1997, issued in the original principal amount of $475,000 (the "Series 1997 A Bonds"). The Series 1971 Bonds and the Series 1997 A Bonds are hereinafter collectively referred to as the "Prior Bonds."

Prior to the issuance of the Series 1997 B Bonds, the Issuer will obtain the written consent of the Holders of the Prior Bonds to the issuance of the Series 1997 B Bonds on a parity with the Prior Bonds. Other than the Prior Bonds, there are no outstanding bonds or obligations of the Issuer which are secured by revenues or assets of the System.

H. It is in the best interests of the Issuer that its Series 1997 B Bonds be sold to the Authority pursuant to the terms and provisions of a loan agreement by and among the Issuer, the Authority and the West Virginia Division of Environmental Protection, a division of the West Virginia Bureau of Environment (the "DEP"), in form satisfactory to the Issuer, the Authority and the DEP (the "Loan Agreement"), approved hereby if not previously approved by resolution of the Issuer.

I. The Issuer has complied with all requirements of West Virginia law and the Loan Agreement relating to authorization of the design of the Project and the operation of the System and issuance of the Series 1997 B Bonds, or will have so complied prior to issuance of any thereof.

J. The Issuer is a governmental unit which has general taxing powers to finance operations of or facilities of the nature of the Project and the System; 95% or more of the Net Proceeds of the Series 1997 B Bonds are to be used for local governmental activities of the Issuer (or of a governmental unit the jurisdiction of which is entirely within the jurisdiction of the Issuer); and the Issuer, all subordinate entities, all entities which issue obligations on behalf of the Issuer, and all entities formed or, to the extent provided under Section 148 of the Code, herein defined, availed of, to avoid the purposes of Section 148(f)(4)(D) of the Code and all other entities benefiting thereby, reasonably expect to issue less than $5,000,000 aggregate principal amount of tax-exempt obligations (other than private activity bonds) during the calendar year in which the Series 1997 B Bonds are to be issued.

Section 1.03. Bond Legislation Constitutes Contract. In consideration of the acceptance of Series 1997 B Bonds by those who shall be the Registered Owners of the same from time to time, this Bond Legislation shall be deemed to be and shall constitute a contract between the Issuer and such Bondholders, and the covenants and agreements herein set forth to be performed by the Issuer shall be for the equal benefit, protection and security

of the Registered Owners of any and all of such Series 1997 B Bonds, all which shall be of equal rank and without preference, priority or distinction between any one Bond of a series and any other Bonds of the same series, by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

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

"Act" means, collectively, Chapter 8, Article 20 and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended and in effect on the date of enactment hereof.

"Authority" means the West Virginia Water Development Authority, which is expected to be the original purchaser and Registered Owner of the Series 1997 B Bonds, or any other agency, board or department of the State of West Virginia that succeeds to the functions of the Authority.

"Authorized Officer" means the Mayor of the Issuer, or any other officer of the Issuer specifically designated by resolution of the Governing Body.

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

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

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

"Bonds" means, collectively, the Series 1997 B Bonds and, where appropriate, any bonds on a parity therewith subsequently authorized to be issued hereunder or by another ordinance of the Issuer.

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

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

"Closing Date" means the date upon which there is an exchange of the Series 1997 B Bonds for the proceeds or at least a de minimis portion thereof representing the purchase price of the Series 1997 B Bonds from the Authority and the DEP.

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

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

"Completion Date" means the completion date of the Project, as defined in the SRF Regulations.

"Consulting Engineers" means Chapman Technical Group, Buckhannon, West Virginia, or any qualified engineer or firm of engineers, licensed by the State, that shall at any time hereafter be procured by the Issuer as Consulting Engineers for the System or portion thereof, in accordance with Chapter 5G, Article 1 of the West Virginia Code of 1931, as amended; provided however, that the Consulting Engineers shall not be a regular, full-time employee of the State or any of its agencies, commissions, or political subdivisions.

"Costs" or "Costs of the Project" means those costs described in Section 1.02E hereof to be a part of the cost of design of the Project.

"Council" means the Council of the Issuer or any other governing body of the Issuer that succeeds to the functions of the Council as presently constituted.

"DEP" means the West Virginia Division of Environmental Protection, a division of the West Virginia Bureau of Environment, or any other agency, board or department of the State that succeeds to the functions of the DEP.

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

"Depreciation Account" means the Depreciation Account created by the Prior Ordinances and continued hereby.

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

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

"Governing Body" means the Council of the Issuer, as it may now or hereafter be constituted.

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

"Gross Revenues" means all rates, rents, fees, charges or other income received by the Issuer, or accrued to the Issuer, or any department, board, agency or instrumentality thereof in control of the management and operation of the System, from the operation of the System, and all parts thereof, all as calculated in accordance with generally accepted accounting principles.

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

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

"Investment Property" means any security (as said term is defined in Section 165(g)(2)(A) or (B) of the Code), obligation, annuity contract, investment-type property or any residential rental property for family units which is not located within the jurisdiction of the Issuer and which is not acquired to implement a court ordered or approved housing desegregation plan, excluding, however, obligations the interest on which is excluded from gross income, under Section 103 of the Code, for federal income tax purposes other than specified private activity bonds as defined in Section 57(a)(5)(C) of the Code.

"Issuer" means The City of Belington, a municipal corporation and political subdivision of the State of West Virginia, in Barbour County, West Virginia, and, unless the context clearly indicates otherwise, includes the Governing Body of the Issuer.

"Loan Agreement" means the Loan Agreement, heretofore entered, or to be entered, into by and among the Authority, the DEP and the Issuer, providing for the purchase of the Series 1997 B Bonds from the Issuer by the Authority, the form of which shall be approved, and the execution and delivery by the Issuer authorized and directed or ratified, by the Supplemental Resolution.

"Mayor" means the Mayor of the Issuer.

"Net Proceeds" means the face amount of the Series 1997 B Bonds, plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds, if any, deposited in the Series 1997 B Bonds Reserve Account. For purposes of the Private Business Use limitations set forth herein, the term Net Proceeds shall include any amounts

resulting from the investment of proceeds of the Series 1997 B Bonds, without regard to whether or not such investment is made in tax-exempt obligations.

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

"Nonpurpose Investment" means any Investment Property which is acquired with the gross proceeds or any other proceeds of the Series 1997 B Bonds and is not acquired in order to carry out the governmental purpose of the Series 1997 B Bonds.

"Operating Expenses" means the current expenses, paid or accrued, of operation and maintenance of the System, and includes, without limiting the generality of the foregoing, insurance premiums, salaries, wages and administrative expenses of the Issuer relating and chargeable solely to the System, the accumulation of appropriate reserves for charges not annually recurrent but which are such as may reasonably be expected to be incurred, retention of a sum not to exceed 1/6th of the amount estimated in the current budget for costs of operation and maintenance of the System, and such other reasonable operating costs and expenses as should normally and regularly be included under generally accepted accounting principles.

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

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

"Paying Agent" means the Commission or other entity or authority designated as such for the Series 1997 B Bonds in the Supplemental Resolution with the written consent of the Authority and the DEP.

"Prior Bonds" means, collectively, the Series 1971 Bonds and the Series 1997 A Bonds of the Issuer.

"Prior Ordinances" means, collectively, the ordinance of the Issuer enacted September 19, 1968, including all amendments and supplements thereto, authorizing the Series 1971 Bonds, and the ordinance of the Issuer enacted February 20, 1997, including all amendments and supplements thereto, authorizing the Series 1997 A Bonds.

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

"Project" means the Project as described in Section 1.02B hereof.

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

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

(a) Government Obligations;

(b) Government Obligations which have been stripped of their unmatured interest coupons, interest coupons stripped from Government Obligations, and receipts or certificates evidencing payments from Government Obligations or interest coupons stripped from Government Obligations;

(c) Bonds, debentures, notes or other evidences of indebtedness issued by any of the following agencies: Banks for Cooperatives; Federal Intermediate Credit Banks; Federal Home Loan Bank System; Export-Import Bank of the United States; Federal Land Banks; Government National Mortgage Association; Tennessee Valley Authority; or Washington Metropolitan Area Transit Authority;

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

(e) Time accounts (including accounts evidenced by time certificates of deposit, time deposits or other similar banking arrangements) which, to the extent not insured by the FDIC or Federal Savings and Loan Insurance Corporation, shall be

secured by a pledge of Government Obligations, provided, that said Government Obligations pledged either must mature as nearly as practicable coincident with the maturity of said time accounts or must be replaced or increased so that the market value thereof is always at least equal to the principal amount of said time accounts;

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

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

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

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

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

"Registrar" means the Bond Registrar.

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

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

"Series 1971 Bonds" means the Issuer's Water and Sewer Revenue Bonds of 1971, Series B, described in Section 1.02G hereof.

"Series 1997 A Bonds" means the Issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 1997 A (West Virginia Water Development Authority), described in Section 1.02G hereof.

"Series 1997 B Bonds" means the not more than $350,000 in aggregate principal amount of Combined Waterworks and Sewerage System Design Revenue Bonds, Series 1997 B (West Virginia SRF Program), of the Issuer.

"Series 1997 B Bonds Reserve Account" means the Series 1997 B Bonds Reserve Account established in the Series 1997 B Bonds Sinking Fund pursuant to Section 5.02 hereof.

"Series 1997 B Bonds Reserve Requirement" means, as of any date of calculation, the maximum amount of principal and interest which will become due on the Series 1997 B Bonds in the then current or any succeeding year.

"Series 1997 B Bonds Sinking Fund" means the Series 1997 B Bonds Sinking Fund established by Section 5.02 hereof.

"SRF Administrative Fee" means any administrative fee required to be paid pursuant to the Loan Agreement.

"SRF Program" means the State's Water Pollution Control Revolving Fund Program, under which the Authority purchases the water pollution control revenue bonds of local governmental entities satisfying certain legal and other requirements with the proceeds of a capitalization grant award from the United States Environmental Protection Agency and funds of the State.

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

"State" means the State of West Virginia.

"Supplemental Resolution" means any resolution, ordinance or order of the Issuer supplementing or amending this Ordinance and, when preceded by the article "the,"

refers specifically to the supplemental resolution authorizing the sale of the Series 1997 B Bonds; provided, that any matter intended by this Ordinance to be included in the Supplemental Resolution with respect to the Series 1997 B Bonds, and not so included may be included in another Supplemental Resolution.

"Surplus Revenues" means the Net Revenues not required by the Bond Legislation to be set aside and held for the payment of or security for the Bonds or any other obligations of the Issuer, including, without limitation, the Depreciation Account and any reserve account.

"System" means the complete public combined waterworks and sewerage system of the Issuer, as presently existing in its entirety or any integral part thereof, and shall include any and all additions, betterments and improvements thereto, hereafter acquired or constructed for the System from any sources whatsoever.

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

Additional terms and phrases are defined in this Ordinance as they are used. Words importing singular number shall include the plural number in each case and vice versa; words importing persons shall include firms and corporations; and words importing the masculine, feminine or neutral gender shall include any other gender.

ARTICLE II

AUTHORIZATION OF DESIGN OF THE PROJECT

Section 2.01. Authorization of Design of the Project. There is hereby authorized and ordered the design of the Project, at an estimated cost of not to exceed $350,000. The proceeds of the Series 1997 B Bonds hereby authorized shall be applied as provided in Article VI hereof. The Issuer will enter into contracts for the design of the Project, compatible with the financing plan submitted to the SRF Program.

ARTICLE III

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

Section 3.01. Authorization of Bonds. For the purposes of capitalizing interest on the Series 1997 B Bonds, funding a reserve account for the Series 1997 B Bonds, paying Costs of the Project not otherwise provided for and paying certain costs of issuance of the Series 1997 B Bonds and related costs, or any or all of such purposes, as determined by the Supplemental Resolution, there shall be and hereby are authorized to be issued negotiable Series 1997 B Bonds of the Issuer, in an aggregate principal amount of not more than $350,000. The Series 1997 B Bonds shall be issued as a single Bond, designated as "Combined Waterworks and Sewerage System Design Revenue Bond, Series 1997 B (West Virginia SRF Program)," and shall have such terms as set forth hereinafter and in the Supplemental Resolution. The proceeds of the Series 1997 B Bonds remaining after funding of the Series 1997 B Bonds Reserve Account (if funded from Bond proceeds) and capitalization of interest on the Series 1997 B Bonds, if any, shall be deposited in or credited to the Project Fund established by Section 5.01 hereof and applied as set forth in Article VI hereof.

Section 3.02. Terms of Bonds. The Series 1997 B Bonds shall bear interest, if any, at such rate or rates, not exceeding the then legal maximum, payable quarterly on such dates; shall mature on such dates and in such amounts; and shall be redeemable, in whole or in part, all as the Issuer shall prescribe in a Supplemental Resolution or as specifically provided in the Loan Agreement. The Series 1997 B Bonds shall be payable as to principal at the office of the Paying Agent, in any coin or currency which, on the dates of payment of principal is legal tender for the payment of public or private debts under the laws of the United States of America. Interest on the Series 1997 B Bonds, if any, shall be paid by check or draft of the Paying Agent or its agent, mailed to the Registered Owner thereof at the address as it appears on the books of the Bond Registrar, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner thereof.

Unless otherwise provided by the Supplemental Resolution, the Series 1997 B Bonds shall initially be issued in the form of a single bond, fully registered to the Authority, with a record of advances and a debt service schedule attached, representing the aggregate principal amount of the Series 1997 B Bonds, and shall mature in principal installments, all as provided in the Supplemental Resolution. The Series 1997 B Bonds shall be exchangeable at the option and expense of the Registered Owner for another fully registered Bond or Bonds of the same series in aggregate principal amount equal to the amount of said Bonds then Outstanding and being exchanged, with principal installments or maturities, as applicable,

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

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

Section 3.03. Execution of Bonds. The Series 1997 B Bonds shall be executed in the name of the Issuer by the Mayor, and the seal of the Issuer shall be affixed thereto or imprinted thereon and attested by the City Clerk. In case any one or more of the officers who shall have signed or sealed the Series 1997 B Bonds shall cease to be such officer of the Issuer before the Series 1997 B Bonds so signed and sealed have been actually sold and delivered, such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Any Series 1997 B Bonds may be signed and sealed on behalf of the Issuer by such person as at the actual time of the execution of such Bonds shall hold the proper office in the Issuer, although at the date of the authorization of such Bonds such person may not have held such office or may not have been so authorized.

Section 3.04. Authentication and Registration. No Series 1997 B Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Bond Legislation unless and until the Certificate of Authentication and Registration on such Bond, substantially in the form set forth in Section 3.10 hereof shall have been manually executed by the Bond Registrar. Any such executed Certificate of Authentication and Registration upon any such Bond shall be conclusive evidence that such Bond has been authenticated, registered and delivered under this Bond Legislation. The Certificate of Authentication and Registration on any Series 1997 B Bond shall be deemed to have been executed by the Bond Registrar if manually signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of the Bonds issued hereunder.

Section 3.05. Negotiability, Transfer and Registration. Subject to the provisions for transfer of registration set forth below, the Series 1997 B Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder, in accepting the Series 1997 B Bonds shall be conclusively deemed to have agreed that such Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder shall further be conclusively deemed to have agreed that said Bonds shall be incontestable in the hands of a bona fide holder for value.

So long as the Series 1997 B Bonds remain outstanding, the Issuer, through the Bond Registrar as its agent, shall keep and maintain books for the registration and transfer of the Series 1997 B Bonds.

The registered Series 1997 B Bonds shall be transferable only upon the books of the Bond Registrar, by the registered owner thereof in person or by his attorney duly authorized in writing, upon surrender thereto together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered owner or his duly authorized attorney.

In all cases in which the privilege of exchanging Series 1997 B Bonds or transferring the registered Series 1997 B Bonds are exercised, all Series 1997 B Bonds shall be delivered in accordance with the provisions of this Bond Legislation. All Series 1997 B Bonds surrendered in any such exchanges or transfers shall forthwith be cancelled by the Bond Registrar. For every such exchange or transfer of Series 1997 B Bonds, the Bond Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer and the cost of preparing each new Bond upon each exchange or transfer, and any other expenses of the Bond Registrar incurred in connection therewith, which sum or sums shall be paid by the Issuer. The Bond Registrar shall not be obliged to make any such exchange or transfer of Series 1997 B Bonds during the period commencing on the 15th day of the month next preceding an interest payment date on the Series 1997 B Bonds or, in the case of any proposed redemption of Series 1997 B Bonds, next preceding the date of the selection of Series 1997 B Bonds to be redeemed, and ending on such interest payment date or redemption date.

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

Section 3.07. Bonds not to be Indebtedness of the Issuer. The Series 1997 B Bonds shall not, in any event, be or constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation, but shall be

payable solely from the Net Revenues derived from the operation of the System as herein provided. No Holder or Holders of the Series 1997 B Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 1997 B Bonds or the interest thereon.

Section 3.08. Bonds Secured by Pledge of Net Revenues; Lien Position with respect to Prior Bonds. The payment of the debt service of the Series 1997 B Bonds shall be secured forthwith equally and ratably by a first lien on the Net Revenues derived from the System, on a parity with the lien on the Net Revenues in favor of the Holders of the Prior Bonds. Such Net Revenues in an amount sufficient to pay the principal of and interest on and other payments for the Series 1997 B Bonds and the Prior Bonds and to make the payments into all funds and accounts and all other payments provided for in the Bond Legislation, are hereby irrevocably pledged to such payments as the same become due.

Section 3.09. Delivery of Bonds. The Issuer shall execute and deliver the Series 1997 B Bonds to the Bond Registrar, and the Bond Registrar shall authenticate, register and deliver the Series 1997 B Bonds to the original purchasers upon receipt of the documents set forth below:

A. If other than the Authority, a list of the names in which the Series 1997 B Bonds are to be registered upon original issuance, together with such taxpayer identification and other information as the Bond Registrar may reasonably require;

B. A request and authorization to the Bond Registrar on behalf of the Issuer, signed by an Authorized Officer, to authenticate and deliver the Series 1997 B Bonds to the original purchasers;

C. An executed and certified copy of Bond Legislation;

D. An executed copy of the Loan Agreement; and

E. The unqualified approving opinion of bond counsel on the Series 1997 B Bonds.

Section 3.10. Form of Bonds. The text of the Series 1997 B Bonds shall be in substantially the following form, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted hereby, or by any Supplemental Resolution adopted prior to the issuance thereof:

[FORM OF BOND]

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF BELINGTON
COMBINED WATERWORKS AND SEWERAGE SYSTEM
DESIGN REVENUE BOND, SERIES 1997 B
(WEST VIRGINIA SRF PROGRAM)

No. BR-____ $_____

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF BELINGTON, a municipal corporation and political subdivision of the State of West Virginia in Barbour County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the West Virginia Water Development Authority (the "Authority") or registered assigns the sum of _____ DOLLARS ($_____), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as EXHIBIT A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing _____ 1, 199____, as set forth on the "Schedule of Annual Debt Service" attached as EXHIBIT B hereto and incorporated herein by reference, with interest on each installment at the rate per annum set forth on said EXHIBIT B. The interest and the SRF Administrative Fee (as defined in the hereinafter described Bond Legislation) on this Bond shall be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing _____ 1, 199____, as set forth on EXHIBIT B 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"). The interest on this Bond is payable by check or draft of the Paying Agent mailed to the registered owner hereof at the address as it appears on the books of One Valley Bank, National Association, Charleston, West Virginia, as registrar (the "Registrar"), on the 15th day of the month next preceding an interest payment date, or by such other method as shall be mutually agreeable so long as the Authority is the registered owner hereof.

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

conditions prescribed by, and otherwise in compliance with, the Loan Agreement by and among the Issuer, the Authority and the West Virginia Division of Environmental Protection, dated _____, 199____.

This Bond is issued (i) to pay a portion of the costs of design of certain extensions, additions, betterments and improvements to the sewerage portion of the existing public combined waterworks and sewerage system of the Issuer (the "Project"); and (ii) to pay certain costs of issuance of the Bonds of this Series (the "Bonds") and related costs. The existing public combined waterworks and sewerage system of the Issuer, the Project, and any further additions, betterments or improvements thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 8, Article 20 and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (the "Act"), and a Bond Ordinance duly enacted by the Issuer on _____, 199____, and a Supplemental Resolution duly adopted by the Issuer on _____, 199____ (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY, WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S WATER AND SEWER REVENUE BONDS OF 1971, SERIES B, DATED JULY 1, 1971, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $438,000 (THE "SERIES 1971 BONDS"), AND THE ISSUER'S COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1997 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED MARCH 3, 1997, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $475,000 (THE "SERIES 1997 A BONDS"). THE SERIES 1971 BONDS AND THE SERIES 1997 A BONDS ARE HEREINAFTER COLLECTIVELY CALLED THE "PRIOR BONDS".

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the Holders of the Prior Bonds, and from moneys in the reserve account created under the Bond Legislation for the Bonds (the "Series 1997 B Bonds Reserve Account"), and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay all operating expenses of the System and 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 1997 B

Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 130% of the maximum amount payable in any year for principal of and interest on the Series 1971 Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 1971 Bonds, so long as the Series 1971 Bonds are outstanding, unless waived by the Holders of the Series 1971 Bonds, and thereafter, at least 115% of the maximum amount payable in any year for principal of and interest on the Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Bonds; provided however, that so long as the Series 1971 Bonds are no longer outstanding and so long as there exists in the Series 1997 B Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest, which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with the Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

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

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and at the issuance of this Bond do exist, have happened, and have been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other

obligations of the Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia and that a sufficient amount of the Net Revenues of the System has been pledged to and will be set aside into said special fund by the Issuer for the prompt payment of the principal of and interest on this Bond.

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

IN WITNESS WHEREOF, THE CITY OF BELINGTON has caused this Bond to be signed by its Mayor and its corporate seal to be hereunto affixed and attested by its City Clerk, and has caused this Bond to be dated _____, 199____.

[SEAL]

_____
Mayor

ATTEST:

_____
City Clerk

(Form of)

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 1997 B Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: _____, 199____.

ONE VALLEY BANK, NATIONAL
ASSOCIATION, as Registrar

By _____
Its Authorized Officer

EXHIBIT A

RECORD OF ADVANCES

	AMOUNT	DATE		AMOUNT	DATE
(1)	$		(7)	$	
(2)	$		(8)	$	
(3)	$		(9)	$	
(4)	$		(10)	$	
(5)	$		(11)	$	
(6)	$		(12)	$	

TOTAL $_____

EXHIBIT B

SCHEDULE OF ANNUAL DEBT SERVICE

(Form of)

ASSIGNMENT

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

Dated: _____, _____.

_____

In the presence of:

_____

Section 3.11. Sale of Bonds; Approval and Ratification of Execution of Loan Agreement. The Series 1997 B Bonds shall be sold to the Authority, pursuant to the terms and conditions of the Loan Agreement. If not so authorized by previous ordinance or resolution, the Mayor is specifically authorized and directed to execute the Loan Agreement in the form attached hereto as "Exhibit A" and made a part hereof, and the City Clerk is directed to affix the seal of the Issuer, attest the same and deliver the Loan Agreement to the Authority, and any such prior execution and delivery is hereby authorized, approved, ratified and confirmed.

Section 3.12. "Amended Schedule A" Filing. Within 60 days following the Completion Date, the Issuer will file with the Authority a schedule in substantially the form of the "Amended Schedule A" to the Loan Agreement, setting forth the actual costs of the Project and sources of funds therefor.

ARTICLE IV

[RESERVED]

ARTICLE V

FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION THEREOF

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

(1) Revenue Fund (established by the Prior Ordinances);

(2) Depreciation Account (established by the Prior Ordinances); and

(3) Project Fund.

Section 5.02. Establishment of Funds and Accounts with Commission. The following special funds or accounts are hereby created with (or continued if previously established by the Prior Ordinances) and shall be held by the Commission, separate and apart from all other funds or accounts of the Commission and the Issuer and from each other:

(1) Series 1997 A Bonds Sinking Fund (established by the Prior Ordinances);

(2) Within the Series 1997 A Bonds Sinking Fund, the Series 1997 A Bonds Reserve Account (established by the Prior Ordinances);

(3) Series 1997 B Bonds Sinking Fund; and

(4) Within the Series 1997 B Bonds Sinking Fund, the Series 1997 B Bonds Reserve Account.

Section 5.03. System Revenues; Flow of Funds. A. The entire Gross Revenues derived from the operation of the System shall be deposited upon receipt by the Issuer in the Revenue Fund. The Revenue Fund shall constitute a trust fund for the purposes provided in this Bond Legislation and shall be kept separate and distinct from all other funds of the Issuer and the Depository Bank and used only for the purposes and in the manner provided in this Bond Legislation and the Prior Ordinances. All revenues at any time on deposit in the Revenue Fund shall be disposed of only in the following manner and order of priority:

(1) The Issuer shall first, each month, pay from the moneys in the Revenue Fund all current Operating Expenses.

(2) The Issuer shall next, (i) on or before the due date of payment of each installment on the Series 1971 Bonds, transfer from the Revenue Fund and remit to the Holder of the Series 1971 Bonds, the amount required to pay interest on the Series 1971 Bonds; (ii) on the first day of each month, transfer from the Revenue Fund and remit to the Commission the amount required by the Prior Ordinances to be deposited in the Series 1997 A Bonds Sinking Fund for payment of interest on the Series 1997 A Bonds; and (iii) on the first day of each month, commencing 3 months prior to the first date of payment of interest on the Series 1997 B Bonds for which interest has not been capitalized or as required in the Loan Agreement, transfer from the Revenue Fund and remit to the Commission for deposit in the Series 1997 B Bonds Sinking Fund, an amount equal to 1/3rd of the amount of interest which will become due on the Series 1997 B Bonds on the next ensuing quarterly interest payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 1997 B Bonds Sinking Fund and the next quarterly interest payment date is less than 3 months, then such monthly payments shall be increased proportionately to provide, 1 month prior to the next quarterly interest payment date, the required amount of interest coming due on such date.

(3) The Issuer shall next, (i) on or before the due date of payment of each installment on the Series 1971 Bonds, transfer from the Revenue Fund and remit to the Holder of the Series 1971 Bonds, the amount required to pay principal of the Series 1971 Bonds; (ii) on the first day of each month, transfer from the Revenue Fund and remit to the Commission the amount required by the Prior Ordinances to be deposited in the Series 1997 A Bonds Sinking Fund for payment of principal of the Series 1997 A Bonds; and (iii) on the first day of each month, commencing 3 months prior to the first date of payment of principal of the Series 1997 B Bonds, transfer from the Revenue Fund and remit to the Commission for deposit in the Series 1997 B Bonds Sinking Fund, an amount equal to 1/3rd of the amount of principal which will mature and become due on the Series 1997 B Bonds on the next ensuing quarterly principal payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 1997 B Bonds Sinking Fund and the next quarterly principal payment date is less than 3 months, then such monthly payments shall be increased proportionately to provide, 1 month prior to the next quarterly

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

(4) The Issuer shall next, (i) on the first day of each month, transfer from the Revenue Fund and remit to the Commission the amount required by the Prior Ordinances to be deposited in the Series 1997 A Bonds Reserve Account; and (ii) on the first day of each month, commencing 3 months prior to the first date of payment of principal of the Series 1997 B Bonds, if not fully funded upon issuance of the Series 1997 B Bonds, transfer from the Revenue Fund and remit to the Commission for deposit in the Series 1997 B Bonds Reserve Account, an amount equal to 1/120th of the Series 1997 B Bonds Reserve Requirement; provided, that no further payments shall be made into the Series 1997 B Bonds Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Series 1997 B Bonds Reserve Requirement.

(5) The Issuer shall next, each month, transfer from the Revenue Fund and remit to the Depository Bank for deposit in the Depreciation Account, the moneys remaining in the Revenue Fund until there has been accumulated therein the sum of $88,000, and thereafter, such sums as shall be required to maintain such amount therein. Additionally, so long as the Series 1997 A Bonds and the Series 1997 B Bonds are outstanding, the Issuer shall next, each month, transfer from the Revenue Fund to the Depreciation Account, a sum equal to 2 1/2% of the Gross Revenues each month, exclusive of any payments for account of any reserve account. All funds in the Depreciation Account shall be kept apart from all other funds of the Issuer or of the Depository Bank and shall be invested and reinvested in accordance with Article VIII hereof. Withdrawals and disbursements may be made from the Depreciation Account for replacements, repairs, improvements or extensions to the System; provided, that any deficiency in any reserve account, except to the extent such deficiency exists because the required payments into such account have not, as of the date of determination of a deficiency, funded such account to the maximum extent required hereof, shall be promptly eliminated with moneys from the Depreciation Account.

Moneys in the Series 1997 B Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest on the Series 1997 B Bonds as the same shall become due. Moneys in the Series 1997 B Bonds Reserve Account shall be used only for the purpose of paying principal of and interest on the Series 1997 B Bonds, as the same shall

come due, when other moneys in the Series 1997 B Bonds Sinking Fund are insufficient therefor, and for no other purpose.

All investment earnings on moneys in the Series 1997 B Bonds Sinking Fund and the Series 1997 B Bonds Reserve Account shall be returned, not less than once each year, by the Commission to the Issuer, and such amounts shall be deposited in the Revenue Fund and applied in full, first to the next ensuing interest payment due on the Series 1997 B Bonds and then to the next ensuing principal payment due thereon.

Any withdrawals from the Series 1997 B Bonds Reserve Account which result in a reduction in the balance of the Series 1997 B Bonds Reserve Account to below the Series 1997 B Bonds Reserve Requirement shall be subsequently restored from the first Net Revenues available after all required payments have been made in full in the priority as set forth above.

As and when additional Bonds ranking on a parity with the Bonds are issued, provision shall be made for additional payments into the respective sinking fund sufficient to pay the interest on such additional parity Bonds and accomplish retirement thereof at maturity and to accumulate a balance in the appropriate reserve account in an amount equal to the maximum amount of principal and interest which will become due in any year for account of the Bonds of such series, including such additional Bonds.

The Issuer shall not be required to make any further payments into the Series 1997 B Bonds Sinking Fund or into the Series 1997 B Bonds Reserve Account therein when the aggregate amount of funds therein are at least equal to the aggregate principal amount of the Series 1997 B Bonds issued pursuant to this Bond Legislation then Outstanding and all interest to accrue until the maturity thereof.

Principal, interest or reserve payments, whether for a deficiency or otherwise, shall be made on a parity and pro rata, with respect to the Prior Bonds and the Series 1997 B Bonds in accordance with the respective principal amounts then Outstanding.

The Commission is hereby designated as the fiscal agent for the administration of the Series 1997 B Bonds Sinking Fund and the Series 1997 B Bonds Reserve Account created hereunder, and all required amounts shall be remitted to the Commission from the Revenue Fund by the Issuer at the times provided herein.

Moneys in the Series 1997 B Bonds Sinking Fund and the Series 1997 B Bonds Reserve Account shall be invested and reinvested by the Commission in accordance with Section 8.01 hereof.

The Series 1997 B Bonds Sinking Fund, including the Series 1997 B Bonds Reserve Account therein, shall be used solely and only for, and are hereby pledged for, the

purpose of servicing the Series 1997 B Bonds and any additional Bonds ranking on a parity therewith that may be issued and Outstanding under the conditions and restrictions hereinafter set forth.

B. The Issuer shall, on the first day of each month (if such day is not a business day, then the next succeeding business day), deposit with the Commission the required interest, principal and reserve payments with respect to the Bonds and all such payments shall be remitted to the Commission with appropriate instructions as to the custody, use and application thereof consistent with the provisions of this Bond Legislation. The Issuer shall, on the first day of each month (if such day is not a business day, then the next succeeding business day), deposit with the Commission the SRF Administrative Fee as set forth in Schedule Y attached to the Loan Agreement. All remittances made by the Issuer to the Commission shall clearly identify the fund or account into which each amount is to be deposited.

C. Whenever all of the required and provided transfers and payments from the Revenue Fund into the several special funds, as hereinabove provided, are current and there remains in the Revenue Fund a balance in excess of the estimated amounts required to be so transferred and paid into such funds during the following month or such other period as required by law, such excess shall be considered as surplus revenues (the "Surplus Revenues"). Surplus Revenues may be used for any lawful purpose of the System.

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

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

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

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

and the Net Revenues shall be applied to such deficiencies before being applied to any other payments hereunder.

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

ARTICLE VI

BOND PROCEEDS

Section 6.01. Application of Bond Proceeds; Pledge of Unexpended Bond Proceeds. From the moneys received from the sale of the Series 1997 B Bonds, the following amounts shall be first deducted and deposited in the order set forth below:

A. From the proceeds of the Series 1997 B Bonds, there shall first be deposited with the Commission in the Series 1997 B Bonds Sinking Fund, the amount, if any, set forth in the Supplemental Resolution as capitalized interest.

B. Next, from the proceeds of the Series 1997 B Bonds, there shall be deposited with the Commission in the Series 1997 B Bonds Reserve Account, the amount, if any, set forth in the Supplemental Resolution for funding the Series 1997 B Bonds Reserve Account.

C. As the Issuer receives advances of the remaining moneys derived from the sale of the Series 1997 B Bonds, such moneys shall be deposited with the Depository Bank in the Project Fund and applied solely to payment of Costs of the Project in the manner set forth in Section 6.02 hereof.

D. After completion of design of the Project, as certified by the Consulting Engineers, and all costs have been paid, any remaining proceeds of the Bonds shall be used to fund the Series 1997 B Bonds Reserve Account in an amount not to exceed the Series 1997 B Bonds Reserve Requirement; provided that, in no event shall more than 10% of the proceeds of the Bonds be deposited in the Series 1997 B Bonds Reserve Account.

E. The Depository Bank shall act as a trustee and fiduciary for the Bondholder with respect to the Project Fund and shall comply with all requirements with respect to the disposition of the moneys therein set forth in the Bond Legislation. Moneys in the Project Fund shall be used solely to pay Costs of the Project and until so transferred or expended, are hereby pledged as additional security for the Series 1997 B Bonds.

Section 6.02. Disbursements From the Project Fund. On or before the Closing Date, the Issuer shall have delivered to the Authority and the DEP a report listing the specific purposes for which the proceeds of the Series 1997 B Bonds will be expended and the disbursement procedures for such proceeds, including an estimated monthly draw schedule. Payments for Costs of the Project shall be made monthly.

Except as provided in Section 6.01 hereof, disbursements from the Project Fund (except for costs of issuance of the Series 1997 B Bonds which shall be made upon request

of the Issuer) shall be made only after submission to, and approval from, the Authority and the DEP of the following:

(1) a completed and signed "Payment Requisition Form," a form of which is attached to the Loan Agreement as Exhibit C, and

(2) a certificate, signed by an Authorized Officer and the Consulting Engineers, stating:

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

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

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

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

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

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

ARTICLE VII

ADDITIONAL COVENANTS OF THE ISSUER

Section 7.01. General Covenants of the Issuer. All the covenants, agreements and provisions of this Bond Legislation shall be and constitute valid and legally binding covenants of the Issuer and shall be enforceable in any court of competent jurisdiction by any Holder or Holders of the Series 1997 B Bonds. In addition to the other covenants, agreements and provisions of this Bond Legislation, the Issuer hereby covenants and agrees with the Holders of the Series 1997 B Bonds as hereinafter provided in this Article VII. All such covenants, agreements and provisions shall be irrevocable, except as provided herein, as long as any of the Series 1997 B Bonds or the interest thereon is Outstanding and unpaid.

Section 7.02. Bonds not to be Indebtedness of the Issuer. The Series 1997 B Bonds shall not be nor constitute an indebtedness of the Issuer within the meaning of any constitutional, statutory or charter limitation of indebtedness, but shall be payable solely from the funds pledged for such payment by this Bond Legislation. No Holder or Holders of the Series 1997 B Bonds, shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 1997 B Bonds or the interest thereon.

Section 7.03. Bonds Secured by Pledge of Net Revenues; Lien Position with respect to Prior Bonds. The payment of the debt service of the Series 1997 B Bonds shall be secured forthwith equally and ratably by a first lien on the Net Revenues derived from the System, on a parity with the lien on the Net Revenues in favor of the Holders of the Prior Bonds. Such Net Revenues in an amount sufficient to pay the principal of and interest on the Series 1997 B Bonds and the Prior Bonds and to make the payments into all funds and accounts and all other payments provided for in the Bond Legislation, are hereby irrevocably pledged, in the manner provided herein, to such payments as they become due, and for the other purposes provided in the Bond Legislation.

Section 7.04. Rates and Charges. The initial schedule of rates and charges for the services and facilities of the System shall be as set forth in the sewer rate ordinance of the Issuer enacted November 16, 1989, and the water rate ordinance of the Issuer enacted August 22, 1996, which rates are incorporated herein by reference as a part hereof.

Section 7.05. Sale of the System. So long as the Prior Bonds are outstanding, the Issuer shall not sell, mortgage, lease or otherwise dispose of the System, except as provided in the Prior Ordinances. Additionally, so long as the Series 1997 B Bonds are outstanding and except as otherwise required by law or with the written consent of the Authority and the DEP, the System may not be sold, mortgaged, leased or otherwise disposed of, except as a whole, or substantially as a whole, and only if the net proceeds to be realized

shall be sufficient to pay fully all the Bonds Outstanding or to effectively defease the pledge created by this Bond Legislation in accordance with Article X hereof. The proceeds from any such sale, mortgage, lease or other disposition of the System shall, with respect to the Series 1997 B Bonds, immediately be remitted to the Commission for deposit in the Series 1997 B Bonds Sinking Fund, and, with the written permission of the Authority, or in the event the Authority is no longer a Bondholder, the Issuer shall direct the Commission to apply such proceeds to the payment of principal at maturity of and interest on the Series 1997 B Bonds as prescribed by Section 10.01 hereof. Any balance remaining after the payment of the Bonds and the interest thereon shall be remitted to the Issuer by the Commission unless necessary for the payment of other obligations of the Issuer payable out of the revenues of the System.

The foregoing provision notwithstanding, the Issuer shall have and hereby reserves the right to sell, lease or otherwise dispose of any of the property comprising a part of the System hereinafter determined in the manner provided herein to be no longer necessary, useful or profitable in the operation thereof. Prior to any such sale, lease or other disposition of such property, if the amount to be received therefor, is not in excess of $10,000, the Issuer shall make a finding by resolution in writing, concurred by the Consulting Engineer in writing, determining that such property is no longer necessary, useful or profitable in the operation thereof, and may then provide for the sale of such property. The proceeds of any such sale shall be deposited in the Depreciation Account. Such payment of such proceeds into the Depreciation Account shall not reduce the amounts required to be paid into the Depreciation Account by other provisions of this Bond Legislation.

No sale, lease or other disposition of the properties of the System shall be made by the Issuer if the proceeds to be derived therefrom, shall be in excess of $10,000 and insufficient to pay all Bonds then Outstanding without the prior approval and consent in writing of the Holders, or their duly authorized representatives, of at least 2/3rds of each Series of the Bonds then Outstanding. The Issuer shall prepare the form of such approval and consent for execution by the then Holders of the Bonds or their duly authorized representatives, which form shall provide for the disposition of the proceeds of the sale, lease or other disposition of such properties of the System.

Section 7.06. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances. Except as provided for in Section 7.07 hereof, the Issuer shall not issue any other obligations whatsoever payable from the revenues of the System which rank prior to, or equally, as to lien on and source of and security for payment from such revenues with the Series 1997 B Bonds. All obligations issued by the Issuer after the issuance of the Series 1997 B Bonds and payable from the revenues of the System, except such additional parity Bonds, shall contain an express statement that such obligations are junior and subordinate, as to lien on and source of and security for payment from such revenues and in all other respects, to the Series 1997 B Bonds; provided, that no such subordinate obligations shall be issued unless all payments required to be made into all funds

and accounts established by this Bond Legislation at the time of the issuance of such subordinate obligations have been made and are current.

Except as provided above, the Issuer shall not create, or cause or permit to be created, any debt, lien, pledge, assignment, encumbrance or any other charge having priority over or being on a parity with the lien of the Series 1997 B Bonds, and the interest thereon, upon any of the income and revenues of the System pledged for payment of the Series 1997 B Bonds and the interest thereon in this Bond Legislation, or upon the System or any part thereof.

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

Section 7.07. Parity Bonds. So long as the Prior Bonds are outstanding, the limitations on issuance of parity obligations set forth in the Prior Ordinances shall be applicable. Additionally, no Parity Bonds, payable out of the revenues of the System, shall be issued after the issuance of the Series 1997 B Bonds pursuant to this Bond Legislation, without the prior written consent of the Authority and the DEP and without complying with the conditions and requirements herein provided. All Parity Bonds issued hereunder shall be on a parity in all respects with the Series 1997 B Bonds.

No such Parity Bonds shall be issued except for the purpose of financing the costs of design, acquisition or construction of additions, extensions, improvements or betterments to the System or refunding the Series 1997 B Bonds issued pursuant hereto, or both such purposes.

No Parity Bonds shall be issued at any time, however, unless and until there has been procured and filed with the City Clerk a written statement by the Independent Certified Public Accountants, based upon the necessary investigation and certification by the Consulting Engineers, reciting the conclusion that the Net Revenues actually derived, subject to the adjustments hereinafter provided for, from the System during any 12 consecutive months within the 15 months immediately preceding the date of the actual issuance of such Parity Bonds, shall, so long as the Series 1971 Bonds are outstanding, not be less than 130%, unless waived by the Holders of the Series 1971 Bonds, and thereafter, shall not be not less than 115%, of the largest aggregate amount that will mature and become due in any succeeding Fiscal Year for principal of and interest on the following:

(1) The Bonds then Outstanding;

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

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

The Net Revenues actually derived from the System during the 12-consecutive month period hereinabove referred to may be adjusted by adding to such Net Revenues such additional Net Revenues which would have been received on account of increased rates, rentals, fees and charges for the System enacted by the Issuer, the time for appeal of which shall have expired (without successful appeal) prior to issuance of such Parity Bonds.

All covenants and other provisions of this Bond Legislation (except as to details of such Parity Bonds inconsistent herewith) shall be for the equal benefit, protection and security of the Holders of the Bonds and the Holders of any Parity Bonds subsequently issued from time to time within the limitations of and in compliance with this section. All the Series 1997 B Bonds, regardless of the time or times of their issuance, shall rank equally with respect to their lien on the Net Revenues of the System, and their source of and security for payment from said Net Revenues, without preference of any Bond over any other. The Issuer shall comply fully with all the increased payments into the various funds and accounts created in this Bond Legislation required for and on account of such Parity Bonds, in addition to the payments required for Bonds theretofore issued pursuant to this Bond Legislation.

Parity Bonds shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien of which on the revenues of the System is subject to the prior and superior lien of the Series 1997 B Bonds on such revenues. The Issuer shall not issue any obligations whatsoever payable from revenues of the System, or any part thereof, which rank prior to or, except in the manner and under the conditions provided in this section, equally, as to lien on and source of and security for payment from such revenues, with the Series 1997 B Bonds.

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

Section 7.08. Books; Records and Facilities. The Issuer shall keep complete and accurate records of the cost of acquiring the Project site and the costs of designing the Project. The Issuer shall permit the Authority and the DEP, or their agents and representatives, to inspect all books, documents, papers and records relating to the Project and the System at all reasonable times for the purpose of audit and examination. The Issuer shall submit to the Authority and the DEP such documents and information as they may reasonably require in connection with the design of the Project, the operation and maintenance of the System and the administration of the loan or any grants or other sources of financing for the Project.

The Issuer shall permit the Authority and the DEP, or their agents and representatives, to inspect all records pertaining to the operation of the System at all reasonable times.

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

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

The Issuer shall file with the Consulting Engineers, the Authority and the DEP, or any other original purchaser of the Series 1997 B Bonds, and shall mail in each year to any Holder or Holders of the Series 1997 B Bonds requesting the same, an annual report containing the following:

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

(B) A balance sheet statement showing all deposits in all the funds and accounts provided for in this Bond Legislation and the status of all said funds and accounts.

(C) The amount of any Bonds, notes or other obligations payable from the revenues of the System outstanding.

The Issuer shall also, at least once a year, cause the books, records and accounts of the System to be audited by Independent Certified Public Accountants and shall mail upon request, and make available generally, the report of said Independent Certified Public Accountants, or a summary thereof, to any Holder or Holders of the Series 1997 B Bonds and shall submit said report to the Authority and the DEP, or any other original purchaser of the Series 1997 B Bonds. Such audit report submitted to the Authority and the DEP shall include a statement that the Issuer is in compliance with the terms and provisions of the Loan

Agreement, the Act and this Bond Legislation and that the revenues of the System are adequate to meet the Issuer's Operating Expenses and debt service and reserve requirements.

The Issuer shall provide the DEP with all appropriate documentation to comply with any special conditions established by federal and/or state regulations as set forth in Exhibit E of the Loan Agreement or as promulgated from time to time.

The Issuer shall provide the Authority and the DEP, or their agents and representatives, with access to the System site and System facilities as may be reasonably necessary to accomplish all of the powers and rights of the Authority and the DEP with respect to the System pursuant to the Act.

Section 7.09. Rates. Equitable rates or charges for the use of and service rendered by the System have been established all in the manner and form required by law, and copies of such rates and charges so established will be continuously on file with the City Clerk, which copies will be open to inspection by all interested parties. The schedule of rates and charges shall at all times be adequate to produce Gross Revenues from said System sufficient to pay Operating Expenses and to make the prescribed payments into the funds created hereunder. Such schedule of rates and charges shall be changed and readjusted whenever necessary so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant, with a margin for contingencies and temporary unanticipated reduction in income and revenues, the Issuer hereby covenants and agrees that the schedule of rates or charges from time to time in effect shall be sufficient, together with other revenues of the System (i) to provide for all Operating Expenses of the System and (ii) to leave a balance each year equal to at least 130% of the maximum amount required in any year for payment of principal of and interest on the Series 1971 Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 1971 Bonds, so long as the Series 1971 Bonds are outstanding, unless waived by the Holders of the Series 1971 Bonds, and thereafter, equal to at least 115% of the maximum amount required in any year for payment of principal of and interest on the Series 1997 B Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 1997 B Bonds; provided that, in the event that the Series 1971 Bonds are no longer outstanding and an amount equal to or in excess of the reserve requirement is on deposit respectively in the Series 1997 B Bonds Reserve Account and any reserve accounts for obligations on a parity with the Series 1997 B Bonds are funded at least at the requirement therefor, such balance each year need only equal at least 110% of the maximum amount required in any year for payment of principal of and interest on the Series 1997 B Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 1997 B Bonds. In any event, subject to any requirements of law, the Issuer shall not reduce the rates or charges for services set forth in the rate ordinances described in Section 7.04 hereof.

Section 7.10. Operating Budget; Audit and Monthly Financial Report. The Issuer shall annually, at least 45 days preceding the beginning of each Fiscal Year, prepare and adopt by resolution a detailed, balanced budget of the estimated revenues and expenditures for operation and maintenance of the System during the succeeding Fiscal Year and shall submit a copy of such budget to the Authority and the DEP within 30 days of adoption thereof. No expenditures for the operation and maintenance of the System shall be made in any Fiscal Year in excess of the amounts provided therefor in such budget without a written finding and recommendation by a registered professional engineer, which finding and recommendation shall state in detail the purpose of and necessity for such increased expenditures for the operation and maintenance of the System, and no such increased expenditures shall be made until the Issuer shall have approved such finding and recommendation by a resolution duly adopted. No increased expenditures in excess of 10% of the amount of such budget shall be made except upon the further certificate of a registered professional engineer that such increased expenditures are necessary for the continued operation of the System. The Issuer shall mail copies of such annual budget and all resolutions authorizing increased expenditures for operation and maintenance to the Authority, the DEP and to any Holder of any Bonds who shall file his or her address with the Issuer and request in writing that copies of all such budgets and resolutions be furnished him or her, within 30 days of adoption thereof, and shall make available such budgets and all resolutions authorizing increased expenditures for operation and maintenance of the System at all reasonable times to any Holder of any Bonds, or anyone acting for and in behalf of such Holder of any Bonds.

The Issuer shall, each month, for 2 years following the completion of design of the Project, complete a "Monthly Financial Report," a form of which is attached to the Loan Agreement as Exhibit C, and forward a copy of such report to the Authority and the DEP by the 10th day of each month.

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

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

Whenever any fees, rates, rentals or other charges for the services and facilities of the System shall remain unpaid for a period of 30 days after the same shall become due and payable, the property and the owner thereof, as well as the user of the services and

facilities, shall be delinquent until such time as all such rates and charges are fully paid. To the extent authorized by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, rates, rentals and other charges, if not paid when due, shall become a lien on the premises served by the System. The Issuer further covenants and agrees that, it will, to the full extent permitted by law and the rules and regulations promulgated by the Public Service Commission of West Virginia, discontinue and shut off the services of the System, to all users of the services of the System delinquent in payment of charges for the services of the System and will not restore such services until all delinquent charges for the services of the System, plus reasonable interest and penalty charges for the restoration of service, have been fully paid and shall take all further actions to enforce collections to the maximum extent permitted by law.

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

Section 7.14. Insurance and Construction Bonds. The Issuer hereby covenants and agrees that so long as the Series 1997 B Bonds remain Outstanding, the Issuer will, as an Operating Expense, procure, carry and maintain insurance with a reputable insurance carrier or carriers as is customarily covered with respect to works and properties similar to the System. Such insurance shall initially cover the following risks and be in the following amounts:

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

(2) PUBLIC LIABILITY INSURANCE, with limits of not less than $1,000,000 per occurrence to protect the Issuer from claims for bodily injury and/or death and not less than $500,000 per occurrence from claims for damage to property of others which may arise from the operation of the

System, and insurance with the same limits to protect the Issuer from claims arising out of operation or ownership of motor vehicles of or for the System.

(3) WORKER'S COMPENSATION COVERAGE for all employees of or for the System eligible therefor.

(4) FLOOD INSURANCE, if the System facilities are or will be located in designated special flood or mudslide-prone areas and to the extent available at reasonable cost to the Issuer.

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

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

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

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

Section 7.16. Permits. The Issuer will cause the Project to be designed as promptly as possible and operate and maintain the System as a revenue-producing utility

in good condition and in compliance with all federal and state requirements and standards. The Issuer will obtain all permits required by state and federal laws for the operation of the System.

Section 7.17. Compliance with Loan Agreement and Law. The Issuer agrees to comply with all the terms and conditions of the Loan Agreement. Notwithstanding anything herein to the contrary, the Issuer will provide the DEP with copies of all documents submitted to the Authority.

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

Section 7.18. Tax Covenants. The Issuer hereby further covenants and agrees as follows:

A. PRIVATE BUSINESS USE LIMITATION. The Issuer shall assure that (i) not in excess of 10% of the Net Proceeds of the Series 1997 B Bonds are used for Private Business Use if, in addition, the payment of more than 10% of the principal or 10% of the interest due on the Series 1997 B Bonds during the term thereof is, under the terms of the Series 1997 B Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for a Private Business Use or in payments in respect of property used or to be used for a Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for a Private Business Use; and (ii) that, in the event that both (A) in excess of 5% of the Net Proceeds of the Series 1997 B Bonds are used for a Private Business Use, and (B) an amount in excess of 5% of the principal or 5% of the interest due on the Series 1997 B Bonds during the term thereof is, under the terms of the Series 1997 B Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for said Private Business Use or in payments in respect of property used or to be used for said Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for said Private Business Use, then said excess over said 5% of Net Proceeds of the Series 1997 B Bonds used for a Private Business Use shall be used for a Private Business Use related to the governmental use of the Project, or if the Series 1997 B Bonds are for the purpose of financing more than one project, a portion of the Project, and shall not exceed the proceeds used for the governmental use of that portion of the Project to which such Private Business Use is related. All of the foregoing shall be determined in accordance with the Code.

B. PRIVATE LOAN LIMITATION. The Issuer shall assure that not in excess of 5% of the Net Proceeds of the Series 1997 B Bonds or $5,000,000 are used, directly or indirectly, to make or finance a loan (other than loans constituting Nonpurpose Investments) to persons other than state or local government units.

C. FEDERAL GUARANTEE PROHIBITION. The Issuer shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause the Series 1997 B Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code.

D. INFORMATION RETURN. The Issuer will file all statements, instruments and returns necessary to assure the tax-exempt status of the Series 1997 B Bonds and the interest thereon, including, without limitation, the information return required under Section 149(e) of the Code.

E. FURTHER ACTIONS. The Issuer will take any and all actions that may be required of it (including, without limitation, those deemed necessary by the Authority) so that the interest on the Series 1997 B Bonds will be and remain excludable from gross income for federal income tax purposes, and will not take any actions, or fail to take any actions (including, without limitation, those deemed necessary by the Authority), the result of which would adversely affect such exclusion.

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

Section 7.20. Statutory Mortgage Lien. For the further protection of the Holders of the Series 1997 B Bonds, a statutory mortgage lien upon the System is granted and created by the Act, which statutory mortgage lien is hereby recognized and declared to be valid and binding, shall take effect immediately upon delivery of the Series 1997 B Bonds and shall be on a parity with the statutory mortgage lien in favor of the Holders of the Prior Bonds.

ARTICLE VIII

INVESTMENT OF FUNDS; NON ARBITRAGE

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

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

The Depository Bank shall keep complete and accurate records of all funds, accounts and investments, and shall distribute to the Issuer, at least once each year, or more often as reasonably requested by the Issuer, a summary of such funds, accounts and investment earnings. The Issuer shall retain all such records and any additional records with respect to such funds, accounts and investment earnings so long as any of the Series 1997 B Bonds are Outstanding and as long thereafter as necessary to assure the exclusion of interest on the Series 1997 B Bonds from gross income for federal income tax purposes.

Section 8.02. Arbitrage and Tax Exemption. The Issuer covenants that (i) it shall not take, or permit or suffer to be taken, any action with respect to the gross or other proceeds of the Series 1997 B Bonds which would cause the Series 1997 B Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code, and (ii) it will take any and all actions that may be required of it (including, without implied limitation, the timely filing of a federal information return with respect to the Series 1997 B Bonds) so that the

interest on the Series 1997 B Bonds will be and remain excludable from gross income for federal income tax purposes, and will not take any actions which would adversely affect such exclusion.

Section 8.03. Small Issuer Exemption from Rebate. In accordance with Section 148(f)(4)(D) of the Code, the Issuer covenants that it is a governmental unit with general taxing powers; that no part of the Series 1997 B Bonds are private activity bonds; that 95% or more of the Net Proceeds of the Series 1997 B Bonds are to be used for local governmental activities of the Issuer (or of a governmental unit the jurisdiction of which is entirely within the jurisdiction of the Issuer); and that the aggregate face amount of all the tax-exempt obligations (other than private activity bonds) issued by the Issuer during the calendar year in which the Series 1997 B Bonds are issued does not and will not exceed $5,000,000, determined in accordance with Section 148(f)(4)(D) of the Code and the Regulations from time to time in effect and applicable to the Series 1997 B Bonds. For purposes of this first paragraph of Section 8.03 and for purposes of applying Section 148(f)(4)(D) of the Code, the Issuer and all entities which issue obligations on behalf of the Issuer shall be treated as one issuer; all obligations issued by a governmental unit to make loans to other governmental units with general taxing powers not subordinate to such unit shall, for purposes of applying this first paragraph of Section 8.03 and Section 148(f)(4)(D) of the Code, be treated as not issued by such unit; all obligations issued by a subordinate entity shall, for purposes of applying this first paragraph of Section 8.03 and Section 148(f)(4)(D) of the Code to each other entity to which such entity is subordinate, be treated as issued by such other entity; and an entity formed (or, to the extent provided by the Secretary, as set forth in the Code, availed of) to avoid the purposes of such Section 148(f)(4)(D) of the Code and all other entities benefiting thereby shall be treated as one issuer.

Notwithstanding the foregoing, if in fact the Issuer is subject to the rebate requirements of Section 148(f) of the Code, and not exempted from such requirements, the Issuer covenants to make, or cause to be made, all rebate calculations, computations and payments in the time, manner and as required in Section 148(f) of the Code and the Regulations from time to time in effect and applicable to the Series 1997 B Bonds and otherwise covenants and agrees to comply with the provisions of such Section 148(f) of the Code and the Regulations from time to time in effect and applicable to the Series 1997 B Bonds. In the event of a failure to pay the correct rebate amount, the Issuer will pay, from any lawful sources available therefor, to the United States such rebate amount, plus a penalty equal to 50% of the rebate amount not paid when required to be paid, plus interest on that amount, unless waived. In order to provide for the administration of this paragraph, the Issuer may provide for the employment of independent attorneys, accountants and consultants compensated on such reasonable basis as the Issuer may deem appropriate.

The Issuer shall furnish to the Authority, annually, and at such time as it is required to perform its rebate calculations under the Code, a certificate with respect to its

rebate calculations and, at any time, any additional information relating thereto as may be requested by the Authority. In addition, the Issuer shall cooperate with the Authority in preparing any required rebate calculations and in all other respects in connection with rebates and hereby consents to the performance of all matters in connection with such rebates by the Authority at the expense of the Issuer.

The Issuer shall submit to the Authority within 15 days following the end of each Bond Year a certified copy of its rebate calculation or, if the Issuer qualifies for the small governmental issue exception to rebate, the Issuer shall submit a certificate stating that it is exempt from the rebate provisions and that no event has occurred to its knowledge during the Bond Year which would make the Series 1997 B Bonds subject to rebate. The Issuer shall also furnish to the Authority, at any time, such additional information relating to rebate as may be reasonably requested by the Authority, including information with respect to earnings on all funds constituting "gross proceeds" of the Bonds (as such term "gross proceeds" is defined in the Code).

ARTICLE IX

DEFAULT AND REMEDIES

Section 9.01. Events of Default. Each of the following events shall constitute an "Event of Default" with respect to the Series 1997 B Bonds:

(1) If default occurs in the due and punctual payment of the principal of or interest on the Series 1997 B Bonds; or

(2) If default occurs in the Issuer's observance of any of the covenants, agreements or conditions on its part relating to the Series 1997 B Bonds set forth in this Bond Legislation, any supplemental resolution or in the Series 1997 B Bonds, and such default shall have continued for a period of 30 days after the Issuer shall have been given written notice of such default by the Commission, the Depository Bank, the Registrar, the Paying Agent or any other Paying Agent or a Holder of a Bond; or

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

(4) If default occurs with respect to the Prior Bonds or the Prior Ordinances.

Section 9.02. Remedies. Upon the happening and continuance of any Event of Default, any Registered Owner of a Bond may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his or her rights and, in particular, (i) bring suit for any unpaid principal or interest then due, (ii) by mandamus or other appropriate proceeding enforce all rights of such Registered Owners including the right to require the Issuer to perform its duties under the Act and the Bond Legislation relating thereto, including but not limited to the making and collection of sufficient rates or charges for services rendered by the System, (iii) bring suit upon the Bonds; (iv) by action at law or bill in equity require the Issuer to account as if it were the trustee of an express trust for the Registered Owners of the Bonds, and (v) by action or bill in equity enjoin any acts in violation of the Bond Legislation with respect to the Bonds, or the rights of such Registered Owners; provided that, all rights and remedies of the Holders of the Series 1997 B Bonds shall be on a parity with the Holders of the Prior Bonds.

Section 9.03. Appointment of Receiver. Any Registered Owner of a Bond may, by proper legal action, compel the performance of the duties of the Issuer under the Bond Legislation and the Act, including, the completion of the design of the Project and the making and collection of sufficient rates and charges for services rendered by the System and segregation of the revenues therefrom and the application thereof. If there be any Event of Default with respect to the Series 1997 B Bonds, any Registered Owner of a Bond shall, in addition to all other remedies or rights, have the right by appropriate legal proceedings to obtain the appointment of a receiver to administer the System or to complete the design of the Project on behalf of the Issuer, with the power to charge rates, rentals, fees and other charges sufficient to provide for the payment of Operating Expenses of the System, the payment of the Bonds and interest and the deposits into the funds and accounts hereby established, and to apply such rates, rentals, fees, charges or other revenues in conformity with the provisions of this Bond Legislation and the Act.

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

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

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

Any receiver appointed as provided herein shall hold and operate the System in the name of the Issuer and for the joint protection and benefit of the Issuer and Registered Owners of the Bonds. Such receiver shall have no power to sell, assign, mortgage or otherwise dispose of any assets of any kind or character belonging or pertaining to the System, but the authority of such receiver shall be limited to the completion of the design of the Project and the possession, operation and maintenance of the System for the sole purpose

of the protection of both the Issuer and Registered Owners of such Bonds and the curing and making good of any Event of Default with respect thereto under the provisions of this Bond Legislation, and the title to and ownership of said System shall remain in the Issuer, and no court shall have any jurisdiction to enter any order or decree permitting or requiring such receiver to sell, assign, mortgage or otherwise dispose of any assets of the System.

ARTICLE X

DEFEASANCE

Section 10.01. Defeasance of Bonds. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the Holders of the Series 1997 B Bonds, the principal of and interest due or to become due thereon, if any, at the times and in the manner stipulated therein and in this Bond Legislation, then the pledge of Net Revenues and other moneys and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owners of the Series 1997 B Bonds shall thereupon cease, terminate and become void and be discharged and satisfied, except as may otherwise be necessary to assure the exclusion of interest on the Series 1997 B Bonds from gross income for federal income tax purposes.

The Series 1997 B Bonds, for the payment of which either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with the moneys, if any, deposited with the Paying Agent at the same or earlier time, shall be sufficient, to pay as and when due either at maturity or at the next redemption date, the principal installments of and interest on such Series 1997 B Bonds shall be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section. All Series 1997 B Bonds shall, prior to the maturity thereof, be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section if there shall have been deposited with the Commission or its agent, either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with other moneys, if any, deposited with the Commission at the same time, shall be sufficient to pay, when due, the principal installments of and interest due and to become due on said Series 1997 B Bonds on and prior to the next redemption date or the maturity dates thereof. Neither securities nor moneys deposited with the Commission pursuant to this section nor principal or interest payments on any such securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal installments of and interest on said Series 1997 B Bonds; provided, that any cash received from such principal or interest payments on such securities deposited with the Commission or its agent, if not then needed for such purpose, shall, to the extent practicable, be reinvested in securities maturing at times and in amounts sufficient to pay when due the principal installments of and interest to become due on said Bonds on and prior to the next redemption date or the maturity dates thereof, and interest earned from such reinvestments shall be paid over to the Issuer as received by the Commission or its agent, free and clear of any trust, lien or pledge. For the purpose of this section, securities shall mean and include only Government Obligations.

ARTICLE XI

MISCELLANEOUS

Section 11.01. Amendment or Modification of Bond Legislation. Prior to issuance of the Series 1997 B Bonds, this Ordinance may be amended or supplemented in any way by the Supplemental Resolution. Following issuance of the Series 1997 B Bonds, no material modification or amendment of this Ordinance, or of any ordinance, resolution or order amendatory or supplemental hereto, that would materially and adversely affect the rights of Registered Owners of the Series 1997 B Bonds shall be made without the consent in writing of the Registered Owners of 66-2/3% or more in principal amount of the Series 1997 B Bonds so affected and then Outstanding; provided, that no change shall be made in the maturity of any Bond or Bonds or the rate of interest thereon, or in the principal amount thereof, or affecting the unconditional promise of the Issuer to pay such principal and interest out of the funds herein respectively pledged therefor without the consent of the respective Registered Owner thereof. No amendment or modification shall be made that would reduce the percentage of the principal amount of the Series 1997 B Bonds required for consent to the above-permitted amendments or modifications. Notwithstanding the foregoing, this Bond Legislation may be amended without the consent of any Bondholder as may be necessary to assure compliance with Section 148(f) of the Code relating to rebate requirements or otherwise as may be necessary to assure the exclusion of interest on the Series 1997 B Bonds from gross income of the holders thereof.

Section 11.02. Bond Legislation Constitutes Contract. The provisions of the Bond Legislation shall constitute a contract between the Issuer and the Registered Owners of the Series 1997 B Bonds, and no change, variation or alteration of any kind of the provisions of the Bond Legislation shall be made in any manner, except as in this Bond Legislation provided.

Section 11.03. Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Ordinance should be held invalid by any court of competent jurisdiction, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Ordinance, the Supplemental Resolution or the Series 1997 B Bonds.

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

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

this Ordinance and the Prior Ordinances, the Prior Ordinances shall control (unless less restrictive), so long as the Prior Bonds are outstanding.

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

Section 11.07. Effective Date. This Ordinance shall take effect immediately following public hearing and final reading hereof.

Section 11.08. Statutory Notice and Public Hearing. Upon adoption hereof, an abstract of this Ordinance determined by the Governing Body to contain sufficient information as to give notice of the contents hereof shall be published once a week for 2 successive weeks within a period of fourteen consecutive days, with at least 6 full days intervening between each publication, in the Barbour Democrat, a newspaper of general circulation in The City of Belington, no newspaper being published therein, together with a notice stating that this Ordinance has been adopted and that the Issuer contemplates the issuance of the Series 1997 B Bonds, and that any person interested may appear before the Governing Body upon a date certain, not less than ten days subsequent to the date of the first publication of such abstract of this Ordinance and notice, and present protests, and that a certified copy of this Ordinance is on file with the Governing Body for review by interested persons during office hours of the Governing Body. At such hearing, all objections and suggestions shall be heard and the Governing Body shall take such action as it shall deem proper in the premises.

Passed on First Reading:	-	July 17, 1997.
Passed on Second Reading:	-	July 31, 1997.
Passed on Final Reading Following Public Hearing:	-	August 21, 1997.

Mayor

CERTIFICATION

Certified a true copy of an Ordinance duly enacted by the Council of THE CITY OF BELINGTON on the 21st day of August, 1997.

Dated: August 26, 1997.

[SEAL]

Susan Bradley

City Clerk

08/04/97
062490/96001

EXHIBIT A

Loan Agreement included in bond transcript as Document No. 3

THE CITY OF BELINGTON

Combined Waterworks and Sewerage System Design Revenue Bonds,
Series 1997 B
(West Virginia SRF Program)

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNT, DATE, MATURITY DATE, REDEMPTION PROVISION, INTEREST RATE, INTEREST AND PRINCIPAL PAYMENT DATES, SALE PRICE AND OTHER TERMS OF THE COMBINED WATERWORKS AND SEWERAGE SYSTEM DESIGN REVENUE BONDS, SERIES 1997 B (WEST VIRGINIA SRF PROGRAM), OF THE CITY OF BELINGTON; RATIFYING AND APPROVING A LOAN AGREEMENT RELATING TO SUCH BONDS AND THE SALE AND DELIVERY OF SUCH BONDS TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

WHEREAS, the council (the "Governing Body") of The City of Belington (the "Issuer"), has duly and officially adopted and enacted a bond ordinance, effective August 21, 1997 (the "Bond Ordinance"), entitled:

ORDINANCE AUTHORIZING THE DESIGN OF EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE SEWERAGE PORTION OF THE EXISTING PUBLIC COMBINED WATERWORKS AND SEWERAGE SYSTEM OF THE CITY OF BELINGTON AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN $350,000 IN AGGREGATE PRINCIPAL AMOUNT OF COMBINED WATERWORKS AND SEWERAGE SYSTEM DESIGN REVENUE BONDS, SERIES 1997 B (WEST VIRGINIA SRF PROGRAM); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND

SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

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

WHEREAS, the Bond Ordinance provides for the issuance of Combined Waterworks and Sewerage System Design Revenue Bonds, Series 1997 B (West Virginia SRF Program), of the Issuer (the "Bonds"), in the aggregate principal amount not to exceed $350,000, and has authorized the execution and delivery of a loan agreement relating to the Bonds (the "Loan Agreement"), by and among the Issuer, the West Virginia Water Development Authority (the "Authority") and the West Virginia Division of Environmental Protection (the "DEP"), all in accordance with Chapter 8, Article 20 and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"); and in the Bond Ordinance it is provided that the form of the Loan Agreement and the exact principal amount, date, maturity date, redemption provision, interest rate, interest and principal payment dates, sale price and other terms of the Bonds should be established by a supplemental resolution pertaining to the Bonds; and that other matters relating to the Bonds be herein provided for;

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

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

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

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

Section 1. Pursuant to the Bond Ordinance and the Act, this Supplemental Resolution is adopted and there are hereby authorized and ordered to be issued the Combined Waterworks and Sewerage System Design Revenue Bonds, Series 1997 B (West Virginia SRF Program), of the Issuer, originally represented by a single Bond, numbered BR-1, in the principal amount of $350,000. The Bonds shall be dated the date of delivery thereof, shall finally mature June 1, 2018, and shall bear interest at the rate of 2% per annum. The interest on and principal of the Bonds shall be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing September 1, 1998, and ending June 1, 2018, and in the amounts as set forth in "Schedule Y" attached to the Loan Agreement and incorporated in and made a part of the Bonds. The Bonds shall be subject to redemption upon the written consent of the Authority and the DEP, and upon payment of the interest and redemption premium, if any, and otherwise in compliance with the Loan Agreement, so long as the Authority shall be the registered owner of the Bonds.

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

Section 3. The Issuer does hereby approve and shall pay the administrative fee equal to 1% of the principal amount of the Bonds set forth in "Schedule Y" attached to the Loan Agreement.

Section 4. The Issuer does hereby ratify, approve and accept the Loan Agreement, a copy of which is incorporated herein by reference, and the execution and delivery of the Loan Agreement by the Mayor, and the performance of the obligations contained therein, on behalf of the Issuer, are hereby authorized, directed, ratified and approved. The Issuer hereby affirms all covenants and representations made in the Loan Agreement and in the application to the DEP and the Authority. The price of the Bonds shall be 100% of par value, there being no interest accrued thereon, provided that the proceeds of the Bonds shall be advanced from time to time as requisitioned by the Issuer.

Section 5. The Issuer does hereby appoint and designate One Valley Bank, National Association, Charleston, West Virginia, as Registrar (the "Registrar"), for the Bonds and does approve and accept the Registrar's Agreement to be dated the date of delivery of the Bonds, by and between the Issuer and the Registrar, and the execution and delivery of the Registrar's Agreement by the Mayor, and the performance of the obligations contained therein, on behalf of the Issuer, are hereby authorized, approved and directed.

Section 6. The Issuer does hereby appoint and designate the West Virginia Municipal Bond Commission, Charleston, West Virginia, to serve as Paying Agent for the Bonds under the Bond Ordinance.

Section 7. The Issuer does hereby appoint and designate Belington Bank, Belington, West Virginia, to serve as Depository Bank under the Bond Ordinance.

Section 8. Series 1997 B Bonds proceeds in the amount of $-0- shall be deposited in the Series 1997 B Bonds Sinking Fund, as capitalized interest.

Section 9. Series 1997 B Bonds proceeds in the amount of $-0- shall be deposited in the Series 1997 B Bonds Reserve Account.

Section 10. The balance of the proceeds of the Bonds shall be deposited in or credited to the Project Fund as received from time to time for payment of costs of design of the Project, including costs of issuance of the Bonds and related costs.

Section 11. The Mayor and the City Clerk are hereby authorized and directed to execute and deliver such other documents, agreements, instruments and certificates required or desirable in connection with the Bonds hereby and by the Bond Ordinance approved and provided for, to the end that the Bonds may be delivered on or about August 26, 1997, to the Authority pursuant to the Loan Agreement.

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

Section 13. The Issuer hereby determines to invest all moneys in the funds and accounts established by the Bond Ordinance held by the Depository Bank until expended, in repurchase agreements or time accounts, secured by a pledge of Government Obligations, and therefore, the Issuer hereby directs the Depository Bank to take such actions as may be necessary to cause such moneys to be invested in such repurchase agreements or time accounts until further directed in writing by the Issuer. Moneys in the Series 1997 B Bonds Sinking Fund, including the Series 1997 B Bonds Reserve Account therein, shall be invested by the West Virginia Municipal Bond Commission in the West Virginia Consolidated Fund.

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

Section 15. The Issuer is a governmental unit with general taxing powers to finance operations of or facilities of the nature of the Project and the System; no part of the Bonds are private activity bonds; 95% or more of the net proceeds of the Bonds are to be

used for local governmental activities of the Issuer; and the Issuer reasonably expects to issue less than $5,000,000 aggregate principal face amount of tax-exempt obligations (other than private activity bonds) during the calendar year 1997, being the calendar year in which the Bonds are to be issued. For purposes of this Section and for purposes of applying Section 148(f)(4)(D) of the Code, the Issuer and all entities which issue obligations on behalf of the Issuer shall be treated as one issuer; all obligations issued by a governmental unit to make loans to other governmental units with general taxing powers not subordinate to such unit shall, for purposes of applying this Section and Section 148(f)(4)(D) of the Code, be treated as not issued by such unit; all obligations issued by a subordinate entity shall, for purposes of applying this Section and Section 148(f)(4)(D) of the Code to each other entity to which such entity is subordinate, be treated as issued by such other entity; and an entity formed (or, to the extent provided by the Secretary, as set forth in the Code, availed of) to avoid the purposes of such Section 148(f)(4)(D) of the Code and all other entities benefiting thereby shall be treated as one issuer.

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

Adopted this 21st day of August, 1997.

Mayor

CERTIFICATION

Certified a true copy of a Supplemental Resolution duly adopted by the Council of The City of Belington on the 21st day of August, 1997.

Dated: August 26, 1997.

[SEAL]

Susan Bradley

City Clerk

07/22/97
062490/96001

SRF-LP-1
(April 1993)

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 Department of Commerce, Labor and Environmental Resources (the "DEP"), and the local government designated below (the "Local Government").

CITY OF BELINGTON
(Local Government)

W I T N E S S E T H:

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 construction, acquisition and 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 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

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

WHEREAS, having reviewed the Application and 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 I

Definitions

1.1 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 a copy of each 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 deposition 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 of or interest on the Local Bonds, the right to obtain the appointment of a receiver to administer the System or construction of the Project, or both, as provided by law 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 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.

City of Belington
[Proper Name of Local Government]

(SEAL)

By: _____
Its: Mayor

Attest:

Irene Ross
Its City Clerk

Date: 06/04/97

WEST VIRGINIA DIVISION OF ENVIRONMENTAL PROTECTION

By: Barbara Sayler
Its: Chief, Office of Water Resources

Date: 6/9/97

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

(SEAL)

By: Daniel B. Yonkosky
Its: Director

Attest:

Barbara B. Meadows
Secretary-Treasurer

Date: April 30, 1997

APPROVED AS TO FORM PRIOR TO ACKNOWLEDGEMENT THEREOF, THIS 25th day of August, 1992.

Attorney General
BY: Dawn E. Warfield
DEPUTY ATTORNEY GENERAL

EXHIBIT A

Certificate of Performance
for
Publicly Owned Treatment Works

I. As required by the Clean Water Act under Title VI, Section 602(b)(6), and the Loan Agreement, the Local Government does hereby certify that it has :

a. Provided to the WV DEP written notification of the actual date of initiation of operation. This date of initiation was on the _____ day of _____, 19___.

b. Utilized the services of _____, our prime engineer who either:

_____ Supervised our project construction; and/or

_____ Provided architectural and engineering services during construction.

For a period of twelve (12) months following the initiation of operations, the prime engineer provided the following services:

1) Directed project operation and maintenance; and
2) Trained operating personnel and prepared the required curricula and training materials, and revised the operation and maintenance manual(s); and
3) Advised the Local Government on the status of the project meeting performance standards.

II. The Local Government, having access to and control of all the necessary data, and having monitored the construction of this project, hereby certifies that the project built under this Loan Agreement meets:

a. The specifications for which the project was planned, designed, and built.

b. The effluent limitations contained in its NPDES permit, if applicable.

_____
Local Government Name

_____ _____
Local Government Representative's Name and Title Date

EXHIBIT B

[Form of Monthly Financial Report]

[Name of Local Government]

[Name of Bond Issue]

Fiscal Year - ____

Report Month: _____

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

Witnesseth my signature this ____ day of _____, 19__.

[Name of Local Government]

By: _____
Authorized Officer

EXHIBIT C

PAYMENT REQUISITION FORM

(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]

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.

EXHIBIT F

[Monthly Payment Form]

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

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
1201 Dunbar Avenue
Dunbar, West Virginia 25064

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:

Year	Installment	Interest Rate

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

We have also examined the applicable provisions of _____ _____ of the Code of West Virginia, 1931, as amended (the "Local Statute"), and the bond _____ duly enacted by the 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	$ 350,000
Purchase Price of Bonds	$ 350,000

Interest on the Bonds shall be zero percent from the date of delivery to and including May 31, 1998. Principal and interest on the Bonds is payable quarterly, commencing September 1, 1998 at a rate of 2 % 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 [no 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].*

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.

*United States Department of Commerce, Economic Development Administration, Water and Sewer Revenue Bonds of 1971, Series B, dated July 1, 1971, issued in the original principal amount of $438,000.

Water Development Authority - Combined Waterworks and Sewerage System Revenue Bonds, Series 1997A, issued March 3, 1997, in the original principal amount of $475,000.

SCHEDULE Y

City of Belington, West Virginia
$350,000.00 Loan
2% Interest Rate, 1% Administrative Fee
20 Years
DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Interest	Total P+I
6/01/1998	.	.	.	.
9/01/1998	3,568.96	2.000%	1,750.00	5,318.96
12/01/1998	3,586.81	2.000%	1,732.16	5,318.97
3/01/1999	3,604.74	2.000%	1,714.22	5,318.96
6/01/1999	3,622.77	2.000%	1,696.20	5,318.97
9/01/1999	3,640.88	2.000%	1,678.08	5,318.96
12/01/1999	3,659.08	2.000%	1,659.88	5,318.96
3/01/2000	3,677.38	2.000%	1,641.58	5,318.96
6/01/2000	3,695.77	2.000%	1,623.20	5,318.97
9/01/2000	3,714.24	2.000%	1,604.72	5,318.96
12/01/2000	3,732.82	2.000%	1,586.15	5,318.97
3/01/2001	3,751.48	2.000%	1,567.48	5,318.96
6/01/2001	3,770.24	2.000%	1,548.73	5,318.97
9/01/2001	3,789.09	2.000%	1,529.87	5,318.96
12/01/2001	3,808.03	2.000%	1,510.93	5,318.96
3/01/2002	3,827.07	2.000%	1,491.89	5,318.96
6/01/2002	3,846.21	2.000%	1,472.75	5,318.96
9/01/2002	3,865.44	2.000%	1,453.52	5,318.96
12/01/2002	3,884.77	2.000%	1,434.19	5,318.96
3/01/2003	3,904.19	2.000%	1,414.77	5,318.96
6/01/2003	3,923.71	2.000%	1,395.25	5,318.96
9/01/2003	3,943.33	2.000%	1,375.63	5,318.96
12/01/2003	3,963.05	2.000%	1,355.91	5,318.96
3/01/2004	3,982.86	2.000%	1,336.10	5,318.96
6/01/2004	4,002.78	2.000%	1,316.19	5,318.97
9/01/2004	4,022.79	2.000%	1,296.17	5,318.96
12/01/2004	4,042.90	2.000%	1,276.06	5,318.96
3/01/2005	4,063.12	2.000%	1,255.84	5,318.96
6/01/2005	4,083.44	2.000%	1,235.53	5,318.97
9/01/2005	4,103.85	2.000%	1,215.11	5,318.96
12/01/2005	4,124.37	2.000%	1,194.59	5,318.96
3/01/2006	4,144.99	2.000%	1,173.97	5,318.96
6/01/2006	4,165.72	2.000%	1,153.24	5,318.96
9/01/2006	4,186.55	2.000%	1,132.42	5,318.97
12/01/2006	4,207.48	2.000%	1,111.48	5,318.96
3/01/2007	4,228.52	2.000%	1,090.45	5,318.97
6/01/2007	4,249.66	2.000%	1,069.30	5,318.96
9/01/2007	4,270.91	2.000%	1,048.05	5,318.96
12/01/2007	4,292.26	2.000%	1,026.70	5,318.96
3/01/2008	4,313.72	2.000%	1,005.24	5,318.96
6/01/2008	4,335.29	2.000%	983.67	5,318.96
9/01/2008	4,356.97	2.000%	961.99	5,318.96
12/01/2008	4,378.75	2.000%	940.21	5,318.96
3/01/2009	4,400.65	2.000%	918.32	5,318.97
6/01/2009	4,422.65	2.000%	896.31	5,318.96

City of Belington, West Virginia
$350,000.00 Loan
2% Interest Rate, 1% Administrative Fee
20 Years
DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Interest	Total P+I
9/01/2009	4,444.76	2.000%	874.20	5,318.96
12/01/2009	4,466.99	2.000%	851.97	5,318.96
3/01/2010	4,489.32	2.000%	829.64	5,318.96
6/01/2010	4,511.77	2.000%	807.19	5,318.96
9/01/2010	4,534.33	2.000%	784.63	5,318.96
12/01/2010	4,557.00	2.000%	761.96	5,318.96
3/01/2011	4,579.78	2.000%	739.18	5,318.96
6/01/2011	4,602.68	2.000%	716.28	5,318.96
9/01/2011	4,625.70	2.000%	693.27	5,318.97
12/01/2011	4,648.83	2.000%	670.14	5,318.97
3/01/2012	4,672.07	2.000%	646.89	5,318.96
6/01/2012	4,695.43	2.000%	623.53	5,318.96
9/01/2012	4,718.91	2.000%	600.06	5,318.97
12/01/2012	4,742.50	2.000%	576.46	5,318.96
3/01/2013	4,766.21	2.000%	552.75	5,318.96
6/01/2013	4,790.05	2.000%	528.92	5,318.97
9/01/2013	4,814.00	2.000%	504.97	5,318.97
12/01/2013	4,838.07	2.000%	480.90	5,318.97
3/01/2014	4,862.26	2.000%	456.71	5,318.97
6/01/2014	4,886.57	2.000%	432.40	5,318.97
9/01/2014	4,911.00	2.000%	407.96	5,318.96
12/01/2014	4,935.56	2.000%	383.41	5,318.97
3/01/2015	4,960.23	2.000%	358.73	5,318.96
6/01/2015	4,985.03	2.000%	333.93	5,318.96
9/01/2015	5,009.96	2.000%	309.00	5,318.96
12/01/2015	5,035.01	2.000%	283.95	5,318.96
3/01/2016	5,060.18	2.000%	258.78	5,318.96
6/01/2016	5,085.48	2.000%	233.48	5,318.96
9/01/2016	5,110.91	2.000%	208.05	5,318.96
12/01/2016	5,136.47	2.000%	182.50	5,318.97
3/01/2017	5,162.15	2.000%	156.81	5,318.96
6/01/2017	5,187.96	2.000%	131.00	5,318.96
9/01/2017	5,213.90	2.000%	105.06	5,318.96
12/01/2017	5,239.97	2.000%	78.99	5,318.96
3/01/2018	5,266.17	2.000%	52.79	5,318.96
6/01/2018	5,292.50	2.000%	26.46	5,318.96
TOTAL	350,000.00	-	75,517.00	425,517.00 *

*Plus one-percent administrative fee paid quarterly in the amount of $472. Total administrative fee paid over the life of the loan is $37,760.

THE CITY OF BELINGTON

Combined Waterworks and Sewerage System Design Revenue Bonds,
Series 1997 B
(West Virginia SRF Program)

CROSS-RECEIPT FOR BOND AND BOND PROCEEDS

The undersigned authorized representative of the West Virginia Water Development Authority (the "Authority"), for and on behalf of the Authority, and the undersigned Mayor of The City of Belington (the "Issuer"), for and on behalf of the Issuer, hereby certify as follows:

1. On the 26th day of August, 1997, the Authority received the entire original issue of $350,000 principal amount of the Combined Waterworks and Sewerage System Design Revenue Bonds, Series 1997 B (West Virginia SRF Program), of the Issuer (the "Bonds"), issued as a single, fully registered Bond, numbered BR-1, and dated August 26, 1997.

2. At the time of such receipt of the Bonds upon original issuance, the Bonds had been executed by the Mayor and the City Clerk of the Issuer, by their respective manual signatures, and the official seal of the Issuer had been affixed upon the Bonds.

3. The Issuer has received and hereby acknowledges receipt from the Authority, as the original purchaser of the Bonds, of $56,940, being a portion of the principal amount of the Bonds. The balance of the principal amount of the Bonds will be advanced by the Authority and the West Virginia Division of Environmental Protection to the Issuer as design of the Project progresses.

WITNESS our respective signatures on this 26th day of August, 1997.

WEST VIRGINIA WATER DEVELOPMENT
AUTHORITY

Authorized Representative

THE CITY OF BELINGTON

Mayor

07/22/97
062490/96001

213768.1

THE CITY OF BELINGTON

Combined Waterworks and Sewerage System Design Revenue Bonds,
Series 1997 B
(West Virginia SRF Program)

DIRECTION TO AUTHENTICATE AND DELIVER BONDS

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

Ladies and Gentlemen:

There are delivered to you herewith:

(1) Bond No. BR-1, constituting the entire original issue of The City of Belington Combined Waterworks and Sewerage System Design Revenue Bonds, Series 1997 B (West Virginia SRF Program), in the principal amount of $350,000, dated August 26, 1997 (the "Bonds"), executed by the Mayor and the City Clerk of The City of Belington (the "Issuer"), and bearing the official seal of the Issuer, authorized to be issued under and pursuant to a Bond Ordinance duly enacted by the Issuer on August 21, 1997, and a Supplemental Resolution duly adopted by the Issuer on August 21, 1997 (collectively, the "Bond Legislation");

(2) A copy of the Bond Legislation authorizing the above-captioned Bond issue, duly certified by the City Clerk of the Issuer;

(3) Executed counterparts of the loan agreement dated April 30, 1997, by and among the West Virginia Water Development Authority (the "Authority"), the West Virginia Division of Environmental Protection (the "DEP") and the Issuer (the "Loan Agreement"); and

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

You are hereby requested and authorized to deliver the Bonds to the Authority upon payment to the Issuer of the sum of $56,940, representing a portion of the principal amount of the Bonds. Prior to such delivery of the Bonds, you will please cause the Bonds

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

Dated this 26th day of August, 1997.

THE CITY OF BELINGTON

Mayor

07/23/97
062490/96001

[SPECIMEN BOND]

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF BELINGTON
COMBINED WATERWORKS AND SEWERAGE SYSTEM
DESIGN REVENUE BOND, SERIES 1997 B
(WEST VIRGINIA SRF PROGRAM)

No. BR-1 $350,000

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF BELINGTON, a municipal corporation and political subdivision of the State of West Virginia in Barbour County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the West Virginia Water Development Authority (the "Authority") or registered assigns the sum of THREE HUNDRED FIFTY THOUSAND DOLLARS ($350,000), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as EXHIBIT A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing September 1, 1998, as set forth on the "Schedule of Annual Debt Service" attached as EXHIBIT B hereto and incorporated herein by reference, with interest on each installment at the rate per annum set forth on said EXHIBIT B. The interest and the SRF Administrative Fee (as defined in the hereinafter described Bond Legislation) on this Bond shall be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing September 1, 1998, as set forth on EXHIBIT B 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"). The interest on this Bond is payable by check or draft of the Paying Agent mailed to the registered owner hereof at the address as it appears on the books of One Valley Bank, National Association, Charleston, West Virginia, as registrar (the "Registrar"), on the 15th day of the month next preceding an interest payment date, or by such other method as shall be mutually agreeable so long as the Authority is the registered owner hereof.

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority, and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement by and among the Issuer, the Authority and the West Virginia Division of Environmental Protection, dated April 30, 1997.

This Bond is issued (i) to pay a portion of the costs of design of certain extensions, additions, betterments and improvements to the sewerage portion of the existing public combined waterworks and sewerage system of the Issuer (the "Project"); and (ii) to pay certain costs of issuance of the Bonds of this Series (the "Bonds") and related costs. The existing public combined waterworks and sewerage system of the Issuer, the Project, and any further extensions, additions, betterments or improvements thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 8, Article 20 and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (the "Act"), and a Bond Ordinance duly enacted by the Issuer on August 21, 1997, and a Supplemental Resolution duly adopted by the Issuer on August 21, 1997 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY, WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S WATER AND SEWER REVENUE BONDS OF 1971, SERIES B, DATED JULY 1, 1971, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $438,000 (THE "SERIES 1971 BONDS"), AND THE ISSUER'S COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1997 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED MARCH 3, 1997, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $475,000 (THE "SERIES 1997 A BONDS"). THE SERIES 1971 BONDS AND THE SERIES 1997 A BONDS ARE HEREINAFTER COLLECTIVELY CALLED THE "PRIOR BONDS".

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the Holders of the Prior Bonds, and from moneys in the reserve account created under the Bond Legislation for the Bonds (the "Series 1997 B Bonds Reserve Account"), and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay all operating expenses of the System and 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 1997 B Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 130% of the maximum amount payable in any year for principal of and interest on the Series 1971 Bonds and all other obligations secured by a lien on or payable from such

revenues on a parity with the Series 1971 Bonds, so long as the Series 1971 Bonds are outstanding, unless waived by the Holders of the Series 1971 Bonds, and thereafter, at least 115% of the maximum amount payable in any year for principal of and interest on the Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Bonds; provided however, that so long as the Series 1971 Bonds are no longer outstanding and so long as there exists in the Series 1997 B Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest, which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with the Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

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

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

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

IN WITNESS WHEREOF, THE CITY OF BELINGTON has caused this Bond to be signed by its Mayor and its corporate seal to be hereunto affixed and attested by its City Clerk, and has caused this Bond to be dated August 26, 1997.

[SEAL]

_____
Mayor

ATTEST:

_____
City Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 1997 B Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: August 26, 1997.

ONE VALLEY BANK, NATIONAL
ASSOCIATION, as Registrar

By _____
Its Authorized Officer

EXHIBIT A

RECORD OF ADVANCES

	AMOUNT	DATE		AMOUNT	DATE
(1)	$56,940	8-26-97	(7)	$	
(2)	$		(8)	$	
(3)	$		(9)	$	
(4)	$		(10)	$	
(5)	$		(11)	$	
(6)	$		(12)	$	

TOTAL $_____

EXHIBIT B

SCHEDULE OF ANNUAL DEBT SERVICE

City of Belington, West Virginia
$350,000.00 Loan
2% Interest Rate, 1% Administrative Fee
20 Years
DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Interest	Total P+I
6/01/1998	-	-	-	-
9/01/1998	3,568.96	2.000%	1,750.00	5,318.96
12/01/1998	3,586.81	2.000%	1,732.16	5,318.97
3/01/1999	3,604.74	2.000%	1,714.22	5,318.96
6/01/1999	3,622.77	2.000%	1,696.20	5,318.97
9/01/1999	3,640.88	2.000%	1,678.08	5,318.96
12/01/1999	3,659.08	2.000%	1,659.88	5,318.96
3/01/2000	3,677.38	2.000%	1,641.58	5,318.96
6/01/2000	3,695.77	2.000%	1,623.20	5,318.97
9/01/2000	3,714.24	2.000%	1,604.72	5,318.96
12/01/2000	3,732.82	2.000%	1,586.15	5,318.97
3/01/2001	3,751.48	2.000%	1,567.48	5,318.96
6/01/2001	3,770.24	2.000%	1,548.73	5,318.97
9/01/2001	3,789.09	2.000%	1,529.87	5,318.96
12/01/2001	3,808.03	2.000%	1,510.93	5,318.96
3/01/2002	3,827.07	2.000%	1,491.89	5,318.96
6/01/2002	3,846.21	2.000%	1,472.75	5,318.96
9/01/2002	3,865.44	2.000%	1,453.52	5,318.96
12/01/2002	3,884.77	2.000%	1,434.19	5,318.96
3/01/2003	3,904.19	2.000%	1,414.77	5,318.96
6/01/2003	3,923.71	2.000%	1,395.25	5,318.96
9/01/2003	3,943.33	2.000%	1,375.63	5,318.96
12/01/2003	3,963.05	2.000%	1,355.91	5,318.96
3/01/2004	3,982.86	2.000%	1,336.10	5,318.96
6/01/2004	4,002.78	2.000%	1,316.19	5,318.97
9/01/2004	4,022.79	2.000%	1,296.17	5,318.96
12/01/2004	4,042.90	2.000%	1,276.06	5,318.96
3/01/2005	4,063.12	2.000%	1,255.84	5,318.96
6/01/2005	4,083.44	2.000%	1,235.53	5,318.97
9/01/2005	4,103.85	2.000%	1,215.11	5,318.96
12/01/2005	4,124.37	2.000%	1,194.59	5,318.96
3/01/2006	4,144.99	2.000%	1,173.97	5,318.96
6/01/2006	4,165.72	2.000%	1,153.24	5,318.96
9/01/2006	4,186.55	2.000%	1,132.42	5,318.97
12/01/2006	4,207.48	2.000%	1,111.48	5,318.96
3/01/2007	4,228.52	2.000%	1,090.45	5,318.97
6/01/2007	4,249.66	2.000%	1,069.30	5,318.96
9/01/2007	4,270.91	2.000%	1,048.05	5,318.96
12/01/2007	4,292.26	2.000%	1,026.70	5,318.96
3/01/2008	4,313.72	2.000%	1,005.24	5,318.96
6/01/2008	4,335.29	2.000%	983.67	5,318.96
9/01/2008	4,356.97	2.000%	961.99	5,318.96
12/01/2008	4,378.75	2.000%	940.21	5,318.96
3/01/2009	4,400.65	2.000%	918.32	5,318.97
6/01/2009	4,422.65	2.000%	896.31	5,318.96

City of Belington, West Virginia
$350,000.00 Loan
2% Interest Rate, 1% Administrative Fee
20 Years
DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Interest	Total P+I
9/01/2009	4,444.76	2.000%	874.20	5,318.96
12/01/2009	4,466.99	2.000%	851.97	5,318.96
3/01/2010	4,489.32	2.000%	829.64	5,318.96
6/01/2010	4,511.77	2.000%	807.19	5,318.96
9/01/2010	4,534.33	2.000%	784.63	5,318.96
12/01/2010	4,557.00	2.000%	761.96	5,318.96
3/01/2011	4,579.78	2.000%	739.18	5,318.96
6/01/2011	4,602.68	2.000%	716.28	5,318.96
9/01/2011	4,625.70	2.000%	693.27	5,318.97
12/01/2011	4,648.83	2.000%	670.14	5,318.97
3/01/2012	4,672.07	2.000%	646.89	5,318.96
6/01/2012	4,695.43	2.000%	623.53	5,318.96
9/01/2012	4,718.91	2.000%	600.06	5,318.97
12/01/2012	4,742.50	2.000%	576.46	5,318.96
3/01/2013	4,766.21	2.000%	552.75	5,318.96
6/01/2013	4,790.05	2.000%	528.92	5,318.97
9/01/2013	4,814.00	2.000%	504.97	5,318.97
12/01/2013	4,838.07	2.000%	480.90	5,318.97
3/01/2014	4,862.26	2.000%	456.71	5,318.97
6/01/2014	4,886.57	2.000%	432.40	5,318.97
9/01/2014	4,911.00	2.000%	407.96	5,318.96
12/01/2014	4,935.56	2.000%	383.41	5,318.97
3/01/2015	4,960.23	2.000%	358.73	5,318.96
6/01/2015	4,985.03	2.000%	333.93	5,318.96
9/01/2015	5,009.96	2.000%	309.00	5,318.96
12/01/2015	5,035.01	2.000%	283.95	5,318.96
3/01/2016	5,060.18	2.000%	258.78	5,318.96
6/01/2016	5,085.48	2.000%	233.48	5,318.96
9/01/2016	5,110.91	2.000%	208.05	5,318.96
12/01/2016	5,136.47	2.000%	182.50	5,318.97
3/01/2017	5,162.15	2.000%	156.81	5,318.96
6/01/2017	5,187.96	2.000%	131.00	5,318.96
9/01/2017	5,213.90	2.000%	105.06	5,318.96
12/01/2017	5,239.97	2.000%	78.99	5,318.96
3/01/2018	5,266.17	2.000%	52.79	5,318.96
6/01/2018	5,292.50	2.000%	26.46	5,318.96
TOTAL	350,000.00	-	75,517.00	425,517.00 *

*Plus one-percent administrative fee paid quarterly in the amount of $472. Total administrative fee paid over the life of the loan is $37,760.

ASSIGNMENT

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

Dated: _____, _____.

_____

In the presence of:

_____

STEPTOE & JOHNSON

ATTORNEYS AT LAW

BANK ONE CENTER

SIXTH FLOOR

P. O. BOX 2190

CLARKSBURG, W. VA. 26302-2190

(304) 624-8000

FACSIMILE (304) 624-8183

BANK ONE CENTER, SEVENTH FLOOR
P. O. BOX 1588
CHARLESTON, W. VA. 25326-1588
(304) 353-8000
FACSIMILE (304) 353-8180

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

126 EAST BURKE STREET
P. O. BOX 2629
MARTINSBURG, W. VA. 25402-2629
(304) 263-6991
FACSIMILE (304) 263-4785

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

RILEY BUILDING, FOURTH FLOOR
14TH AND CHAPLINE STREETS
P. O. BOX 150
WHEELING, W. VA. 26003-0020
(304) 233-0000
FACSIMILE (304) 233-0014

THE RIVERS OFFICE PARK
200 STAR AVENUE, SUITE 220
P. O. BOX 628
PARKERSBURG, W. VA. 26102-0628
(304) 422-6463
FACSIMILE (304) 422-6462

WRITER'S DIRECT DIAL NUMBER

August 26, 1997

The City of Belington
Combined Waterworks and Sewerage System Design Revenue Bonds,
Series 1997 B
(West Virginia SRF Program)

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

West Virginia Division of
Environmental Protection
617 Broad Street
Charleston, West Virginia 25301

Ladies and Gentlemen:

We have served as bond counsel in connection with the issuance by The City of Belington (the "Issuer"), a municipal corporation and political subdivision organized and existing under the laws of the State of West Virginia, of its $350,000 Combined Waterworks and Sewerage System Design Revenue Bonds, Series 1997 B (West Virginia SRF Program), dated the date hereof (the "Bonds").

We have examined the law and certified copies of proceedings and other papers relating to the authorization of a loan agreement, dated April 30, 1997, including all schedules and exhibits attached thereto (the "Loan Agreement"), by and among the Issuer, the West Virginia Water Development Authority (the "Authority") and the West Virginia Division of Environmental Protection (the "DEP") and the Bonds, which are to be purchased by the Authority in accordance with the provisions of the Loan Agreement. The Bonds are originally issued in the form of one Bond, registered as to principal and interest to the Authority, with interest at the rate of 2% per annum, and with principal and interest payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing September 1, 1998, and ending June 1, 2018, all as set forth in "Schedule Y" attached to the Loan Agreement and incorporated in and made a part of the Bonds.

The Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly, Chapter 8, Article 20 and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"), for the purposes of (i) paying a portion of the costs of design of certain extensions, additions, betterments and improvements to the sewerage

portion of the existing public combined waterworks and sewerage system of the Issuer (the "Project"); and (ii) paying certain costs of issuance and related costs.

We have also examined the applicable provisions of the Act, the Bond Ordinance duly enacted by the Issuer on August 21, 1997, as supplemented by a Supplemental Resolution duly adopted by the Issuer on August 21, 1997 (collectively, the "Bond Legislation"), pursuant to and under which Act and Bond Legislation the Bonds are authorized and issued, and the Loan Agreement has been entered into. The 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 Bond Legislation and the Loan Agreement.

In connection with the issuance of the Bonds, the Issuer has executed a Certificate as to Arbitrage, dated as of the date hereof (the "Certificate as to Arbitrage"), which, among other things, sets forth restrictions on the investment and expenditure of the Bond proceeds and earnings thereon, to ensure that the arbitrage requirements of the Internal Revenue Code of 1986, as amended, and regulations thereunder (collectively, the "Code"), necessary to establish and maintain the excludability of interest on the Bonds from gross income for federal income tax purposes, are and will continue to be met.

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

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

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

3. The Bond Legislation and all other necessary ordinances and resolutions have been duly and effectively enacted and adopted by the Issuer and constitute valid and binding obligations of the Issuer enforceable against the Issuer in accordance with their terms. The Bond Legislation contains provisions and covenants substantially in the form of those set forth in Section 4.1 of the Loan Agreement.

4. The Bonds have been duly authorized, issued, executed and delivered by the Issuer to the Authority and are valid, legally enforceable and binding special obligations of the Issuer, payable from the Net Revenues of the System referred to in the Bond Legislation and secured by a first lien on and pledge of the Net Revenues of the System, on a parity with the Issuer's Water and Sewer Revenue Bonds of 1971, Series B, and Combined Waterworks and Sewerage System Revenue Bonds, Series 1997 A (West Virginia Water Development Authority), all in accordance with the terms of the Bonds and the Bond Legislation.

5. Under existing laws, regulations, rulings and judicial decisions of the United States of America, as presently written and applied, the interest on the Bonds (a) is excludable from gross income of the owners thereof for federal income tax purposes pursuant to the Code and (b) is not an item of tax

preference for purposes of the federal alternative minimum tax imposed upon individuals and corporations under the Code. It should be noted, however, that interest on the Bonds is included in the adjusted current earnings of certain corporations for purposes of computing the alternative minimum tax that may be imposed with respect to corporations. The opinions set forth above are subject to the condition that the Issuer comply, on a continuing basis, with all requirements of the Code that must be satisfied subsequent to issuance of the Bonds for interest thereon to be or continue to be excludable from gross income for federal income tax purposes and all certifications, covenants and representations which may affect the excludability from gross income of the interest on the Bonds set forth in the Bond Legislation and the Certificate as to Arbitrage, and other certificates delivered in connection with the issuance of the Bonds. Failure to comply with certain of such Code provisions or such certifications, covenants and representations could cause the interest on the Bonds to be includable in gross income retroactive to the date of issuance of the Bonds. Except as set forth in paragraph 6 below, we express no opinion regarding other federal tax consequences arising with respect to the Bonds.

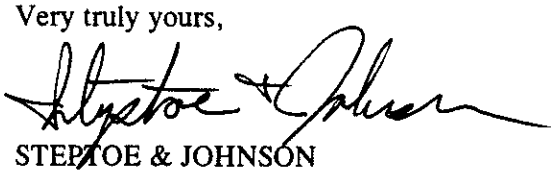
6. Based upon the certifications of the Issuer set forth in the Certificate as to Arbitrage and under existing laws, regulations, rulings and judicial decisions of the United States of America, as presently written and applied, the proceeds of the Bonds are not subject to the arbitrage rebate requirements set forth in Section 148(f) of the Code. The opinion set forth above is subject to the condition that the Issuer comply, on a continuing basis, with all requirements of the Code relating to the applicable exceptions to rebate. The Issuer has covenanted to comply with all such requirements. Failure to comply with such requirements could cause proceeds of the Bonds to be subject to such arbitrage rebate requirements retroactive to the date of issuance of the Bonds.

7. The Bonds are, under the Act, exempt from all taxation by the State of West Virginia, or any county, municipality, political subdivision or agency thereof, and the interest on the Bonds, if any, is exempt from personal and corporate net income taxes imposed directly thereon by the State of West Virginia.

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

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

Very truly yours,



STEPTOE & JOHNSON

08/04/97
062490/96001

213800.2

HARRIS & BUSH
ATTORNEYS AT LAW

Reply to:
FRANK P. BUSH, JR.
Also Admitted in Pennsylvania

U.S. ROUTE 250 SOUTH
P.O. BOX 1669
ELKINS, WV 26241

(304) 636-1111
FAX (304) 636-1254

A LEGAL CORPORATION

August 26, 1997

The City of Belington
Combined Waterworks and Sewerage System Design Revenue Bonds,
Series 1997 B
(West Virginia SRF Program)

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

West Virginia Division of
Environmental Protection
617 Board Street
Charleston, West Virginia 25301

Steptoe & Johnson
Post Office Box 2190
Clarksburg, West Virginia 26302

Dear Ladies and Gentlemen:

We are counsel to The City of Belington in Barbour County, West Virginia ("the Issuer"), in connection with the above-captioned bond issue. As such counsel, we have examined copies of the approving opinion of Steptoe & Johnson, as bond counsel, a loan agreement dated April 30, 1997, including all schedules and exhibits attached thereto (the "Loan Agreement"), by and among the West Virginia Water Development Authority (the "Authority"), the West Virginia Division of Environmental Protection (the "DEP") and the Issuer, a Bond Ordinance duly enacted by the Issuer on August 21, 1997, as supplemented by a Supplemental Resolution duly adopted by the Issuer on August 21, 1997 (collectively, the "Bond Legislation"), and other documents relating to the above-captioned Bonds of the Issuer (the "Bonds"). Capitalized terms used herein and not otherwise defined herein shall have the same meaning set forth the Bond Legislation and the Loan Agreement when used herein.

We are of the opinion that:

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

2. The Bond Legislation has been duly adopted and enacted by the Issuer and is in full force and effect.

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

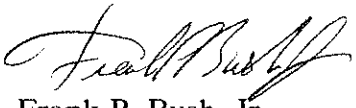
4. The execution and delivery of the Bonds and the Loan Agreement and the consummation of the transactions contemplated by the Bonds, the Loan Agreement and the Bond Legislation and the carrying out of the terms thereof, do not and will not, in any material respect, conflict with or constitute, on the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

5. The Issuer has received all permits, licenses, approvals, exemptions, consents, registrations, certificates and authorizations required by law for the issuance of the Bonds, the design of the Project, the operation of the System and the imposition of rates and charges for use of the System, and has taken any other action required for the imposition of such rates and charges, including, without limitation, the enactment of ordinances prescribing such rates and charges. The time for appeal of such rate ordinances has expired prior to the date hereof without any appeal.

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

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

Very truly yours,



Frank P. Bush, Jr.

THE CITY OF BELINGTON

Combined Waterworks and Sewerage System Design Revenue Bonds,
Series 1997 B
(West Virginia SRF Program)

GENERAL CERTIFICATE OF ISSUER AND ATTORNEY ON:

1. TERMS
2. NO LITIGATION
3. GOVERNMENTAL APPROVALS
4. NO ADVERSE FINANCIAL CHANGE; INDEBTEDNESS
5. CERTIFICATION OF COPIES OF DOCUMENTS
6. INCUMBENCY AND OFFICIAL NAME
7. MEETINGS, ETC.
8. INSURANCE
9. LOAN AGREEMENT
10. RATES
11. SIGNATURES AND DELIVERY
12. BOND PROCEEDS
13. PUBLICATION AND PUBLIC HEARING ON BOND ORDINANCE
14. PRIVATE USE OF FACILITIES
15. NO FEDERAL GUARANTY
16. IRS INFORMATION RETURN
17. SPECIMEN BOND
18. CONFLICT OF INTEREST
19. CLEAN WATER ACT

We, the undersigned MAYOR AND CITY CLERK of The City of Belington in Barbour County, West Virginia (the "Issuer"), and the undersigned COUNSEL TO THE ISSUER, hereby certify in connection with the $350,000 principal amount of The City of Belington Combined Waterworks and Sewerage System Design Revenue Bonds, Series 1997 B (West Virginia SRF Program), dated the date hereof (the "Bonds" or the "Series 1997 B Bonds"), 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 set forth in the Bond Ordinance of the Issuer duly enacted August 21, 1997, and the Supplemental Resolution duly adopted August 21, 1997 (collectively, the "Bond Legislation").

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

3. GOVERNMENTAL APPROVALS: All applicable approvals, permits, exemptions, consents, authorizations, registrations and certificates required by law for the design of the Project, the operation of the System and the issuance of the Bonds have been obtained and remain in full force and effect. The Issuer has procured the services of the Consulting Engineers pursuant to 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 Issuer since the approval, execution and delivery by the Issuer of the Loan Agreement, and the Issuer has met all conditions prescribed in the Loan Agreement entered into among the Issuer, the DEP and the Authority. The Issuer has or can provide the financial, institutional, legal and managerial capabilities necessary to design the Project.

There are outstanding obligations of the Issuer which will rank on a parity with the Series 1997 B Bonds as to liens, pledge, source of and security for payment, being the Water and Sewer Revenue Bonds of 1971, Series B, dated July 1, 1971, issued in the original principal amount of $438,000 (the "Series 1971 Bonds"), and the Combined Waterworks and Sewerage System Revenue Bonds, Series 1997 A (West Virginia Water Development Authority), dated March 3, 1997, issued in the original principal amount of $475,000 (the "Series 1997 A Bonds"). The Series 1971 Bonds and the Series 1997 A Bonds are hereinafter collectively referred to as the "Prior Bonds."

The Issuer has obtained the written consent of the Holders of the Prior Bonds to the issuance of the Series 1997 B Bonds on a parity with the Prior Bonds. Other than the Prior Bonds, there are no outstanding bonds or obligations of the Issuer which are secured by revenues or assets of the System.

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

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

Bond Ordinance

Supplemental Resolution

Loan Agreement

Charter

Oaths of Office of Officers and Councilmembers

Sewer Rate Ordinance and Water Rate Ordinance

Affidavits of Publication of Rate Ordinances and Notice of Public Hearing

Minutes on Adoption and Enactment of Rate Ordinances

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

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

NPDES Permit

1971 Bond Ordinance

Consent of Holder of 1971 Bond

1997 A Bond Ordinance and Supplemental Resolution

Consent of Holder of 1997 A Bond

6. INCUMBENCY AND OFFICIAL NAME: The proper corporate title of the Issuer is "The City of Belington." The Issuer is a municipal corporation in Barbour County and is presently existing under the laws of, and a political subdivision of, the State of West Virginia. The governing body of the Issuer is its Council, consisting of a Mayor and 8 councilmembers, all duly elected, qualified and acting, and the names and dates of commencement and termination of current terms of office of the councilmembers and the Mayor are as follows:

Name			Date of Commencement of Office	Date of Termination of Office
Alan Coberly	-	Mayor	April 1, 1997	March 31, 1999
John Leary	-	Councilmember	April 1,1997	March 31, 2001
James Harris, Jr.	-	Councilmember	June 5, 1997	March 31, 1997
Marvin Myers	-	Councilmember	April 1, 1997	March 31, 2001
Dana Booth	-	Councilmember	April 1, 1995	March 31, 1999
Marshall Reed	-	Councilmember	April 1, 1997	March 31, 1999
Wayne Daugherty	-	Councilmember	April 1, 1997	March 31, 2001
Earl Jones	-	Councilmember	April 1, 1995	March 31, 1999
Bernard Cross	-	Councilmember	April 1, 1997	March 31, 2001

The duly appointed and acting City Clerk of the Issuer is Susan Bradley. The duly appointed and acting Counsel to the Issuer is Harris & Bush, Elkins, West Virginia.

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

8. INSURANCE: All insurance for the System required by the Bond Legislation is in full force and effect.

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

10. RATES: The Issuer duly enacted a water rate ordinance on August 22, 1996, and a sewer rate ordinance on November 16, 1989, setting the respective rates and

charges for the services of the System. The time for appeal of such rate ordinances has expired prior to the date hereof without any appeal, and are currently in effect.

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

12. BOND PROCEEDS: On the date hereof, the Issuer received $56,940 from the Authority and the DEP, being a portion of the principal amount of the Bonds and more than a de minimis amount of the proceeds of the Bonds. The balance of the principal amount of the Bonds will be advanced to the Issuer as design of the Project progresses.

13. PUBLICATION AND PUBLIC HEARING ON BOND ORDINANCE: Upon adoption of the Bond Ordinance, an abstract thereof, determined by the Governing Body to contain sufficient information as to give notice of the contents thereof, was published once each week for 2 successive weeks, with not less than 6 full days between each publication, the first such publication occurring not less than 10 days before the date stated below for the public hearing, in the Barbour Democrat, a newspaper of general circulation in The City of Belington, no newspaper being published therein, together with a notice to all persons concerned, stating that the Bond Ordinance had been adopted and that the Issuer contemplated the issuance of the Bonds described in such Bond Ordinance, stating that any person interested may appear before the Council at the public hearing held at a public meeting of Council on the 21st day of August, 1997, at 7:30 p.m., at the City Hall and present protests, and stating that a certified copy of the Bond Ordinance was on file at the office of the City Clerk of the Issuer for review by interested parties during the office hours of the Issuer. At such hearing all objections and suggestions were heard by the Governing Body and the Bond Ordinance became finally adopted, enacted and effective as of the date of such public hearing, and remains in full force and effect.

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

which is not related to the governmental use of the proceeds of the Bonds, including the disproportionate related business use of the proceeds of the Bonds, and none of the payment of principal on, or the interest on, such issue, under the terms of any underlying arrangement, is, directly or indirectly, secured by any interest in property used, or to be used for a private business use, payments in respect of such property or to be derived from payments (whether or not to the Issuer) in respect of property, or borrowed money, used or to be used for a private business use with respect to such private business use, which is not related to any government use of such proceeds, including the disproportionate business use of the issue of the Bonds. None of the proceeds of the issue of the Bonds will be used, directly or indirectly, to make or finance loans to persons other than governmental units. For purposes of this paragraph, private business use means use, directly or indirectly, in a trade or business carried on by any person, 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").

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

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

17. SPECIMEN BOND: Delivered concurrently herewith is a true and accurate specimen of the Bond.

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

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

WITNESS our signatures and the official seal of THE CITY OF BELINGTON on this 26th day of August, 1997.

[CORPORATE SEAL]

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

08/04/97
062490/96001

THE CITY OF BELINGTON

Combined Waterworks and Sewerage System Design Revenue Bonds,
Series 1997 B
(West Virginia SRF Program)

CERTIFICATE AS TO ARBITRAGE

The undersigned Mayor of The City of Belington in Barbour County, West Virginia (the "Issuer"), being the official of the Issuer duly charged with the responsibility for the issuance of the $350,000 principal amount of Combined Waterworks and Sewerage System Design Revenue Bonds, Series 1997 B (West Virginia SRF Program), of the Issuer, dated August 26, 1997 (the "Bonds"), hereby certify as follows:

1. This certificate is being executed and delivered pursuant to Section 148 of the Internal Revenue Code of 1986 and applicable regulations (the "Code"). I am the officer of the Issuer duly charged with the responsibility of issuing the Bonds. I am familiar with the facts, circumstances, and estimates herein certified and duly authorized to execute and deliver this certificate on behalf of the Issuer. Capitalized terms used herein and not otherwise defined herein shall have the same meaning as set forth in the ordinance authorizing the Bonds duly enacted by the Issuer on August 21, 1997 (as supplemented, the "Bond Ordinance").

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

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

4. This certificate is based upon facts, circumstances, estimates and expectations of the Issuer in existence on August 26, 1997, the date on which the Bonds are to be physically delivered in exchange for more than a de minimis amount of the principal amount of the Bonds, and to the best of my knowledge and belief, the expectations of the Issuer set forth herein are reasonable.

5. The Bonds were sold on August 26, 1997, to the West Virginia Water Development Authority (the "Authority"), pursuant to a loan agreement dated April 30, 1997, by and among the Issuer, the Authority and the West Virginia Division of Environmental Protection (the "DEP"), for an aggregate purchase price of $350,000 (100% of par), at which time, the Issuer received $56,940 from the Authority and the DEP, being more than a

de minimis amount of the principal amount of the Bonds. No accrued interest has been or will be paid on the Bonds. The balance of the principal amount of the Bonds will be advanced to the Issuer as design of the Project progresses.

6. The Issuer has covenanted in the Bond Ordinance not to take, or permit or suffer to be taken, any action with respect to the gross or other proceeds of the Bonds which would cause any of the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code. The Issuer has, therefore, covenanted not to intentionally use any portion of the proceeds of the Bonds to acquire higher yielding investments or to replace funds which were used directly or indirectly to acquire higher yielding investments, except as otherwise allowed under Section 148 of the Code. The Issuer, in the Bond Ordinance, has further covenanted that it will take all actions that may be required of it so that the interest on the Bonds will be and remain excluded from gross income for federal income tax purposes, and will not take any actions which would adversely affect such exclusion.

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

8. The Issuer will, on the date hereof or immediately hereafter, enter into agreements which require the Issuer to expend in excess of $100,000 for the design of the Project, constituting a substantial binding commitment, or has already done so. The design of the Project shall proceed with due diligence to completion, and with the exception of proceeds constituting capitalized interest (if any) and proceeds deposited in the Series 1997 B Bonds Reserve Account (if any), all of the proceeds from the sale of the Bonds, together with any investment earnings thereon, will be expended for payment of costs of design of the Project on or before June, 1998. The design of the Project is expected to be completed on or before June, 1998.

9. The total cost of the Project (including all costs of issuance of the Bonds) is estimated at $350,000. Sources and uses of funds for the Project are as follows:

SOURCES	
Gross Proceeds of the Bonds	$350,000
Total Sources	$350,000
USES	
Costs of Design of the Project	$335,000
Capitalized Interest	-0-
Fund Reserve Account	-0-
Costs of Issuance	15,000
Total Uses	$350,000

The total cost of design of the Project is estimated to be at least equal to the gross proceeds of the Bonds. Except for the proceeds of the Bonds, no other funds of the Issuer will be available to meet costs of design of the Project, which would constitute "replacement proceeds" within the meaning of Treas. Reg. § 1.148-1(c), inasmuch as (i) the Issuer does not reasonably expect that the term of the Bonds is longer than is reasonably necessary for the governmental purposes of the Issuer, (ii) the weighted average maturity of the Bonds does not exceed 120% of the average expected economic life of the Project, and (iii) there are no amounts that have a sufficiently direct nexus to the Bonds or to the governmental purpose of the Bonds to conclude that the amounts would have been used for that governmental purpose if the proceeds of the Bonds were not used or to be used for that governmental purpose.

10. Pursuant to Article V of the Bond Ordinance, the following special funds or accounts have been created:

(1) Revenue Fund;

(2) Depreciation Account;

(3) Project Fund;

(4) Series 1997 A Bonds Sinking Fund;

(5) Series 1997 A Bonds Reserve Account;

(6) Series 1997 B Bonds Sinking Fund; and

(7) Series 1997 B Bonds Reserve Account.

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

(1) Series 1997 B Bonds proceeds in the amount of $-0- will be deposited in the Series 1997 B Bonds Sinking Fund as capitalized interest and applied to payment of interest on the Bonds during acquisition and construction of the Project and for not more than six months thereafter.

(2) Series 1997 B Bonds proceeds in the amount of $-0- will be deposited in the Series 1997 B Bonds Reserve Account.

(3) The balance of the proceeds of the Series 1997 B Bonds will be deposited in the Project Fund as received from time to time and applied solely to payment of costs of design of the Project, including costs of issuance of the Series 1997 B Bonds and related costs.

Amounts in the Project Fund, if invested, will be invested without yield limitation for a period necessary to complete design of the Project, not to exceed 3 years, except as otherwise set forth herein. All of such moneys are necessary for such purpose.

Except for "preliminary expenditures" as defined in Treas. Reg. § 1.150-2(f)(2), none of the proceeds of the Series 1997 B Bonds will be used to reimburse the Issuer for costs of design of the Project previously incurred and paid by the Issuer with its own or other funds.

12. Moneys held in the Series 1997 B Bonds Sinking Fund will be used solely to pay principal of and interest on the Bonds and will not be available to meet costs of design of the Project. All investment earnings on moneys in the Series 1997 B Bonds Sinking Fund and Series 1997 B Bonds Reserve Account, if any, will be withdrawn therefrom and deposited into the Revenue Fund, not less than once each year, and such amounts will be applied first to the next ensuing interest payment due on the Bonds and then to the next ensuing principal payment due thereon as set forth in the Bond Ordinance.

13. Except for the Series 1997 B Bonds Sinking Fund and the Series 1997 B Bonds Reserve Account, there are no other funds or accounts established or held by the Issuer which are reasonably expected to be used to pay debt service on the Bonds, or which are pledged as collateral for the Bonds and for which there is a reasonable assurance that amounts therein will be available to pay debt service on the Bonds if the Issuer encounters financial difficulties. The Issuer does not expect that moneys in the Depreciation Account will be used or needed for payments upon the Bonds. Except as provided herein, no funds which have been or will be used to acquire directly or indirectly securities, obligations, annuity contracts, investment-type property or any residential rental property for family units which is not located within the jurisdiction of the Issuer and which is not acquired to implement a court ordered or approved desegregation plan producing a yield in excess of the

yield on the Bonds have been or will be pledged to payment of the Bonds. Less than 10% of the moneys received from the sale of the Bonds, if any, will be deposited in the Series 1997 B Bonds Reserve Account or any other reserve or replacement fund. The amounts deposited in the Series 1997 B Bonds Reserve Account from time to time by the Issuer will not exceed the maximum annual principal of and interest on the Bonds and will not exceed 125% of average annual principal of and interest on the Bonds. Amounts in the Series 1997 B Bonds Reserve Account, not to exceed 10% of the proceeds of the Bonds, if invested, will be invested without yield limitation. The establishment of the Series 1997 B Bonds Reserve Account is required by the Authority, is vital to its purchase of the Bonds, and is reasonably required to assure payments of debt service on the Bonds.

Because amounts in the Depreciation Account may be expended for other purposes, there is no reasonable assurance that any such amounts would be available to meet debt service if the Issuer encounters financial difficulties; thus, such amounts may be invested without yield limitation.

14. The Issuer will, on the date hereof or immediately hereafter, enter into a contract for the design of the Project, and the amount to be expended pursuant to such contract exceeds the lesser of 2 1/2% of the estimated total Project cost financed with proceeds from the sale of the Bonds or $100,000.

15. Work with respect to the design of the Project will proceed with due diligence to completion. The design of the Project is expected to be completed within 9 months of the date hereof.

16. Except for a reasonable temporary period until such proceeds are needed for the purpose for which such Bonds were issued or as otherwise allowed, no portion of the proceeds of the Bonds will be used, directly or indirectly, to acquire higher yielding investments, or to replace funds which were used, directly or indirectly, to acquire higher yielding investments, all within the meaning of Section 148 of the Code.

17. The Issuer will comply with the provisions of the Code, for which the effective date precedes the date of delivery of its Bonds to the Authority.

18. With the exception of the amount deposited in the Series 1997 B Bonds Sinking Fund for payment of interest on the Bonds, if any, and the amounts deposited in the Series 1997 B Bonds Reserve Account, if any, all of the proceeds of the Bonds will be expended on costs of design of the Project within 9 months from the date of issuance thereof.

19. The Series 1997 B Bonds Sinking Fund (other than the Series 1997 B Bonds Reserve Account therein) is intended primarily to achieve a proper matching of payments of debt service on the Bonds each year. The Series 1997 B Bonds Sinking Fund (other than the Series 1997 B Bonds Reserve Account therein) will be depleted

at least once a year except for a reasonable carryover amount not in excess of the greater of 1/12th of annual debt service on the Bonds, or 1 year's interest earnings on the Series 1997 B Bonds Sinking Fund (other than the Series 1997 B Bonds Reserve Account therein). Except as otherwise allowed, any money deposited in the Series 1997 B Bonds Sinking Fund for payment of the principal of or interest on the Bonds (other than the Series 1997 B Bonds Reserve Account therein), will be spent within a 13-month period beginning on the date of receipt and will be invested without yield limitation, and any moneys received from the investment of amounts held in the Series 1997 B Bonds Sinking Fund (other than in the Series 1997 B Bonds Reserve Account therein) will be spent within a 1-year period beginning on the date of receipt.

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

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

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

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

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

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

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

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

28. The Issuer is a governmental unit and has general taxing powers; no Bonds are private activity bonds; 95% or more of the net proceeds of the Bonds are to be used for local governmental activities of the Issuer (or of a governmental unit the jurisdiction of which is entirely within the jurisdiction of the Issuer); and the aggregate face amount of all tax-exempt bonds or obligations (other than private activity bonds) issued by the Issuer during the calendar year 1997, the calendar year in which the Bonds are issued, is not reasonably expected to exceed $5,000,000, determined in accordance with Section 148(f)(4)(D) of the Code. For purposes of this paragraph and for purposes of applying such Section 148(f)(4)(D) of the Code, the Issuer and all entities which issue obligations on behalf of the Issuer shall be treated as one issuer; all obligations issued by a governmental unit to make loans to other governmental units with general taxing powers not subordinate to such unit shall, for purposes of applying this paragraph and Section 148(f)(4)(D) of the Code, be treated as not issued by such unit; all obligations issued by a subordinate entity shall, for purposes of applying this paragraph and Section 148(f)(4)(D) of the Code to each other entity to which such entity is subordinate, be treated as issued by such other entity; and an entity formed (or, to the extent provided by the Secretary, as set forth in the Code, availed of) to avoid the purposes of such Section 148(f)(4)(D) of the Code and all other entities benefiting thereby shall be treated as one issuer. No portion of the Bonds is issued to refund other obligations.

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

30. The Issuer shall comply with the yield restriction on the proceeds of the Bonds as set forth in the Code.

31. The Issuer has either (a) funded the Series 1997 B Bonds Reserve Account at the maximum amount of principal and interest, which will mature and become due on the Bonds in the then current or any succeeding year with the proceeds of the Bonds, or (b) created the Series 1997 B Bonds Reserve Account which will be funded with equal payments made on a monthly basis over a 10-year period until such Series 1997 B Bonds Reserve Account holds an amount equal to the maximum amount of principal and interest, which will mature and become due on the Bonds in the then current or any succeeding year. Moneys in the Series 1997 B Bonds Reserve Account and the Series 1997 B Bonds Sinking Fund (established for the annual payment of principal and interest) will be used solely to pay principal of and interest on the Bonds and will not be available to pay costs of design of the Project.

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

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

34. The transactions contemplated herein do not represent an exploitation of the difference between taxable and tax-exempt interest rates and the execution and delivery of the Bonds is not occurring sooner than otherwise necessary, nor are the Bonds in principal amounts greater than otherwise necessary or to be outstanding longer than otherwise necessary.

35. The Issuer will rebate to the United States the amount, if any, required by the Code and will take all steps necessary to make such rebates. In the event the Issuer fails to make such rebates as required, the Issuer shall pay any and all penalties and obtain a waiver from the Internal Revenue Service in order to maintain the exclusion from gross income for federal income tax purposes of the interest on the Bonds.

36. The Issuer covenants and agrees to comply with the rebate requirements of the Code if not exempted therefrom, and with all other requirements of the Code necessary, proper or desirable to maintain the tax-exempt status of the Bonds.

37. On the basis of the foregoing, it is not expected that the proceeds of any of the Bonds will be used in a manner that would cause any of the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code.

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

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

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

WITNESS my signature this 26th day of August, 1997.

THE CITY OF BELINGTON

Mayor

07/23/97
062490/96001

THE CITY OF BELINGTON

Combined Waterworks and Sewerage System Design Revenue Bonds,
Series 1997 B
(West Virginia SRF Program)

CERTIFICATE OF ENGINEER

I, Robert G. Belcher, Registered Professional Engineer, West Virginia License No. 13093, of Chapman Technical Group, Consulting Engineers, in Buckhannon, West Virginia, hereby certify as follows:

1. My firm is engineer for the design of certain extensions, additions, betterments and improvements (the "Project") to the sewerage portion of the existing public combined waterworks and sewerage system (the "System") of The City of Belington (the "Issuer"), in Barbour County, West Virginia, which design is being financed in part by the proceeds of the above-captioned bonds (the "Bonds") of the Issuer. Capitalized terms used herein and not defined herein shall have the same meanings set forth in the Bond Ordinance enacted by the Issuer on August 21, 1997, and the Supplemental Resolution adopted by the Issuer on August 21, 1997, and the Loan Agreement, dated April 30, 1997 (the "Loan Agreement"), by and among the Issuer, the West Virginia Water Development Authority (the "Authority") and the West Virginia Division of Environmental Protection (the "DEP").

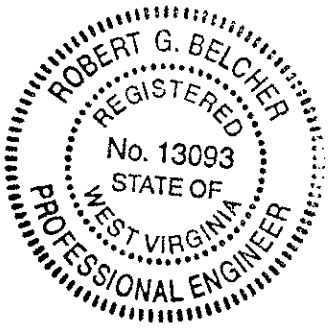
2. The Bonds are being issued for the purposes of (i) paying a portion of the costs of design of the Project; and (ii) paying costs of issuance and related costs.

3. The undersigned hereby certifies that (i) the Project will be designed by my firm as described in the application submitted to the Authority and the DEP, requesting the Authority to purchase the Bonds (the "Application"), (ii) the Project will be adequate for the purpose for which it will be designed and when constructed, will have an estimated useful life of at least twenty years, (iii) the Issuer has obtained all permits required by the laws of the State of West Virginia and the United States necessary for the design of the Project and the operation of the System, (iv) the rates and charges for the System as adopted by the Issuer are sufficient to comply with the provisions of Subsection 4.1(b) of the Loan Agreement, (v) the net proceeds of the Bonds, together with all other moneys on deposit or to be simultaneously deposited and irrevocably pledged thereto, are sufficient to pay the costs of design of the Project as set forth in the Application, and (vi) 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 and seal on this 26th day of August, 1997.

CHAPMAN TECHNICAL GROUP

[SEAL]



Robert G. Belcher, P.E.
West Virginia License No. 13093

07/23/97
062490/96001

SCHEDULE A

RECEIVED

SEP 1996

NAME OF GOVERNMENTAL AGENCY: City of Belington

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

Water Pollution Control Revolving Fund Construction Assistance

A. Cost of Project

1. Construction	$	
2. Technical Services	$ 285,000.00	
3. Legal and Fiscal	$ 30,000.00	
4. Administrative	$ 20,000.00	
* 5. Site and Other Lands	$	
* 6. Step I and/or Step II (Design) or Other Loan Repayment (Specify Type: _____)	$	
7. Interim Financing Costs	$	
8. Contingency	$	
9. Total of Lines 1 Through 8		$ 335,000.00

B. Sources of Funds

10.	Federal Grants:[1]	$	
	(Specify Sources)	$	
11.	State Grants:[1]	$	
	(Specify Sources)	$	
		$	
		$	
12.	Other Grants:[1]	$	
	(Specify Sources)	$	
13.	Any Other Source[2]	$	
	(Specify)	$	
14.	Total of Lines 10 Through 13		$
15.	Net Proceeds Required from Bond Issue (Line 9 Less than 14)		$ 335,000.00

C. Cost of Financing

16.	Capitalized Interest (Construction period plus six months)	$ -	
17.	Funded Reserve Account:[3]	$	
18.	Other Costs:[4] (Bond Counsel)	$ 15,000.00	
		$	
19.	Total Cost of Financing (lines 16 through 18)		$
20.	Size of Bond Issue (Line 15 plus Line 19)		$ 350,000.00

* not allowable for State Revolving Fund Assistance

Smith, Cochran & Hicks, P.L.L.C.
Certified Public Accountants Beckley Bridgeport Charleston Montgomery Oak Hill
405 Capitol Street • Suite 908 • Charleston, West Virginia 25301 • 304-345-1151 • Fax 304-346-6731

August 26, 1997

The City of Belington
Combined Waterworks and Sewerage System Design Revenue Bonds
Series 1997 B
(West Virginia SRF Program)

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

West Virginia Division
Environmental Protection
617 Broad Street
Charleston, WV 25301

Ladies and Gentlemen:

Based upon the rates and charges set forth in the sewer rate ordinance of The City of Belington (the "Issuer") enacted November 16, 1989, and the water rate ordinance of the Issuer enacted August 22, 1996, and projected operation and maintenance expenses and anticipated customer usage as furnished to us by Chapman Technical Group, it is our opinion that such rates and charges will be sufficient to provide revenues which, together with other revenues of the combined waterworks and sewerage system of the Issuer (the "System"), will pay all repair, operation and maintenance expenses of the System and leave a balance each year equal to at least 115% of the maximum amount required in any year for debt service on the Combined Waterworks and Sewerage System Design Revenue Bonds, Series 1997 B (West Virginia SRF Program)(the "Bonds"), to be issued to the West Virginia Water Development Authority on the date hereof and all other obligations secured by or payable from revenues of the System, on a parity with the Bonds, including the Issuer's Water and Sewer Revenue Bonds of 1971, Series B, and the Combined Waterworks and Sewerage System Revenue Bonds, Series 1997 A (West Virginia Water Development Authority)(collectively, the "Prior Bonds"). It is our furhter opinion that the Net Revenues actually derived from the System during any 12 consecutive months, within the 15 months immediately preceding the date of the actual issuance of the Bonds shall not be less that 115% of the largest aggregate amount that will mature and become due in any succeeding fiscal year for principal of and interest on the Prior Bonds and the Bonds.

Very truly yours,

Smith Cochran & Hicks

SMITH, COCHRAN & HICKS, P.L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

The session shall then stand adjourned until the fourth Tuesday in August, at which time it shall re-convene and proceed in all respects as provided in section two of chapter twenty-eight-*a*, Barnes code of West Virginia, one thousand nine hundred and twenty-three.

After having entered the said statement, as finally approved in its book of record of proceedings, the council shall thereupon levy as many cents, not to exceed fifty, on each one hundred dollars assessed valuation of the taxable property in the municipality, according to the last assessment thereof, as will produce the amount shown by the said statement to be necessary for municipal purposes; *provided*, that fifteen cents out of the said annual levy of not to exceed fifty cents, as aforesaid, on each one hundred dollars assessed valuation of the taxable property of the said municipality, shall be set apart annually by the common council of the City of St. Marys and applied to the payment of principal and interest of the outstanding indebtedness of said municipality not bonded, funded or payment otherwise provided for, until the whole of said indebtedness and interest thereon have been fully paid or the common council of the City of St. Marys has provided other means for the payment thereof. The amount of said indebtedness to be determined as shown by the records of the City of St. Marys on the fifteenth day of April, one thousand nine hundred and twenty-seven; a copy of the order laying levies, duly certified by the clerk, recorder or other recording officer, shall be immediately forwarded to the state tax commissioner.

Sec. 28. The council of said city is hereby empowered and authorized at any time that the necessity arises, or the condition of the municipal affairs of said city are such that a special levy shall be required for the purpose, to make such other further and additional levies in the manner now prescribed by section nine of chapter twenty-eight-*a*, Barnes' code, one thousand nine hundred and twenty-three, or such amendments thereof as may hereafter be made relating to the laying of debt and additional levies.

Sec. 29. Said section nine of chapter twenty-eight-*a*, Barnes' code of West Virginia, one thousand nine hundred and twenty-three, and any amendments thereto hereafter made relating to

additional and debt levies by municipal corporations shall govern the council of the said City of St. Marys in the laying thereof.

CHAPTER 14

(House Bill No. 214—Mr. Street.)

AN ACT to amend, revise, re-enact and consolidate into one Act, an act of the legislature of West Virginia, known as chapter one, acts of the legislature of West Virginia of one thousand nine hundred and five, entitled "An act to create the municipal corporation of 'The City of Belington,' in the county of Barbour, to grant a charter thereto, and to annul the charter of the town of Belington;" chapter one of the acts of the legislature of West Virginia, of one thousand nine hundred and nine, as amended and re-enacted by chapter one of the acts of said legislature of West Virginia, of one thousand nine hundred twenty-one, and all other acts of said legislature, passed since the passage of said act of one thousand nine hundred and five, and which form part of the present charter of the city of Belington.

[Passed January 26, 1927. Effective from passage. Approved by the Governor.]

Sec.
1. City of Belington created.
2. Boundaries.
3. City wards.
4. Mayor, clerk and council; salaries.
5. Council; powers of. (See also Sec. 29.)
6. Appointive officers and employees.
7. Eligibility of mayor and councilmen
8. Clerk; appointment, salary, duties, bond, removal.
9. Mayor; election ,term.
10. Councilmen; election, term, residence, vacancy.
11. Voters; who are.
12. Elections; manner of holding.
13. Tie vote at elections.
14. Contest of election.
15. Vacancy; how filled. (See also Sec. 20.)
16. Offices; additional may be created and filled; removals; police
17. Bonds and obligations; proceedings thereon.
18. Oaths of officers.
19. Tenure of office
20. Officer found ineligible or failing to qualify.
21. Mayor; powers and duties.
22. Clerk; powers and duties.
23. Council; quorum of.
24. Records, minutes and ordinances.
25. Minutes; approval Record vote.
26. Mayor; may vote; also cast tie in council.
27. Council meetings.
28. Money due city, to whom paid. (See also Sec. 16.)
29. Council; general powers of.
30. Docket; mayor to keep.
31. Annual levies and financial statements.
32. Annual assessments.
33. Assessment records
34. Liens for taxes and assessments.
35. Taxes, collection, disbursement and reports. (See also Secs. 16 and 28.)
36. Licenses; how obtained
37. Licenses; for what required.
38. Condemnation of real estate.
39. Bonds; council may issue.
40. Debt; council not to incur, personal liability.
41. Streets, roads and bridges.
42. Present officers, ordinances and obligations.
43. Officers first elected hereunder.
44. Inconsistent ordinances abrogated.
45. Conflicting acts repealed

Be it enacted by the Legislature of West Virginia:

THE CITY OF BELINGTON

Section 1. That the inhabitants of that portion of Barbour county in the state of West Virginia, included in the boundaries described in section two of this act, be and they are hereby created a municipal corporation by the name of "The City of Belington," by which name they shall have perpetual succession and a common seal, and by which means they may sue and be sued, plead and be impleaded, contract and be contracted with, and purchase, otherwise acquire and hold real estate and personal property needed in the discharge of the functions of government conferred by this charter.

Boundaries.

Sec. 2. The corporate boundaries of the said city shall be as follows, that is to say:

Beginning at a red oak on the west bank of the Tygart's Valley river, a corner to the lands of Joseph Teter's heirs and Valley Coal and Coke Company, and running south twenty-five degrees thirty minutes east fifty-seven and seventy-five hundredths perches to a stake on the Buckhannon road, corner to the Valley Coal and Coke Company, thence with the said road south thirty-five degrees thirty minutes west fifty-one and fifteen hundredths perches to a white oak, thence south sixty-six degrees west twenty-one perches to a stake, thence south fifty-six degrees west twenty-eight and twenty-five hundredths perches to three chestnuts corner to Laura Hathaway and the Tygart's Valley Mineral and Oil Company, thence south forty-five degrees thirty minutes east eighteen perches with said line, thence south fifty-six degrees thirty minutes east four and fifty hundredths perches with said line, thence north forty-four degrees thirty minutes east nine and twenty-five hundredths poles with said line, thence south thirty-seven degrees east twenty-five and twenty-five hundredths perches with said line, thence south thirty degrees forty-five minutes east twelve perches with said line to a white oak, thence south five degrees east ten and fifty hundredths perches with said line to a beech, thence south fourteen degrees thirty minutes west twenty-five and seventy-five hundredths perches

with said line to a sassafras, thence south forty degrees west seven and fifty hundredths perches with said line to a stake with locust pointers, corner to heirs of Jesse Teter, thence with their line south eighty-two degrees fifteen minutes east ten perches to a beech and birch, corner to Charles Keiser, thence with his lines south seven degrees west forty-eight perches to a white oak stump on the bank of Big run, corner to the heirs of Jesse Teter and said Keiser, thence with their line south seventy-six degrees fifteen minutes east one hundred and fifty perches to a stone on the east side of the county road, corner to the heirs of Jesse Teter, thence with their line south twenty-three degrees west fifty-eight perches to a stone in the river opposite the old Rosenberger mill site, corner to the heirs of Jesse Teter and H. A. Monahan, thence up the Tygart's Valley river with its meanderings at the water's edge, south fifty-two degrees thirty-one minutes west twenty-nine and sixty hundredths perches, thence south five degrees thirty minutes east twenty-six and seventy-six hundredths perches, thence south thirty-two degrees east thirty-six and sixty hundredths perches thence south forty-seven degrees thirty minutes east thirteen and eighty-hundredths perches, thence south eighty-one degrees east twenty-one and eighty-one hundredths perches, thence north eighty degrees east twenty-eight and thirty-two hundredths perches, passing the south end of the Roaring Creek and Belington Railroad bridge, thence south eighty degrees thirty minutes east nine and thirty-two hundredths perches, thence south thirty-three degrees thirty minutes east nine and sixty-eight hundredths perches, thence crossing the said river, north eighty-seven degrees fifteen minutes east thirteen perches to a stake at the culvert on the east side of the said river on the West Virginia Central and Pittsburgh Railway; thence south forty-nine degrees fifteen minutes east thirty-eight and seventy-four hundredths perches to a stake in Hillyard's field a line of the Belington Industrial Company, thence south eighty-eight degrees thirty minutes east forty seven and eighty-eight hundredths perches to a stake, thence south eighty-nine degrees forty minutes east twenty-four and twenty-four hundredths perches to a stake, thence north seventy-nine degrees thirty minutes east one hundred and ten perches to a stake

at the old road, corner to Luther and John Hillyard on the old road crossing the mountain thence with said road north eighteen degrees forty-five minutes west twenty-eight and eighteen hundredths perches to a stake, corner to G. J. Stalnaker and W. S. Phares' place thence with the said Stalnaker and Phares' line, north fifty-five degrees thirty minutes east seventy-one perches to a stake at the Fairmont and Beverly pike, corner to the said Phares and Stalnaker and W. S. Shurtleff, thence with said pike north seventeen degrees thirty minutes west seventy-five perches, thence north three degrees east thirty-three perches, thence north twenty-five degrees thirty-minutes west twenty-eight perches, thence north forty-four degrees thirty minutes west seventeen perches, thence north twenty-five degrees, thirty minutes west twenty perches to corner of J. W. Ward and J. W. Shurtleff, thence leaving the pike and running with said Ward's line, north fourteen degrees thirty minutes east thirty-nine fourteen hundredths perches to a stake, corner to Shurtleff and Ward, thence with said Shurtleff's line north seventy-two degrees east thirty-nine perches to a locust, corner to Shurtleff, thence north forty-two degrees east ninety-seven perches to a stake, corner to Shurtleff and T. T. Elliott, thence south ten degrees west six perches to a stone, corner of Shurtleff and T. T. Elliott, thence north fifty-two degrees east sixty-seven perches to a white oak, corner to Serpell and Elliott, thence forty-three degrees thirty minutes west eighteen and eighty hundredths perches to a gum, corner to Dunham and Elliott, thence with Dunham and Elliott's line north fifty-six degrees thirty minutes west one hundred and twenty perches to a white oak corner to Dunham, thence north sixty-six degrees west fourteen and twenty-eight hundredths perches to a stake, thence north six degrees east five perches to a stake, at the Morgantown pike, thence north forty-seven degrees west seventy-one and forty-five hundredths perches to two black walnuts in Martha Davis' field, thence north sixty-three degrees west ninety-nine and sixty hundredths perches to a chestnut in J. W. Thornhill's field, thence south eighty-three degrees west eighty-four and thirty-six hundredths perches to a walnut in J. W. Thornhill's field, thence south eleven degrees west twenty-four and twenty-four hundredths perches to a stake at the Fairmont pike,

thence north eighty degrees thirty minutes west thirty perches to a large sugar on the south side of the pike, thence south eighty-six degrees thirty minutes west fifty-two and twelve hundredths perches to a stake in the Rohrbough's field, thence south seventy-seven degrees west one hundred and twenty-eight and eighty-four hundredths perches to a large sugar on the south side of the Baltimore and Ohio Railroad, thence south seventy-two degrees west thirty perches crossing the Tygart's Valley river to the beginning, containing thirteen hundred acres.

Wards.

Sec. 3. The territory included in the said city shall, from time to time, be divided into wards by the common council thereof. The wards shall be as nearly equal as may be in area and population, and when the wards and the boundaries thereof, shall have been once established by an ordinance of the common council, the wards shall thereafter be entitled to elect an equal number of councilmen; but until such establishment of wards by an ordinance of the common council, the wards shall be as follows, and shall be entitled to elect the number of councilmen provided in the eleventh section of this act:

The first ward shall include all that part of the territory of said city beginning at the county bridge across the Tygart's Valley river and running with Brown avenue to the outer limits of said city as above given and running thence northward with the outer limits thereof to the Tygart's Valley river and thence up the said river to the said bridge.

The second ward shall include all that part of the territory of the said city on the west side of said Tygarts Valley river and south of said Brown avenue, including all that territory on the west side of said river not included in the first ward as herein laid out.

The third ward shall embrace all that part of the territory of said city included in the following boundaries, that is to say: Beginning at the bridge across the Tygart's Valley river on Bridge street and running with Bridge street to Pike street, thence to the Methodist church, thence running with Serpell avenue to the limit of the said city, thence running with the outer limits of said city as prescribed in section [illegible] of this

act, northward, to the Tygart's Valley river, thence up said river to the said bridge, including all the boundary in said city north of said streets herein above named.

The fourth ward shall embrace all that territory of said city included in the following boundaries, that is to say: Beginning at the bridge across the Tygart's Valley river running with Bridge street to Pike street and with Pike street to the Methodist church and thence with Serpell avenue to the outer limits of said city as prescribed in section two of this act, and thence with said outer limits in a southernly direction to the said river, and thence down said river to the said bridge, including all of the boundary in said city south of the streets herein above named.

Municipal Authorities.

Sec. 4. The municipal authorities of the said city shall consist of a mayor, to be elected by the qualified voters of the whole city; a city clerk to be appointed as hereinafter provided for, and two councilmen from each ward to be elected by the voters of such ward (eight councilmen as provided by this charter but the number thereof to be increased or diminished, if the number of wards be increased or diminished), who, together, shall form a common council for the said city of Belington, and who shall receive such compensation as the council shall, from time to time determine, and when determined, shall not be increased or diminished during the term of office of any such council.

Exercise of Corporate Powers.

Sec. 5. All the corporate powers and functions pertaining to said city shall be exercised by its common council, or under its authority, in the corporate name of the city, unless otherwise provided by state law or municipal ordinance.

Subordinate Officers.

Sec. 6. The mayor shall nominate, and, by and with the advice and consent of the council, shall appoint a superintendent of the streets, a chief of police, a city attorney, an assessor, a collector, a treasurer, and as hereinafter provided, a city clerk, who may be designated to perform the duties of the assessor, collector and treasurer, as well as such other officers as may be established by a proper ordinance of the council, all of which said officers, except the city clerk, who is hereinafter

especially provided for, shall hold their respective offices, to which they are appointed, during the pleasure of the council, and until their successors are appointed and qualified. The several subordinate offices, or any two or more of them, may be held by the same person, and such officers shall receive such compensation as the council prescribes by ordinance, during the term for which the appointment was made.

Eligibility of Officers.

Sec. 7. No person shall be eligible to the office of mayor or councilman, unless at the time of his election he is legally entitled to vote in the city election for member of the common council, and was for the preceding year assessed with taxes upon real or personal property within the said city of the assessed value of five hundred dollars, or more, and shall actually have paid the taxes so assessed, and no person shall be eligible to any subordinate office under said city who is not at the time of his election or appointment entitled to vote for members of the common council.

City Clerk.

Sec. 8. The mayor shall nominate, and with the approval and consent of the council, shall appoint a city clerk for the said city of Belington, and such city clerk shall hold office for a period of two years, beginning with the first day of April, one thousand nine hundred twenty-seven, or at the first regular meeting of said common council, held after the first day of April, one thousand nine hundred twenty-seven; said city clerk, when so appointed and approved, shall hold office for a term of two years, subject to the provisions of this section, and at the expiration of every two-year period hereunder, it shall be the duty of the said mayor to so appoint, with the consent and approval of the city council, such clerk, and each succeeding clerk, so approved and appointed, shall likewise hold office for a term of two years; such city clerk shall receive such compensation as the council may prescribe by ordinance, and such compensation shall not be increased or diminished during the term for which such appointment is made. Said city clerk shall, in the absence of the mayor, act as mayor of the said city of Belington, and shall, when acting as mayor, exercise all of the rights, powers and prerogatives of a mayor he shall

not have otherwise, as city clerk, any right to vote with the said council; said council shall have the right to combine, under the office of city clerk, the duties of tax collector, assessor, treasurer, superintendent of water works, collector and treasurer of the water department, and any and all other such duties as the said council may see fit to include, and said city clerk, when so appointed and approved, shall give bond in such amount as the said council may from time to time require.

The said city council shall have the right to remove such city clerk for cause, including negligence in the performance of his duties in any respect whatsoever, or malfeasance in office, or for any other cause, in addition, which may to said council appear to justify any such removal, but in case of such removal, a notice of the intention of the city council shall be served upon such city clerk for at least three days prior to any such proposed action, and said city clerk shall have the right to appear and show cause, if any he can, why he should not be removed by the said council, but the said council shall be the final judge of whether or not such removal is or is not justified.

Election of Officers.

Sec. 9. On the first Tuesday in March, one thousand nine hundred twenty-seven, there shall be elected by the qualified voters of said city, a mayor, whose term of office shall be one year, commencing on the first day of April next after their election and until his successor shall be elected and qualified.

Sec. 10. On the same day first above mentioned in the preceding section, there shall be elected in each ward in said city a member of the council, who shall reside in the ward for which he is elected, and shall hold office for a term of two years, and on the first Tuesday in March, one thousand nine hundred twenty-eight there shall be elected a member of the council from each ward who likewise shall reside in the ward for which he is elected and shall hold office for a term of two years; the councilmen now in office for the respective wards, whose term shall expire on the first day of April, one thousand nine hundred twenty-eight, shall hold office hereunder until the expiration of their said terms of office; at each yearly election thereafter there shall be elected in the same manner and with the same qualifi-

cations, a councilman from each word, so that there shall be perpetually in office two councilmen from each word, who shall each respectively hold office for a period of two years, or until their successors are elected and qualified; if any member of the council shall remove from the ward in which he was elected, his office shall thereby become vacant, and the common council shall fill such vacancy by appointment until the next general election of someone residing in the ward who is eligible to such office. Each ward shall constitute an election precinct and the council of the town of Belington shall establish a voting place in each ward at which the elections above provided shall be held, and at all elections for councilmen such councilmen shall be elected by wards. No voter shall be entitled to vote at any city election except in the ward in which he resides and if any voter shall vote for any person for councilman who is not a resident in which he is voted for, such votes shall not be counted for such person or persons.

Who Are Voters

Sec. 11. Every male and female person residing in said city shall be entitled to vote for all officers elected under this act, but no person who is under the age of twenty-one, or of unsound mind, or a pauper, or who is under conviction of treason, felony, or bribery in an election, or who has not been a resident of the state of West Virginia for one year and of the city of Belington six months, or who is not a *bona fide* resident of the ward in which he or she offers to vote, shall be permitted to vote therein.

General Elections

Sec. 12. In all elections by the people the mode of voting shall be by ballot, but the voters shall be left free to vote an open, sealed or secret ballot, as they may elect. The elections in said city shall be held and conducted, and the results thereof certified, returned and finally determined, as provided for under the laws in force in this state, relating to general elections, at the date of the passage of this act, as well as any subsequent amendment thereof, except that the persons conducting said elections shall on the day after the election is held deliver the ballots, tally sheets and poll books to the city clerk of said city,

and thereafter the common council of said city shall meet within ten days after any such election and canvass the returns thereof, and declare the results thereof, and shall in all respects comply with the requirements of the statutes above adopted relating to elections, and shall perform, with respect to city elections, all duties performed by the county court and county clerk respectively as related to county elections. All provisions of the code of West Virginia relating to general elections now in effect, or hereafter adopted, concerning elections by the people, shall govern and be applicable to city elections in the said city of Belington, and the penalties prescribed by statute for elections under the statutes of the state of West Virginia, for offenses relating to elections shall apply to and be enforced against offenders at such elections for said city of Belington, and said acts shall have the same force and effect as if specially applicable in such corporate elections, and as though such acts were by this act specially re-enacted, and set out in *extenso*, except as hereinabove specifically modified.

Tie Vote, How Decided.

Sec. 13. Whenever two or more persons shall receive an equal number of votes for mayor or councilman, such tie shall be decided by the council at the time the election is held.

Contested Elections.

Sec. 14. All contested elections shall be heard by the common council, and the contest shall be made and conducted in the same manner as provided for in contests in county and district offices, and the common council in such proceeding, shall, as nearly as practicable conform with like proceedings provided for the county court in such cases.

Vacancy in Office.

Sec. 15. Whenever a vacancy from any cause shall occur in any office the council shall by a majority vote of those present fill such vacancy.

Appointment of Additional Officers and Defining Their Duties and Fixing Compensation of Such Officers.

Sec. 16. The council shall also have authority to provide by ordinance for the appointment of such other officers as shall be necessary and proper to carry into full force and authority the power, capacity, jurisdiction and duties of said city which

are or shall be vested therein, or in the council, or in the mayor or any other officer or body of officers thereof, and to grant to the officers so appointed the power necessary or proper for the purposes above mentioned. The council by ordinance shall define the duties of all officers so appointed or elected as aforesaid, and allow them reasonable compensation; which shall be payable as the council shall provide, which compensation shall not be increased or diminished during their term of office, and shall require and take from all of them whose duty it shall be to receive its funds, assets or property, or have charge of the same, such bonds, obligations or other writings as they shall deem necessary or proper to insure the faithful performance of their several duties. All officers whether appointed or elected may be removed from office for malfeasance, nonfeasance or misfeasance by the council; but, *provided, always*, that any appointed officer who holds his office at the pleasure of the council may be removed from his office at any time without notice. The chief of police shall have all power, rights and privileges within the corporate limits of said city in regard to the arrest of persons, the collections of claims and the execution and return of process, that can be legally exercised by a constable of a district within this state; and may without having any warrant or other process therefor arrest any person who commits any offense against the laws of this state or infraction of the ordinances of said city, in his presence. He shall be *ex-officio* the keeper of the city jail and have charge of the city prisoners confined therein, and may confine any person arrested by him in the city jail until such time as the charges against such person can be inquired into by the mayor. Any person fined by the mayor for infraction of any of the ordinances of the city may pay such fine either to the mayor or chief of police; and the said chief of police and his sureties shall be liable to all fines, penalties and forfeitures that a constable of a district is liable to for any failure or dereliction in his said office, to be recovered in the same manner and in the same courts that the said fines, penalties and forfeitures are now recovered against a district constable. It shall be the duty of the collector and treasurer or city clerk to collect the city taxes, licenses, levies, assessments and other such city claims as are placed in his hands for colle[illegible] by the

council, and he may distrain and sell therefor in like manner as a sheriff may distrain and sell for state taxes, and he shall in all other respects have the same power as the sheriff to enforce the payment and collection thereof.

Bonds.

Sec. 17. All bonds, obligations or other writings taken in pursuance of any provision of this act or under the provisions of any ordinance of said city, shall be made payable to "The City of Belington," and the obligors therein and their heirs, executors, administrators and assigns, shall be subject to the same proceedings on such bonds, obligations or writings, for enforcing the conditions of the terms thereof, by motion or otherwise, before any court of record or justice of the peace having jurisdiction thereof, held or acting in or for said Barbour county or any district thereof or elsewhere, that the sheriff or collector of said county and his sureties are or shall be subject to on his bond taken for the enforcement of the duties in the payment of the county levies.

Oaths of Officers.

Sec. 18. The mayor and councilmen, and all other officers provided for in this act shall each, before entering upon their duties, and within fifteen days after their election or appointment, take the oath or affirmation prescribed by law for all officers in this state, and make oath or affirmation that they will truly, faithfully and impartially, to the best of their ability, discharge the duties of their respective offices, so long as they continue therein. Said oath or affirmation may be taken before any person authorized by law to administer oaths at the time the same is taken, or, before the mayor or city clerk of said city of Belington, but in any event, a copy of said oath shall be filed with the city clerk.

Tenure of Office.

Sec. 19. The mayor and councilmen shall enter upon the duties of their offices upon the first day of April next after their election, or as soon thereafter as they have qualified, and all appointed officers shall enter upon the duties of their offices as soon as they have qualified, except the city clerk, who shall be governed by the preceding section herein relating to such city clerk; and all officers shall remain in office until their successors are elected and qualified, or until removed therefrom, except as to the city clerk, who shall be governed by the preceding section relating thereto.

Ineligibility or Failure to Qualify

Sec. 20. If any person elected to any office shall not be eligible thereto under the provisions of this act or shall fail to qualify as herein required, the council shall declare his said office vacant and proceed to fill the vacancy as required by this act.

Powers and Duties of Mayor

Sec. 21. The mayor shall be the chief executive officer of the city, and shall take care that the orders, by-laws, ordinances, acts and resolutions, of the council thereof are faithfully executed. He shall be *ex-officio* a justice and conservator of the peace within the city, and shall within the same have, possess and exercise all the powers and perform all the duties vested by law in a justice of the peace, except he shall have no jurisdiction in civil cases or causes of action arising out of the corporate limits of the city unless the defendant resides or is found therein and process therein served upon him. He shall have the same power to issue attachments in a civil suit as a justice of his county has, but in such case he shall have no power to try the same, but such attachment shall be made returnable and heard before a justice of the peace of his county. Any warrant or other process issued by him may be executed at any place in the county. He shall have control of the police of the city and may appoint special police officers whenever he deems it necessary, and may suspend any police officer until the next regular meeting of the council. And it shall be his duty especially to see that peace and good order of the city are preserved, and that persons and property therein are protected, and to this end he may arrest or cause the arrest and detention of all violators of the laws of this state and ordinances of the city, before issuing his warrant therefor if the offense is committed in his presence.

He shall have power to issue executions for all fines, penalties and costs imposed by him, or he may require the immediate payment thereof and in default of such payment he may commit the party in default to the jail of the county of Barbour or other place of imprisonment used by said corporation if there

be one, until the fine or penalty and the costs be paid; but the term of imprisonment in such cases shall not exceed thirty days. And in all cases when a person is sentenced to imprisonment or to the payment of a fine of ten dollars or more (and in no case shall a judgment for a fine be for less than ten dollars if the defendant, his agents or attorneys object to a less fine being imposed), such person shall be allowed an appeal from such decision to the circuit court of the county of Barbour upon the execution of an appeal bond with security deemed sufficient by the mayor in a penalty sufficient to cover said fine and cost before the mayor, and the costs in the circuit court in case said judgment be affirmed, with condition that the person proposing to appeal will perform and satisfy any judgment which may be rendered against him by the circuit court on such appeal. If such appeal be taken the warrant of arrest (if any), a transcript of the judgment, the appeal bond and other papers in the case, shall be forthwith delivered by the mayor to the clerk of the said court, and the court shall proceed to try the case as upon indictments, and render such judgment, including costs, as the law and the evidence may require. The mayor shall from time to time recommend to the council such measures as he may deem needful to the welfare of the city. The expense of maintaining any person committed to the jail of the county by him, except it be to answer to an indictment, shall be paid by the city and taxed as costs against the defendant. The mayor before acting shall execute bond with good security in a penalty of not less than one thousand dollars, or in such additional penalty as the council may require, subject to the approval of the council with the same conditions as required in bond executed by a justice of the peace in chapter fifty of the code; and all the provisions of the said chapter relating to money received by a justice shall apply to like moneys received by the mayor.

Powers and Duties of the City Clerk.

Sec. 22. The city clerk shall keep an accurate record of the proceedings of the council and shall have charge of and preserve the records of the city, and in case of the absence from the city or in case of the sickness or inability of the mayor to act, or during any vacancy of the office of the mayor, he shall perform such duties of the mayor as pertains to such mayor, as chief executive of the city, and shall be vested with all

powers necessary for the performance of such duties, but shall not be vested with any of the authority of the mayor pertaining to civil suits.

He shall be a conservator of the peace within the city. Likewise he shall, at the direction of the city council, perform the duties of the tax collector, assessor and treasurer for said city, and likewise superintendent of the water works and collector and treasurer of the water department and such other duties as the said council may from time to time impose.

Quorum.

Sec. 23. The presence of a majority of the council shall be necessary to make a quorum for the transaction of business In no case is the city clerk to have the right to vote or have any of the powers of the councilmen except when he is acting as mayor in any case where the mayor would have such right to vote.

Record of Minutes and Ordinances.

Sec. 24. The council shall cause to be kept by the city clerk in a well bound book to be called "the minute book," an accurate record of all its proceedings, ordinances, acts, orders and resolutions, and in another book to be called "ordinance book," shall be kept accurate copies of all general ordinances adopted by the council; both of said books shall be accurately indexed and open to inspection of any one required to pay taxes in the city, or who may be otherwise interested therein. All oaths and bonds of officers in the city and all papers of the council shall be endorsed, filed and accurately kept by the city clerk. The bonds of officers shall be recorded in a well bound book to be called "record of bonds". The city clerk shall perform such other duties as by ordinance of the council may be prescribed. The transcripts of ordinances, acts, orders and resolutions, certified by the city clerk under the seal of the city, shall be deemed *prima facie* correct when sought to be used in any court or before any justice.

Reading of Minutes.

Sec. 25. At each meeting of the council proceedings of the last meeting shall be read and corrected, if erroneous, and signed by the presiding officer for the time being. Upon the call of any member the ayes and noes on any question shall be

taken and recorded by the city clerk in the "minute book". The call of the members for such vote shall be made alphabetically.

Who Shall Vote in Council.

Sec. 26. The mayor shall have a vote as a member of the council and in case of a tie the presiding officer shall, for the time being, have the deciding vote.

Meetings of the Council.

Sec. 27. The regular meetings of the council shall be held at such times at such places in the city as they shall from time to time ordain and appoint; and it shall be lawful for the council by ordinance to vest in any officer of the city, or in any member or number of members of their own body, the authority to call special meetings and prescribe the mode in which notice of such special meetings shall be given. If a majority of the members of council do not attend any regular or special meeting those in attendance shall have authority to compel the attendance of absent members under such reasonable penalties as they may think proper to impose; all questions put to vote, except such matters as hereinafter provided for, shall be decided by a majority of the members present.

To Whom Money of City Paid

Sec. 28. All moneys belonging to the city shall be paid over to the city clerk or treasurer, or to the city clerk who may be acting as such clerk and treasurer; no money shall be paid out by him except as the same shall have been appropriated by the council and upon an order signed by the mayor and city clerk, and not otherwise, except at the expiration of his term of office upon the order of the council signed by the mayor and city clerk, he shall pay over to his successor all the money remaining in his hands.

Duties and Powers of Council.

Sec. 29. The council of said city shall have the following general powers: To lay off, open, close, vacate or maintain public grounds, parks, public places, name and rename the same, to have control and supervision thereover, to protect the same from punage or other injury by persons or property, to fix fines and punishments for any injury thereto in violation of any of the orders of said council, and to maintain good

order and prevent violations of the ordinances of said city therein or thereon.

To establish, maintain and regulate free public libraries and reading rooms and to purchase books, papers, maps, manuscripts and other proper things therefor, to receive donations and bequests of money or property for the same, in trust or otherwise, and to pay the necessary expenses for establishing, maintaining and regulating the same out of the funds for general purposes; *provided*, such expenditures shall not exceed one hundred dollars per annum, unless by a unanimous vote of all the members of the council.

To protect divine worship within the limits of said city and to fix fines and punishment for disturbance of any assemblage of people, then and there, met for the worship of God, to prohibit any interference with or disturbance of divine worship or an assemblage of people met together for the worship of God, by any person or persons loitering about the premises or places where such worship is being had or such assemblage is met, or from loitering in the public places ajacent thereto in such manner as to interrupt such worship.

To acquire either by purchase, condemnation or any other modes provided by general law, ground within said city for such streets and alleys as the council may deem proper; to locate, lay off, vacate, close, open, alter, grade, straighten, widen or narrow, pave or re-pave, construct and keep in good repair, the roads, streets, alleys, pavements, sidewalks, crosswalks, drains, viaducts and gutters therein, and such bridges as may be owned or built by the said city, for the use of the public or of any of the citizens thereof, and to improve and light the same and to keep the same clean and free from obstruction of every kind; *provided*, the municipality shall not be liable for or responsible in damages for injury to persons or property caused by or from a defect or obstruction in or on the plat of ground between the gutter or curb of any street and the paved or plank sidewalks extending there along or between any such sidewalks and the property lying next adjacent thereto, unless the municipality had actual notice of such defect or obstruction prior to the time of the injury complained of; and *provided, further*, that where said

city shall be required to respond in damages by reason of injury to persons or property occassioned by the failure of any abutting owner to provide or keep in repair any sidewalk along such property, after being notified by the council so to do, that such property owner shall be liable to the city for any sum of money, costs and council fees which it has been required to pay by reason thereof.

To regulate the width of sidewalks and the streets and the width and the care of the public grounds or grass plots abutting thereon, and to order the sidewalks, footways, crossways, drains and gutters to be curbed, paved or re-paved and kept in good order, free and clean and to provide for the removal of snow and ice therefrom and for sprinkling the same by the owners or occupants of the real property next adjacent thereto, and to provide and enforce punishments for obstructing, injuring or preventing the free and proper use thereof, and to provide and enforce fines and penalties for throwing therein or thereon any paper, glass, rubbish, decaying substances or other things that would make said streets, sidewalks, grass plots, crosswalks, drains or gutters unsightly or unhealthy.

To regulate the use of the walks, highways, bridges, streets, alleys and gutters and the rate of speed of travel thereon, and to prevent and punish for fast riding or driving thereon of any horse, bicycle, wheeled vehicles, wagon, steam or electric or traction engine, motor car or automobile, and to prevent injury to such streets, alleys, roads and highways from overloaded or improperly loaded vehicles, and from dragging logs or other matter thereon, and to regulate the speed of engines or trains or street cars upon or across any such streets, alleys, highways, bridges, public places or any other place where the council deems the public safety requires such regulation.

To regulate the planting, trimming and preservation of shade trees, by persons and corporations, in streets, alleys, roads, public grounds and places, and shall require the owner of adjacent property to trim any shade tree or ornamental shrubbery or other tree that in the opinion of the council is an obstruction to the streets, alleys, or side walks or a menace to public safety

The council shall have the right to require the owner or occupier of any property in the city to keep his premises clean and free from all matter that would endanger the health of the city, and may require the removal of any waste paper or waste material of any kind or character upon the private property of any citizen or property owner that would cause the spread of fire or when the council deems the same should be removed; and may require the removal or straightening of any fence, wire, paling or other material enclosing any lot, when, in the opinion of the council, the same is dangerous or obstructs or encroaches upon the streets, alleys or sidewalks; *provided*, that in all such cases, if the owner or occupier of such property fails to do any of the things enumerated in this section required by the council, after notice by the council, the council may take such action as may be necessary to perform such acts and the expenses thereof shall be charged to the property owner and collected as taxes are collected.

To regulate the making of division fences and party walls by the owners of adjoining and adjacent premises and lots. To regulate or require drainage by the owners or occupier of any lot or other real estate, by proper drains, ditches, and sewers, and to require the owner or occupier of any lot to fill the same, at his own expense, so that water will not collect in a body thereon, so that the same will not become a menace to public health.

To regulate or prohibit street carnivals, or street fairs, or street parades, advertising exhibition, or other exhibitions thereon, or the exhibition of goods, wares, merchandise, material or artificial curiosities upon any street, sidewalk, alley or public place of the said town.

To regulate or prohibit the ringing of bells, blowing of steam whistles, or use of hand-organs or other instruments of any annoying character, or other music of itinerant performers in the streets, or public speaking and preaching in the streets, roads, parks or public places of the municipality.

To license, regulate or prohibit auctioneering.

To license, regulate or prohibit the sale of goods, wares, merchandise, drugs or medicines on the streets or other public places.

To prevent the illegal sale, offering or exposing for sale, or advertising of spirituous liquors, wine, porter, ale, beer or drinks of a like nature.

To prevent the illegal sale of tobacco, cigars, snuff or cigarettes, within said municipality, and to prevent the smoking, by any person under twenty-one years of age, of any cigarette, in any public building or upon any public grounds, street, alley, sidewalk or public place within said city, and to fix fines and punishments for violation thereof.

To regulate, control or prohibit runners for hotels, boarding houses and eating houses, and to regulate draymen or persons hauling or transporting for hire at and about the railroad depots and stations and other public places.

To regulate, assess and collect a license fee for the said city for the doing of anything or business on which a state license is required, subject to the exemption as provided in chapter thirty-two of the code of West Virginia.

To establish, when the council may deem proper, locate and keep in repair, market places, market houses and regulate markets, prescribe the time for holding the same, to authorize the seizure and destruction of any and all such foods and drink products, as shall be found unwholesome, dangerous or offensive, and without recourse against the municipality for its cost or value.

To regulate the sale of food and drink products, milk, fresh meats, fish and vegetables, and to provide penalties for the sale of any such that is unwholesome or unfit for use.

To regulate and provide for the weighing of hay, coal and other articles for sale in the markets, or to residents of said city.

To require the merchants and other persons selling goods, foods or materials that must be weighed, to keep correct scales; to seize and destroy such as are found to be incorrect, and not corrected after due and proper notice to the owner or person using the same, without damage or expense to the municipality for the value thereof.

To prevent injury or annoyance to the public or individuals from anything dangerous, offensive or unwholesome.

To regulate the keeping, handling and transportation of explosives and dangerous combustibles within the municipality; and to regulate or prohibit the use of fire crackers, sky rockets toy pistols, air rifles or guns, within the said municipality.

To regulate or prohibit the erection or maintenance in what the council deems an improper locality within said city, any garage, blacksmith shop, livery stable, barn, stable, cattle pen poultry house, pig pen, privy, bill board, sign board, gas or other engine, or anything that would be a menace to persons or property or public safety, or that would injure private property or annoy citizens of said city.

To regulate or prohibit the use of walls or walks for signs, to regulate or prevent the distribution or posting of any sign, bill or other paper that, in the opinion of the council or mayor, is indecent or immoral.

To require the removal or abatement of any building, business, bill boards, sign, sign board, or other thing, which, in the opinion of the council, is a nuisance.

To regulate or prohibit the distribution of hand bills, circulars and other advertisements of like kind, on the streets, roads, alleys and public places, or the placing of same in private yards, buildings or other structures, without having first secured the consent of the owner or occupier of such property.

To regulate or prohibit within the municipality or within one mile of its corporate limits, the erection or maintenance of any slaughter house, soap factory, glue factory, lamp black factory, tannery, or other house, shop or factory of like kind or character.

To establish within said municipality public drinking fountains, and water troughs; and to regulate the time and place and manner of bathing in pools, streams and public waters within the police jurisdiction of said municipal corporation.

To prevent hogs, cattle, sheep, horses and other animals and fowls of all kinds, from going at large in the municipality; and to establish and maintain places for their detention, make regulations respecting the same, appoint a pound master and define his duties and provide for the sale of such property impounded.

To arrest, convict and punish any person for committing adultery or fornication, or for any lewd or lascivious cohabitation within said city, and for keeping an assignation house, house of ill-fame, or for leasing or letting to any other person any house or other building to be kept or used as such, or for knowingly permitting any house, under the control or owned by any person, to be used as an assignation house or house of ill-fame; and to convict and punish for frequenting, entering or loitering in any assignation house or house of ill-fame within said municipality.

To arrest, convict and punish any person for importing, printing, publishing, selling, giving away, exhibiting, or distributing any book, picture or device, or other thing containing any obscene picture or language, or making any indecent representation.

To restrain, convict and punish vagrants, mendicants, beggars, tramps, common prostitutes, and their associates, and drunken or disorderly persons within the municipality, and to provide for their arrest and manner of punishment.

To prevent and prohibit the use of indecent or profane language within the corporate limits, and to provide and fix punishment therefor

To prevent and prohibit any tumult, riot, quarrel, angry contention or abuse of any person, assault and assault and battery, and to fix punishment therefor.

To prevent and prohibit trespass upon private property or the doing of anything which would annoy the owner or occupier of any premises, and to fix and provide fines and punishment therefor.

To provide against danger or damages by fires, and to that end, to require, when the council think necessary, an inspection of all the properties within the said city, and to require the owner or occupier of any property in which a defective or dangerous chimney or flue is found, to immediately repair the same, and to prevent the use thereof until repaired as required.

To prohibit and prevent intoxication or drunkenness and to fix fines and penalties therefor.

To prohibit and punish for larceny where the amount stolen is less than twenty dollars.

To prohibit, prevent and punish for anything against the good morals and common decency, or that would tend to corruption, vice or crime.

To protect the public schools in said city, and to prohibit and prevent any disturbance thereof in and about the buildings or upon the grounds, and to prevent injury, destruction or defacement of any school property or building.

To establish a board of health and invest it with the necessary power to maintain its object, and to fix fines and penalties for any violation of its lawful order.

To establish quarantine, and to erect and maintain pest houses and places of detention, and to make and enforce necessary orders for controlling or preventing the spread of infectious and contagious diseases, and for abating pestilence.

To prohibit the bringing into the corporate limits by railroads, carriers, or in any manner, persons who are paupers or persons who are afflicted with contagious diseases; to punish any railroad company, carrier or corporation, by fine or imprisonment, or both, or any person who shall bring into the corporate limits any such pauper or person afflicted with contagious disease, knowing or having reason to believe, at the time, that such person is a pauper or afflicted with such contagious disease, and to collect and recover from any such railroad company, carrier, or other person, the expense of keeping and maintaining such pauper or diseased person, until such person can be lawfully removed from the corporate limits.

To authorize the taking up and providing for the maintenance and safe keeping, and educating of (for such period as may be deemed expedient) all children within said city who are destitute of proper parental and other care.

To arrest, convict and punish any person for cruelly, unnecessarily or needlessly beating, torturing, mutilating, killing, or overloading, or overdriving, or wilfully depriving of necessary sustenance, any horse or other domestic animals.

To regulate the hitching of horses within the corporate

limits, and the driving of cows and cattle through, upon and along the streets and alleys of the said city.

To prohibit, prevent and punish the pollution of any stream of water running into or through the said municipality; and to prohibit and prevent the throwing into any such stream of any trash, dirt, filth, offal, decayed substances or matter, or anything that would make said water unhealthy or unfit for domestic use.

To prohibit, prevent and punish for any desecration of the Sabbath day; prohibit the playing of any game, exhibiting any show, theatre, picture show, and the keeping open of business places, except hotels, eating houses, boarding house, restuarants, drug stores and places where ice cream or soft drinks are furnished

To restrain, prevent and punish fraudulent practices of any kind or character within the municipality.

To regulate, control or prohibit any theatre, picture show or carnival, which, in the opinion of the council, would corrupt the morals of the community.

To regulate, control or prohibit the maintenance of any public dance hall.

To arrest, convict and punish any person for gambling or keeping any gaming table, commonly called "faro bank," or table and chips used in playing such game; crap table, chips or dice used in playing such game; or roulette or the wheel, chips or other equipment used in playing such game; or keno table or table of like kind or device used in playing the same; or table of like kind under any denomination, whether the game or games be played with cards, dice or otherwise on which anything is bet or wagered, whether the same be played in any public place or private room or residence; and may convict and punish any person who shall be a partner or concerned in interest in the keeping of any such gambling devices heretofore enumerated, or in any game played, such as is prohibited hereby, or in keeping or maintaining any gambling house or place of gambling for money or anything of value; and shall have the right to destroy such gambling paraphernalia as may be found in use on any such premises; and any officer armed with a warrant for the arrest of any

person engaged in any such unlawful game or for the search of any room in which gambling is suspected, or for the seizure of any gambling paraphernalia, shall have the right to break into any building, other than a private dwelling house without notice or demand, and into a private dwelling or room, after demand and refusal to open same, to execute any such warrant

To restrain all felons and persons guilty of offenses against this state or the United States, and deliver them over to the authorities or court having jurisdiction of the offense whereof such person is accused.

To apprehend and punish any person who, without a state license therefor, is guilty of carrying about his person, within the municipality, any revolver or other pistol, dirk, bowie knife, slung shot, razor, billy, metallic or other false knuckles, or any other dangerous or deadly weapons of like kind and character, as provided by chapter fifty-one of the acts of the legislature of one thousand nine hundred and nine, and the punishment therefor, whether for the first or other offenses, shall be that prescribed by said chapter for any such person guilty under the misdemeanor clause provided therein; *provided*, that the mayor acting *ex-officio* justice of the peace, may, after enforcing this ordinance, hold such offender to answer to an indictment in the circuit court of Barbour county for such offense, under the state law.

To regulate the erection, construction, alteration and repair of dwelling houses, buildings, and other structures within the municipality, issue permits therefor, and compel the numbering of the same by the owners or the occupants thereof.

To regulate the hanging of doors, the construction of stairways and elevators, and require fire escapes in theatres, churches, school buildings, factories and other places deemed necessary by the council.

To establish fire limits and to regulate the construction of buildings, and designate materials to be used in the construction of buildings within such limits.

To regulate the building of fire walls, fire places, chimneys, boilers, smoke stacks, stove pipes, and the burning of waste paper, trash or other waste matter, in the corporate limits.

To require any building that, in the opinion of the council is dangerous, to be repaired, altered or removed by the owners thereof, or put in a safe condition, such as the council may approve, at the expense of such owners or occupier, and to provide punishments for failure to comply with any order of the council concerning same

To regulate the height, construction and inspection of all new buildings hereafter erected, the alteration and repair of any buildings now or hereafter erected, to require permits to be obtained of the council therefor, and the submission of plans and specifications to the council for its approval; to regulate the limits within which it shall be lawful to erect any steps, porticos, bay windows, awnings, signs, columns, piers, or other projection or structural ornaments of any kind for the houses or buildings on any street or alley.

To provide for the prevention and extinguishment of fires, and for this purpose, the council may equip and govern fire companies, prescribe the powers and duties of such companies and departments, and of the several officers thereof, or may authorize volunteer fire companies, under such rules and regulations as the council may prescribe, and impose on those who fail to obey any lawful command of the officer in charge of any such company, or volunteer company, any penalty which the council is authorized to impose for violation of an ordinance, and to give authority to any such fire officer to direct the pulling down or destruction of any building, fence, wall or other thing, if such officer deem it necessary, to prevent the spreading of any fire which is being extinguished under the direction of such officer, and without any liability on the municipality for damages therefor.

To protect the persons and property within the corporate limits and preserve the peace and good order therein, and for this purpose to appoint, when necessary, a police force and such other officers as may be deemed necessary; and to provide a lock-up, jail or other suitable place to confine persons sentenced to imprisonment for violation of the ordinances of said city; *provided, however*, that the jail in Barbour county may be used for that purpose, if authorized by the county court of said county

To require any person violating any of the ordinances of said city, or any order for which a fine, imprisonment or both is imposed, to work upon the streets of said city in case of non-payment of said fine, until the same is paid by such labor, or in case imprisonment is imposed to work upon the streets of said city during the term of such imprisonment in addition to the payment of such fine, under such regulations as the council may prescribe.

To prescribe the powers, define the duties of the officers appointed under the corporate authority, fix their terms of service and compensation, if not otherwise prescribed by this chapter, and to require and take from them bonds, when deemed necessary, payable to the state of West Virginia, or the City of Belington, with the sureties, and in such penalties as may be prescribed, conditioned for the faithful discharge of their respective duties; *provided*, that the compensation of any officer, elected or appointed, shall not be increased nor diminished during the time for which he is elected or appointed.

To make regulations with respect to, and have supervision and control over the erection, removal and re-location of all telephone, telegraphs, electric light or other poles within said city, and the extension of wires, lines or poles by any individuals or corporations.

To grant and regulate all franchises in, upon, over and under the streets, alleys and public ways of said city, under such restrictions as shall be provided by ordinance and general law; but no exclusive franchise shall be granted by said city council to any individual or corporation; nor shall any franchise be granted for a longer period than twenty years.

To acquire, erect or authorize or prohibit the erection of gas works, electric light works or water works within the city limits; to prevent injury to such works or the pollution of any gas or water used or intended to be used by the public or by individuals; and to do all things necessary to adequately supply said city and the inhabitants thereof with pure, healthful and wholesome water; and to require any company furnishing gas or electricity for sale or distribution in said city, to furnish an adequate supply thereof; to require gas fixtures, electric light wires, telephone w[illegible] and all

apparatus used in connection with any of these, to be kept in repair and suitable for use, and free from danger, so far as practicable, to use, generate, distribute and sell electricity and gas for heat, light and power, and to furnish light for the streets, highways, buildings, stores and other places in and about said city.

To require any gas company or person furnishing gas for said city or the inhabitants thereof, to put in standard meters for the measurement thereof, and may appoint a competent person to inspect the meters and remove the same if not standard and in good order; to prevent injury to any gas works, electric light works, water system or any gas meter or other meter within said municipality.

The council shall have the right to require of any water company or person furnishing water for the use of the inhabitants of said city, for hire, compensation or reward, to obey any order of the council with respect to keeping the reservoir or other source from which said water is furnished, free from filth and in good, clean condition, and may require said water company to properly filter the water distributed for use, and may require said company to put in such lines as may be necessary to pump the said water into the reservoir or other receptacle therefor, without pumping the same into the main distributing lines, or in any other way or manner affecting them; and may fix fines and penalties for any failure on the part of any corporation, company or other person distributing water, to obey any order of the council or any authorized officer of the town, respecting same, or any ordinance that may be enacted by the council relative thereto.

The council shall have the right to own, maintain, operate and control any electric light or water plant within said city, and to use, generate, distribute, sell and control electricity and gas for heat, light and power, and to furnish light and water for the streets, houses, buildings, stores, and other places in and about said city, and for such electricity or water other than that furnished for the municipality in lighting its streets or public places, it may charge reasonable rates, but such rates in all cases shall be uniform; and such electric light or water plant shall be under the supervision

and control of the council, and its wires, poles, pipe line, reservoirs, distributing system and machinery shall be kept in such repair so that as little danger as possible shall arise therefrom, and so that same will furnish an adequate supply of electricity and water to all persons in said city desiring to use same.

To have, hold, own and control real estate and personal property, both inside the corporate limits of the said City of Belington and without such corporate limits, and the right to do any and all things necessary, collateral or incident to the owning, maintaining and operating of a full and complete water plant and system by the said city of Belington, whether within said corporate limits or outside of the same.

The council shall have the right to provide a sewerage system for said city, and may require the owner of any property abutting upon any street or alley in which a sewer has been laid or placed, to connect a sewer leading from his or her property or lot into any public sewer which is located in such street or alley adjoining same, and pay such fees for tapping, as the council shall prescribe, and if the owner or occupier of said lot or property fails or refuses to do so, after having been given a reasonable notice, the council may enter upon such lot and construct such sewers, and may levy the actual cost thereof including fee fixed by council for sewer tap against the lot upon which the same is built and collect such costs from the owner of such lot in the same manner as city or state taxes are collected; in addition thereto, the council may punish by fine, or fine and imprisonment, any person who permits any drainage from his residence or lot to enter upon any street or upon any property after a sewer has been placed in a street or alley adjacent to his property to which he could connect, after notice has been given to him by the council to make such connection.

The council shall have the right to impose fines and penalties for any interference with or destruction of the sewer system or any part thereof in said city, or for the destruction of or damage to any street, alley or sidewalk in said city, or any improper use thereof; it shall have the right to regu-

late or prevent the use of the sidewalks for bicycles, push carts, sleds, tricycles, roller skates and other things of like character, and to fix fines and penalties for violation of the ordinances respecting same.

To grant by ordinance or resolution permits for the temporary use of such parts of its streets, roads, alleys and public places as the council may deem proper and right to be used in the construction, alteration or repair or buildings located thereon, or for such other purposes as the council may deem proper and right, and under such regulations and for such time as the council may prescribe.

The council may buy, lease and operate either within or without the municipality, stone quarries, crushers and land for said purposes or for the purpose of furnishing a supply of stone or other material suitable for macadamizing or paving the streets, sidewalks and alleys, and improving public property.

Whenever in the opinion of the council it is necessary that any sidewalk be built or repaired, it shall first have a competent engineer fix a grade line for such sidewalk and shall then, by order of council, name the character of material out of which same is to be built, and fix the width thereof, and put in such curbing as the council may deem necessary, as well as make the necessary cuts or fills to conform to grade given, and shall then give notice, in writing, to the owner or occupier of said lot, if he be found, and if he be not found, by posting notice thereof upon the said lot and at the front door of the court house of Barbour county for at least ten days, requiring the construction of the said sidewalk in accordance with the requirements of the council, and upon the grade fixed by the said engineer, and if such sidewalk be not built, altered or repaired within twenty days after such notice is first given or posted, the council shall proceed to put the same in under its supervision and control and shall charge the expense thereof against the property along which the same is being placed, altered or repaired, and shall cause an itemized account of the same to be made up and delivered to such property owner or occupier of such premises, if found, and if he be not found, have the same recorded

in the county clerk's office of Barbour county, and the same shall constitute a lien upon the said lot or property and shall be collected as other taxes are collected; *provided*, nothing herein contained shall prevent the council from requiring immediate repair of such sidewalks now or hereafter constructed that may become dangerous, and after notice to the property owner along which the same run, the council may make such immediate repairs, if the property owner fails to make same after such notice, and the expense thereof shall be a lien in the manner aforesaid.

The council shall have the right when in its opinion it is necessary or proper so to do to pave or otherwise improve by macadam, tarvia or concrete any street or alley of the said city and to charge one-half of the cost thereof to the owner of the property on each side of the said street or alley; but the grading and preparing shall be done by the city and paid for out of such funds as the council may provide, but such improvement shall be done and such assessment and charges made against the property owners as provided by the general law of the state of West Virginia.

To provide for the annual assessment of the taxable property in said city, including dogs kept in said city, and to provide a revenue for the city for municipal purposes and appropriate such revenue to its expenses; *provided*, nothing herein contained shall require the council to keep in repair and maintain any bridge or bridges within said corporation owned by the county of Barbour, but the officers of said corporation in the preservation of law and order shall have jurisdiction over any such bridges within said corporation; and, *provided, further*, that the police regulations as may be ordained by said city, and the right and power to enforce the same shall extend one mile into the state of West Virginia beyond the corporate limits of said city.

To create by ordinance such committees or boards, delegate such authority thereto, as may be deemed necessary or advisable by the council.

The council may, within any prescribed area, prohibit the erection in any street or in any square, of any building, or of any addition to any building more than ten feet high,

unless the outer walls thereof be made of brick and mortar or other fire proof material. And may require the removal of any building, or addition, which shall be hereafter erected contrary to this prohibition, at the expense of the owner or owners thereof.

The council shall keep all roads, streets and alleys within its limits passable and in good repair, except where such streets are surrendered to the state or county for main highways, and may provide the expenses therefor by a direct taxation, as provided under this charter, or in any other manner authorized by law; and the residents of the said city who are taxed therein for the purpose of maintaining such streets and alleys shall be exempt from the payment of any county road tax.

In the enforcement of the ordinances, orders, rules, regulations and by-laws of the said city, no fine shall be imposed exceeding one hundred dollars, and no person shall be imprisoned or compelled to labor upon the streets of said city as aforesaid more than thirty days, for any one offense, and in all cases where a fine is imposed for an amount exceeding ten dollars or a person be imprisoned or compelled to labor as aforesaid for a greater term than ten days, an appeal may be taken from such decision upon the same terms and conditions that appeals are taken from a judgment of a justice of this state; and in no case shall a fine of less than ten dollars be imposed where the ordinance prescribes a fine of as much as ten dollars or more, if the defendant requests that such fine be made at least ten dollars for the purpose of appeal.

The council shall have the right to enforce the attendance of its members at all regular meetings and at all special meetings of which such members have notice, and may cause the arrest and punishment, by fine or fine and imprisonment, of any such member who refuses to attend and take part in its proceedings.

It shall be the express duty of the council to present charges against any of its members, or any officer of the city, who fails to perform, or who does not promptly and diligently perform any duty prescribed by this act, or by any

ordinance or resolution of the council, and upon hearing thereof before the council, after notice to such officer, he shall be removed from office by the council, if the charges be found correct.

Mayor's Docket.

Sec. 30. A well bound book, indexed, to be denominated the "mayor's docket," shall be kept in the office of the mayor in which shall be noted each case brought before or tried by him together with the proceedings therein, including a statement of the complaint, the warrant or summons, the return, the fact of appearance or non-appearance, the defense, the hearing, the judgment, the cost, and in case the judgment be one of conviction the action to enforce the same. The record of each case shall be signed by the mayor and the original papers thereof, if no appeal be taken, shall be kept together and preserved in his office.

Annual Levy.

Sec. 31. The council shall cause to be made up annually and spread upon the minute book an estimate of all sums which are or may become chargeable against the city and which ought to be paid within one year; and it shall order a levy at a meeting held by it either in the month of June or July of each year of so much as will in its judgment be necessary to pay the same; such levy shall be upon all real and personal property therein subject to a state tax, and shall designate the same as the "general tax," and may include a poll tax of not exceeding one dollar each year upon each able bodied man therein who is above the age of twenty-one years and not over fifty years of age; which poll tax shall be used exclusively upon the opening, improving and maintaining the roads, streets and alleys of the city, and shall designate the same as the "street tax;" *provided*, that such levy for the general tax shall not exceed one dollar on every hundred dollars of the assessed value of the property on which the same is levied for the year one thousand nine hundred and five and not exceeding fifty cents on each one hundred dollars thereafter; and the council may also impose such license tax on dogs, and other animals as they deem proper and collect the same from the owners of such animals as other taxes are collected and prescribe

such rules, regulations and penalties governing the payment of such tax on animals as they may deem reasonable. At least once in each year the council shall cause to be made up and published in one or more of the newspapers published in the city an accurate record of the revenue received from all sources and of all expenditures upon all the different accounts for the preceding year.

Annual Assessment.

Sec. 32. It shall be the duty of the assessor or city clerk to make an assessment of the property within the city subject to taxation substantially in the manner and form in which assessments are made by the assessors of the county and return the same to the council on or before the first day of June of each year, and for this purpose he shall have all of the powers conferred by law upon county assessors. He shall list the number of dogs and other animals subject to a license tax in the city and the names of the persons owning the same which list shall be returned to the council at the same time his assessment books are returned. But in making his assessments on real and personal property he shall be governed by the assessment on real and personal property for state and county purposes for said year, and the value placed on said property shall not exceed the value of such assessment for county and state purposes. In order to aid the said assessor or city clerk in ascertaining the property subject to taxation by said city he shall have access to all books and public records of said Barbour county without expense to him or said city and he shall have the same power and be subject to the same penalties in ascertaining and assessing the property and subjects of taxation in said city as are granted and imposed on the county assessors throughout the state by general law; and the council shall have authority to prescribe by general ordinance such other rules and regulations as may be necessary to enable and require such assessor or city clerk to ascertain and properly assess all property liable to be taxed by said city, so that such assessment and taxation shall be uniform and equal, and the council may enforce such rules and regulations by reasonable fines to be imposed on any one failing or refusing to comply therewith.

Assessor's Books

Sec. 33. The assessor or city clerk shall make two copies of his assessment books each year and extend the taxes in each book and deliver the same when completed and sworn to, to the city council, one of which shall be retained in the office of the city clerk, and the other delivered to the city collector and treasurer or city clerk taking his receipt therefor.

Lien for Taxes.

Sec. 34. There shall be a lien on real estate within said city for the city taxes assessed thereon, and for all fines and penalties assessed to or imposed upon the owners thereof by the authorities of said city, including expenses for making sidewalks and streets from the time the same are so assessed or imposed, which shall have priority over all the other liens except taxes or dues due the United States and the lien for taxes due to the state, county or district; and such liens may be enforced by the council in the same manner provided by law for the enforcement of the lien for county taxes. If any real estate within said city be returned delinquent for the nonpayment of city taxes due thereon, a copy of said delinquent list shall be certified by the council to the auditor of this state and the same may be sold for city taxes, interest and commissions thereon in the same manner, at the same time and by the same officers as real estate is sold for state taxes; and a return of such sales made to and a deed executed therefor, if not redeemed in the same manner and with like effect, as the return of sales of real estate sold for state taxes are made and deeds executed therefor to purchasers.

Collection of Taxes.

Sec. 35. It shall be the duty of the city collector and treasurer or city clerk when the extended copies of the assessor's books are completed, to receive a copy thereof, receipting to the council for the same, and it shall be his duty to collect from the parties the entire amount of the taxes with which they are severally charged therein, and may proceed to collect the same at any time after the first day of August, and may enforce payment thereof by levy upon the personal property and sale thereof of the person so charged with taxes at any time after the first of October, next after said taxes are assessed; said taxes shall be a lien upon the property upon which are

assessed from and after the time the assessor's books are completed, verified and returned to the city council, and shall write the word "paid" opposite the name of each person who pays the taxes assessed against him and shall also give to the person paying such taxes a receipt therefor; *provided, however*, that said assessor and treasurer or city clerk may distrain at any time for any taxes assessed against a person who is about to remove or who has removed from said city after such taxes are assessed, and the books are returned as aforesaid. He shall also receive such other moneys of the city as he is authorized by this act to receive, and also all moneys ordered by the council to be paid to him, giving receipt therefor to the parties paying the same, and shall keep an accurate, itemized account of all moneys received by him, and his books shall at all times be open for the inspection of the mayor, council, city clerk and to any taxpayer of the city. He shall also make up a monthly statement of the money received by him and the amount paid out by him and to whom, showing the amount in his hands from all sources, and shall post the same in the mayor's office on the last day of each month. He shall pay out the money in his hands only upon the order of the city council upon orders signed by the mayor and the city clerk. He shall on or before the last meeting of the council in each year just before the expiration of the term of the office of the mayor, and at such other times as the council may require, present to the council a full and complete statement of all the moneys with which he is chargeable or that have been received by him and not previously accounted for, and shall at the same time, in like manner, furnish a complete statement, by separate items of all disbursements made by him during such period, with his vouchers evidencing same. He shall receive all taxes upon licenses and receipt to the party paying the same by endorsement upon the permit granted by order of the council, or mayor as the case may be. He shall receive upon all money coming into his hands and paid out by him as his compensation for receiving and disbursing the same such sum as may be fixed by the council not to exceed five *per centum* thereof. He shall upon the expiration of his term of office turn over to the council all books and other property in his possession belonging

to the city except the money in his hands, which he shall turn over to his successor upon the order of the council, as hereinbefore provided; and shall, before entering upon the duties of office, execute a bond with good security payable to said city in a penalty of not less than three thousand dollars, conditioned that he will faithfully discharge the duties of his office and account for and pay over as required by law and the orders, ordinances, rules and regulations of the council of said city, all money which shall come into his hands, which bond shall be subject to the approval of the council. He shall be chargeable with all the city taxes, levies and assessments and money of the city which shall come into his hands and shall account therefor.

Licenses.

Sec. 36. The council shall prescribe by ordinance the time and manner in which licenses of all kinds shall be applied for and granted, and shall require the payment of the tax thereon to the city collector and treasurer before the delivery thereof to the person applying therefor.

Of the Time for Which License Is to be Granted

Sec. 37. The provisions of the twenty-ninth section of chapter thirty-two of the code of West Virginia shall be deemed applicable to licenses of a similar character to those therein mentioned when granted by or under authority of the council of said city; licenses for the keeping of dogs or other animals, shall also expire on the thirtieth day of April next after they are granted.

Condemnation of Land for Public Use.

Sec. 38. The council shall have the right to institute and prosecute proceedings in the name of the city for condemnation of real estate, for streets, alleys, roads, drains, sewer, market grounds, city prison, water works, electric light plant or other works, for purposes of public utility. Such proceedings shall conform to the provisions of chapter forty-two of the code of West Virginia, and the expenses thereof shall be borne by the city, except in cases where it is proper under said chapter to charge said expenses or any part thereof against the defendant.

Provision for Bonding Said City.

Sec. 39. The council of the said city shall have the right to bond the said city for the purpose of paving said streets

or for any other permanent improvement whenever the council thereof may deem the same necessary, but the aggregate indebtedness of the said city for all purposes shall never at any time exceed five *per centum* of the assessed valuation of the taxable property therein according to the last assessment next preceding said date, and the said council shall provide a fund for the payment of the interest annually on the said indebtedness so created and to pay the principal thereof within and not exceeding thirty-four years; *provided*, that no debt shall be contracted hereunder, unless all questions connected with the same be first submitted to a vote of the qualified voters cast for and against the same.

No Indebtedness to be Created for Current Expenses.

Sec. 40. The council of the said city shall not at any time or for any purpose create any indebtedness against the said city except as provided in the next preceding section, exceeding the available assets of the said city for the current year, and if the said council shall create such indebtedness or issue orders on the said city for an amount exceeding the amount of money collected for that year for said city from all sources and the amount of money then in the treasury appropriated, the members of said council shall be severally and jointly liable for the the payment of the excess of such indebtedness or orders over the amount of money applicable thereto, and the same may be recovered in any court having jurisdiction thereof.

Streets, Roads and Bridges.

Sec. 41. The said city shall conduct and maintain its own roads and streets, and by reason thereof shall not be required to pay any district or county road levies for the construction and maintenance of roads outside of the city limits; but the county shall remain chargeable for the construction and maintenance of bridges within the city.

Existing Ordinances.

Sec. 42. All the ordinances, by-laws, resolutions and rules of the City of Belington in force on the day preceding the passage of this act, which are not inconsistent herewith, shall be and remain in full force over the whole boundary of said City of Belington as established by this act until the same are amended or repealed by the council of said city, and the officers

in office, in the City of Belington, at the time this act takes effect shall remain in office until their successors under this act are elected and qualified, as hereinbefore provided; and after this act takes effect shall have jurisdiction over the territory embraced in the boundary specified in this act, and shall perform all the duties of such respective officers under this act; but nothing in this act shall be construed or held to in any way affect or impair any of the bonds, obligations or indebtedness of the City of Belington issued or contracted prior to the passage of this act, but on the contrary the said City of Belington shall be liable for all the bonds, obligations and indebtedness of the City of Belington as though the same had been created hereunder.

When Officers First Elected to Assume Duties of Office.

Sec. 43. The mayor and councilmen elected under the provisions of this act, as hereinbefore provided, shall assume the duties of their respective offices at the time or times hereinbefore provided for, or as soon thereafter as they have qualified; and if this act shall not be passed prior to the election provided to be held in March, one thousand nine hundred and twenty-seven, the councilmen and mayor so elected shall be and remain in office in all respects as though elected under the provisions of this act, and shall serve as such mayor and councilmen until their successors are elected and qualified.

Repeal of Ordinances.

Sec. 44. All ordinances of the City of Belington as they exist at the time of the passage of this act, which are not consistent herewith, are hereby abrogated.

Repeal of Inconsistent Acts.

Sec. 45. All acts and parts of acts, not consistent with this act are hereby repealed and annulled.

CHAPTER 15

(House Bill No. 481—Mr. Massie.)

AN ACT to amend chapter two of the acts of the legislature of West Virginia regular session of one thousand nine hundred

Bill Williams
Mayor

Leona Praudfoot
City Clerk

February 21, 1963

A special meeting of the council of the City of Belington was [illegible] the above date with the following members present: Mayor Bill Will[illegible] Councilmen; A. D. Hillyard, Abrum Myers, Charles Poe, Curtis Rhoades, Clark Steerman, Ed[illegible], and Raymond Wilmeth.

The meeting was called for the purpose to adopt. The resolution [illegible] an Amendment to the Charter of the City of Belington.

The council voted to adopt the Amendments of the Charter on a [illegible] of Clark Steerman, seconded by Curtis Rhoades.

The first reading was 2-7-63, second reading 2-21-63.

[redacted]

The meeting ad[illegible] Clark Steerman, seconded by Charles Poe.

Leona Praud[illegible]
City Clerk

Bill Williams

CITY OF BELINGTON

Progressive and Growing

Belington, West Virginia 26250

State of West Virginia
County of Barbour
City of Belington, to-wit;

I do solemnly swear that I will support the Constitution of the United States and the Constitution of the State of West Virginia, and that I will faithfully discharge the duties of the office of MAYOR for the CITY OF BELINGTON to the best of my skill and judgment: SO HELP ME GOD.

Subscribed and sworn to before me, in said County and State, this 20th day of March, 1997.

Irene Ross

CITY OF BELINGTON

Progressive and Growing

Belington, West Virginia 26250

State of West Virginia
County of Barbour
City of Belington, to-wit;

I do solemnly swear that I will support the Constitution of the United States and the Constitution of the State of West Virginia, and that I will faithfully discharge the duties of the office of City Clerk for the CITY OF BELINGTON to the best of my skill and judgment: SO HELP ME GOD.

Susan Bradley

Subscribed and sworn to before me, in said County and State, this First day of April, 1995.

CITY OF BELINGTON

Progressive and Growing

Belington, West Virginia 26250

State of West Virginia
County of Barbour
City of Belington, to-wit;

I do solemnly swear that I will support the Constitution of the United States and the Constitution of the State of West Virginia, and that I will faithfully discharge the duties of the office of COUNCIL PERSON of WARD 1 for the CITY OF BELINGTON to the best of my skill and judgment: SO HELP ME GOD.

James Harris

Subscribed and sworn to before me, in said County and State, this 12 day of June, 1991.

Susan Bradley

CITY OF BELINGTON

Progressive and Growing

Belington, West Virginia 26250

State of West Virginia
County of Barbour
City of Belington, to-wit;

I do solemnly swear that I will support the Constitution of the United States and the Constitution of the State of West Virginia, and that I will faithfully discharge the duties of the office of COUNCIL PERSON of WARD III for the CITY OF BELINGTON to the best of my skill and judgment: SO HELP ME GOD.

Marie [illegible]

Subscribed and sworn to before me, in said County and State, this 20th day of March, 1997.

Irene Rose

CITY OF BELINGTON

Progressive and Growing

Belington, West Virginia 26250

State of West Virginia
County of Barbour
City of Belington, to-wit;

I do solemnly swear that I will support the Constitution of the United States and the Constitution of the State of West Virginia, and that I will faithfully discharge the duties of the office of COUNCIL PERSON of WARD III for the CITY OF BELINGTON to the best of my skill and judgment: SO HELP ME GOD.

Dana Booth

Subscribed and sworn to before me, in said County and State, this 6th day of April, 1995.

Irene Ross

CITY OF BELINGTON

Progressive and Growing

Belington, West Virginia 26250

State of West Virginia
County of Barbour
City of Belington, to-wit;

I do solemnly swear that I will support the Constitution of the United States and the Constitution of the State of West Virginia, and that I will faithfully discharge the duties of the office of COUNCIL PERSON of WARD II for the CITY OF BELINGTON to the best of my skill and judgment: SO HELP ME GOD.

Maxwell L Reed

Subscribed and sworn to before me, in said County and State, this 20th day of March, 1947.

Irene Rose

CITY OF BELINGTON

Progressive and Growing

Belington, West Virginia 26250

State of West Virginia
County of Barbour
City of Belington, to-wit;

I do solemnly swear that I will support the Constitution of the United States and the Constitution of the State of West Virginia, and that I will faithfully discharge the duties of the office of COUNCIL PERSON of WARD 2 for the CITY OF BELINGTON to the best of my skill and judgment: SO HELP ME GOD.

Wayne L Dant

Subscribed and sworn to before me, in said County and State, this 20th day of March, 1997.

Irene Roor

CITY OF BELINGTON

Progressive and Growing

Belington, West Virginia 26250

State of West Virginia
County of Barbour
City of Belington, to-wit;

I do solemnly swear that I will support the Constitution of the United States and the Constitution of the State of West Virginia, and that I will faithfully discharge the duties of the office of COUNCIL PERSON of WARD IV for the CITY OF BELINGTON to the best of my skill and judgment: SO HELP ME GOD.

Earl M Jones

Subscribed and sworn to before me, in said County and State, this 28 day of MARCH, 1995.

Irene Ross

CITY OF BELINGTON

Progressive and Growing

Belington, West Virginia 26250

State of West Virginia
County of Barbour
City of Belington, to-wit;

I do solemnly swear that I will support the Constitution of the United States and the Constitution of the State of West Virginia, and that I will faithfully discharge the duties of the office of COUNCIL PERSON of WARD IV for the CITY OF BELINGTON to the best of my skill and judgment: SO HELP ME GOD.

Bernard Cross

Subscribed and sworn to before me, in said County and State, this 20th day of March, 1997.

Irene Ross

CITY OF BELINGTON

Progressive and Growing

Belington, West Virginia 26250

State of West Virginia
County of Barbour
City of Belington, to-wit;

I do solemnly swear that I will support the Constitution of the United States and the Constitution of the State of West Virginia, and that I will faithfully discharge the duties of the office of COUNCIL PERSON of WARD 1 for the CITY OF BELINGTON to the best of my skill and judgment: SO HELP ME GOD.

Subscribed and sworn to before me, in said County and State, this 12 day of June, 1991.

Susan Bradley

P. S. C. W. Va. No. 4

Cancels P. S. C. W. Va. No. 3

Public Service Commission
on W.V. Tariff Office

SEP 1 8 1991

Special Studies Section
RECEIVED

TOWN OF BELINGTON, a municipal corporation

OF

Belington, West Virginia

Rates, Rules and Regulations for Furnishing

SEWERAGE AND SEWAGE DISPOSAL SERVICE

AT

Belington, Barbour County, West Virginia.

Filed with THE PUBLIC SERVICE COMMISSION OF WEST VIRGINIA

Issued November 16 1989 19 Effective January 1, 1990, 19

Passed by Town Council.

Issued by TOWN OF BELINGTON
(Name of Utility)

By [signature]
Mayor

15A

RULES AND REGULATIONS

I. Rules and Regulations for the Government of Sewerage Utilities, adopted by the Public Service Commission of West Virginia, and now in effect, and all amendments hereto and modifications thereof hereafter made by said Commission.

The adjusted rate schedule for sewer service in the Town of Belington shall be as follows:

AVAILABILITY

Available for general domestic, commercial and industrial service.

(A) SEWER RATES - Meter Rate (Based on volume of water used)

First 3000 gallons of water metered $3.33 per thousand gallons.

Next 3000 gallons of water metered $2.46 per thousand gallons.

Next 4000 gallons of water metered $2.00 per thousand gallons.

Next 10,000 gallons of water metered $1.60 per thousand gallons.

Next 30,000 gallons of water metered $1.33 per thousand gallons.

Over 50,000 gallons of water metered $1.13 per thousand gallons.

(A) MINIMUM CHARGE

No bill will be rendered for less than $ 9.99 per month.

DELAYED PAYMENT PENALTY

The above tariff is net. On all accounts not paid in full within twenty (20) days of date of bill, ten percent (10%) will be added to the net amount shown.

TAPPING FEE

A tap fee of One-Hundred Fifty Dollars ($150.00) shall be charged for new taps.

(A) Indicates advance

CITY OF BELINGTON
WATER RATE ORDINANCE

AN ORDINANCE SETTING FORTH WATER RATES FOR GENERAL DOMESTIC, COMMERCIAL AND INDUSTRIAL SERVICE, DELAYED PAYMENT PENALTY, RECONNECTION CHARGE AND CONNECTION CHARGE FOR SERVICE TO CUSTOMERS OF THE WATERWORKS SYSTEM OF THE CITY OF BELINGTON

THE COUNCIL OF THE CITY OF BELINGTON HEREBY ORDAINS: The following schedule of water rates, delayed payment penalty, reconnection charge and connection charge are hereby fixed and determined as the water rates, delayed payment penalty, reconnection charge and connection charge to be charged to customers of the waterworks system of the City of Belington throughout the territory served:

SECTION 1. SCHEDULE OF RATES

AVAILABILITY OF SERVICE

Available for general domestic, commercial and industrial service.

RATES

First:	2,000 gallons used per month	$ 5.65 per 1,000 gallons
Next:	48,000 gallons used per month	$ 3.57 per 1,000 gallons
All over:	50,000 gallons used per month	$ 2.93 per 1,000 gallons

MINIMUM BILL

Minimum monthly bill - $11.30

MINIMUM CHARGE

5/8 inch meter	$ 11.30 per month
3/4 inch meter	$ 16.95 per month
1 inch meter	$ 28.25 per month
1 1/4 inch meter	$ 39.55 per month
1 1/2 inch meter	$ 56.50 per month
2 inch meter	$ 90.40 per month
3 inch meter	$169.50 per month

4 inch meter	$282.50 per month
6 inch meter	$565.00 per month
8 inch meter	$904.00 per month

DELAYED PAYMENT PENALTY

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

DISCONNECT FOR NON-PAYMENT

If any bill is not paid within twenty (20) days after the date of bill, water service to the customer will be discontinued. Water service will not be restored until all past due water bills have been paid in full and all accrued penalties plus a reconnection charge have been paid.

RECONNECTION CHARGE

Service shall not be restored until all amounts in arrears, including penalties plus a reconnection charge of $25.00 during business hours (7:00 a.m. to 3:30 p.m.) and $50.00 at all other times, have been paid.

CONNECTION CHARGE

There shall be a charge of $350 for connecting to the System. However, the charge will be based upon the time and materials involved on any meter over 3/4 inch.

SECTION 2. EFFECTIVE DATE

The water rates, delayed payment penalty, reconnection charge and connection charge provided herein shall be effective 45 days after the enactment hereof.

SECTION 3. SEPARABILITY; REPEAL OF CONFLICTING ORDINANCES

The provisions of this Ordinance are separable, and if any clause, provision on section hereof shall be held void or unenforceable by any court of competent jurisdiction, such holding shall not affect the remainder of this Ordinance. Upon the effective date of the water rates, delayed payment penalty, reconnection charge and connection charge as herein set forth, all ordinances, resolutions, orders or parts thereof in conflict with the provisions of this Ordinance are, to the extent of such conflicts, hereby repealed; and to the extent that the provisions of this Ordinance do not

touch upon the provisions of prior ordinances, resolutions, orders or parts thereof, the same shall remain in full force and effect.

SECTION 4. STATUTORY NOTICE AND PUBLIC HEARING

Upon introduction and adoption at first reading hereof, the City Clerk shall publish a copy of this Ordinance once a week for two weeks, with the first such publication to occur not less than 10 days before the meeting at which this Ordinance is to be finally adopted, one time in The Barbour Democrat, a qualified newspaper of general circulation in the City of Belington (there being no qualified newspaper published therein), and said notice shall state the subject matter and general title of this Ordinance, that this Ordinance has been introduced and adopted at first reading, and that any person interested may appear before the Council of the City of Belington, at the Belington Fire Hall, Elliott Avenue, Belington, West Virginia, on the 22nd day of August, 1996, at 7:00 p.m., which is the date, time and place of the proposed ordinance. At such hearing all objections and suggestions shall be heard and the Council shall take such action as it shall deem proper in the premises. Copies of the proposed ordinance shall be available to the public for inspection at the office of the Mayor in the Belington City Hall, Belington, West Virginia.

The above Ordinance has been introduced at a meeting of Council held August 1, 1996.

Passed on First Reading: August 1, 1996

Passed on Second Reading
Following Public Hearing: August 22, 1996

Mayor

CERTIFICATION AND NOTICE

The foregoing Water Rate Ordinance has been introduced and adopted on first reading at a meeting of the Council held on August 1, 1996. Any person interested may appear before the Council of the City of Belington at the Belington Fire Hall, Elliott Avenue, Belington, West Virginia, on the 22nd day of August, 1996, at 7:00 p.m., being the date, time and place of the proposed final adoption of the Water Rate Ordinance, and be heard with respect to the proposed ordinance. The Council will then take such action as it shall deem proper in the premises.

The proposed ordinance may be inspected by the public at the Office of the Mayor in the Belington City Hall, Belington, West Virginia.

Dated: August 7, 1996

Irene Ross

City Clerk

CERTIFICATION

Certified a true copy of an Ordinance duly enacted by the Council of the CITY OF BELINGTON on the 22nd day of August, 1996.

Dated: March 3, 1997

[SEAL]

Irene Rose

City Clerk

02/13/97
TOBJM.D6
062490/95001

Office of THE BARBOUR DEMOCRAT

I, ROBERT A. BYRNE, Editor of THE BARBOUR DEMOCRAT, a weekly newspaper published in the City of Philippi, County of Barbour, and State of West Virginia, do certify that the annexed.

LEGAL NOTICE

was duly printed in said paper One successive weeks, commencing on Wednesday, the 8th day of November, 19 89

Given under my hand at Philippi, West Virginia, this 8th day of November, 19 89.

Robert A. Byrne, Editor

Printer's Fee ..... $

Posters ..... $

TOTAL ..... $ 28.00

STATE OF WEST VIRGINIA, COUNTY OF BARBOUR:

Sworn to and subscribed before me this 29th day of November, 19 89.

Ruby P. Ware

NOTARY PUBLIC

My Commission Expires ~~April 18, 1993~~ 9/6/93

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
RUBY P. WARE
201 Bradshaw Street
Belington, West Virginia 26250
My Commission Expires Sept. 6, 1993

LEGAL NOTICE

Notice is hereby given that at its regular meeting to be held on November 16, 1989, in Council Chambers of City Hall, the Town Council of the City of Belington will consider for final adoption the following ordinance:

ORDINANCE TO AMEND AND REENACT THE RATES FOR FURNISHING WATER, SEWER, AND SEWAGE DISPOSAL SERVICE FOR THE CITY OF BELINGTON AND VICINITY BARBOUR COUNTY, WEST VIRGINIA, BY INCREASING THE RATES CHARGED THEREFOR IN ACCORDANCE WITH THE ATTACHED RATE SCHEDULE "A" FOR WATER RATES AND THE ATTACHED RATE SCHEDULE "B" FOR SEWER AND SEWAGE DISPOSAL RATES.

Such ordinance will increase the water rates charged by the City of Belington as follows:

MINIMUM CHARGE FOR WATER SERVICE

Increase from $5.06 to $5.45

WATER RATES

First 3600 gallons of water metered

Increase from $2.30 to $2.42 per thousand gallons used.

Next 2500 gallons of water metered

Increase from $2.00 to $2.10 per thousand gallons used.

Next 4000 gallons of water metered

Increase from $1.60 to $1.68 per thousand gallons used.

Next 10,000 gallons of water metered

Increase from $1.30 to $1.37 per thousand gallons used.

Next 30,000 gallons of water metered

Increase from $1.10 to $1.16 per thousand gallons used.

Over 50,000 gallons of water metered

Increase from $.90 to $.95 per thousand gallons used.

Such ordinance will increase the sewer rates charged by the City of Belington as follows:

MINIMUM CHARGE FOR SEWER AND SEWAGE DISPOSAL SERVICE

Increase from $7.50 to $8.00

SEWER AND SEWAGE DISPOSAL RATES

First 3600 gallons of water metered

Increase from $2.50 to $2.63 per thousand gallons used.

Next 2500 gallons of water metered

Increase from $2.20 to $2.46 per thousand gallons used.

Next 4000 gallons of water metered

Increase from $1.50 to $2.00 per thousand gallons used.

Next 10,000 gallons of water metered

Increase from $1.20 to $1.68 per thousand gallons used.

Next 30,000 gallons of water metered

Increase from $1.00 to $1.00 per thousand gallons used.

Over 50,000 gallons of water metered

Increase from $.85 to $1.12 per thousand gallons used.

Such ordinance will become effective one month after final adoption of said ordinance.

All persons having any objection to said rates, fees and charges shall be heard at the meeting of such ordinance. Copies of the ordinance are available for inspection in the Office of the City Clerk.

JOHN LARRY CARPENTER, Mayor
City of Belington

20-1t

16A

Office of THE BARBOUR DEMOCRAT

I, ROBERT A. BYRNE, Editor of the BARBOUR DEMOCRAT, a weekly newspaper published in the City of Philippi, County of Barbour, and State of West Virginia, do certify that the annexed:

LEGAL NOTICE

was duly printed in said paper two successive weeks, commencing on Wednesday, the 7th day of August, 1996.

Given under my hand at Philippi, West Virginia, this 21st day of August, 1996.

Robert A. Byrne, Editor

Printer's Fee $139.86

STATE OF WEST VIRGINIA, COUNTY OF BARBOUR:
Sworn to and subscribed before me this 21st of August, 1996

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
CATHY CORDER
308 Maple Avenue
Philippi, West Virginia 26416
My Commission Expires April 14, 2003

Cathy Corder
NOTARY PUBLIC
My Commission Expires April 14, 2003

16B

CITY OF BELINGTON

WATER RATE ORDINANCE

AN ORDINANCE SETTING FORTH WATER RATES FOR GENERAL DOMESTIC, COMMERCIAL AND INDUSTRIAL SERVICE, DELAYED PAYMENT PENALTY, RECONNECTION CHARGE AND CONNECTION CHARGE FOR SERVICE TO CUSTOMERS TO THE WATERWORKS SYSTEM OF THE CITY OF BELINGTON

THE COUNCIL OF THE CITY OF BELINGTON HEREBY ORDAINS: The following schedule of water rates, delayed payment penalty, reconnection charge and connection charge are hereby fixed and determined as the water rates, delayed payment penalty, reconnection charge and connection charge to be charged to customers of the waterworks system of the City of Belington throughout the territory served:

SECTION 1. SCHEDULE OF RATES

AVAILABILITY OF SERVICE

Available for general domestic, commercial and industrial service.

RATES

First:	2,000 gallons used per month	$5.66 per 1,000 gallons
Next:	48,000 gallons used per month	$3.57 per 1,000 gallons
All over:	50,000 gallons used per month	$2.93 per 1,000 gallons

MINIMUM BILL

Minimum monthly bill - $11.30

MINIMUM CHARGE

5/8 inch meter	$11.30 per month
3/4 inch meter	$16.95 per month
1 inch meter	$28.25 per month
1 1/4 inch meter	$39.55 per month
1 1/2 inch meter	$56.50 per month
2 inch meter	$90.40 per month
3 inch meter	$169.50 per month
4 inch meter	$282.50 per month
6 inch meter	$565.00 per month
8 inch meter	$904.00 per month

DELAYED PAYMENT PENALTY

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

DISCONNECT FOR NON-PAYMENT

If any bill is not paid within twenty (20) days after the date of bill, water service to the customer will be discontinued. Water service will not be restored until all past due water bills have been paid in full and all accrued penalties plus a reconnection charge have been paid.

RECONNECTION CHARGE

Service shall not be restored until all amounts in arrears, including penalties plus a reconnection charge of $25.00 during business hours (7:00 a.m. to 3:30 p.m.) and $50.00 at all other times, have been paid.

CONNECTION CHARGE

There shall be a charge of $350 for connecting to the System. However, the charge will be based upon the time and materials involved on any meter over 3/4 inch.

SECTION 2. EFFECTIVE DATE

The water rates, delayed payment penalty, reconnection charge and connection charge provided herein shall be effective 45 days after the enactment hereof.

SECTION 3. SEPARABILITY; REPEAL OF CONFLICTING ORDINANCES

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

SECTION 4. STATUTORY NOTICE AND PUBLIC HEARING

Upon introduction and adoption at first reading hereof, the City Clerk shall publish a copy of this Ordinance once a week for two weeks, with the first such publication to occur not less than 10 days before the meeting at which this Ordinance is to be finally adopted, one time in The Barbour Democrat, a qualified newspaper of general circulation in the City of Belington (there being no qualified newspaper published therein), and said notice shall state the subject matter and generalities of this Ordinance that this Ordinance has been introduced and adopted at first reading, and that any person interested may appear before the Council of the City of Belington, at the Belington Fire Hall, Elliott Avenue, Belington, West Virginia, on the 22nd day of August, 1996, at 7:00 p.m., which is the date, time and place of the proposed ordinance. At such hearing all objections and suggestions shall be heard and the Council shall take such action as it shall deem proper in the premises. Copies of the proposed ordinance shall be available to the public for inspection at the office of the Mayor in the Belington City Hall, Belington, West Virginia.

The above Ordinance has been introduced at a meeting of Council held August 1, 1996.

CERTIFICATION AND NOTICE

The foregoing Water Rate Ordinance has been introduced and adopted on first reading at a meeting of the Council held on August 1, 1996. Any person interested may appear before the Council of the City of Belington at the Belington Fire Hall, Elliott Avenue, Belington, West Virginia, on the 22nd day of August, 1996, at 7:00 p.m., being the date, time and place of the proposed final adoption of the Water Rate Ordinance, and be heard with respect to the proposed ordinance. The Council will then take such action as it shall deem proper in the premises.

The proposed ordinance may be inspected by the public at the Office of the Mayor in the Belington City Hall, Belington, West Virginia.

Dated: August 7, 1996

s/s Irene Ross
City Clerk

8-2x

COUNCIL MINUTES
October 19, 1989

The Common Council of the City of Belington met in regular session, Thursday, October 19, 1989 at 7:30 p.m. with Mayor Carpenter presiding. Council members present: Gerald Martin, Shirley Keen, Crdaig Bolton III, James Hart and Charles Armentrout.

Also present: Irene Ross, City Clerk; Jonas Friel, Street/Water Commissioner; Jeffrey Griffith, Police Dept.; Geraldine Roberts, City Attorney; Lucille Ramsey; Kenny Hill; Eddie Canterbury; Charles West; Louis Endler and Steve Pomp.

Roll Call

Minutes of October 5, 1989 minutes were read and approved as read.

Louis Endler appeared befored council to report a drainage problem in area of Custer and Williamson and requests city install a storm drain. After discussion, street committee to investigate and report at next council meeting.

Lucille Ramsey appeared before council to request city haul shale for alley near her residence. She advised she would pay for the shale if city would haul and spread shale. Motion Armentrout 2nd Martin to haul and spread stone in alley for Mrs. Ramsey. Motion carried. Mrs. Ramsey to pay for stone.

Charles West, on behalf of city planning commission, advised council that if comprehensive plan and zoning ordinance were properly adopted by council,(in his opinion, comprehensive plan was not properly adopted) council has violated zoning ordinance by permitting mobile homes in A-residential restricted zones. Mr. West also advised council that according to state code, the planning commission has the authority to see that the zoning ordinance is enforced.

OLD BUSINESS: Mayor advised council the Dept. of Highways have completed study ref. traffic light and city should receive report within next 2 to 3 weeks.

Councilwoman Keen requested report from street committee on sidewalks. Street Committee advised property owners should be advised of needed repair/replacement by council members and if no action is taken by property owner, city office to send a letter ref. matter.

Councilman Martin asked if DOH had requested to resurface Brown Ave. from bridge to city limits and was advised not yet. Councilman also requested storm drains on Brown Ave at Dayton Blvd. and River Rd. be dye tested to ascertain if drains are going into the sanitary sewer system and if this is the case, contact DOH by letter requesting drains be removed from the sanitary sewer system.

Councilman Bolton reported the present planning commission is questioning if the comprehensive plan and zoning ordinance were properly adopted by council. Motion Bolton 2nd Keen to have city attorney research records to see if properly adopted. Motion carried. Eddie Canterbury, former president of City Planning Commission, briefed council ont he mthods and procedures used to prepare both the comprehensive plan and zoning ordinance. Mr. Canterbury advised that the planning commission had worked with Region VUU and the city attorney in developing the comprehensive plan and preparing the zoning ordinance.

NEW BUSINESS: Mayor reported that the Good Samaritan has requested the use of the air compressor. After lengthy discussion, no action taken.

Council discussed trick or treat date and time. Council agreed that it should coincide with Philippi and Junior. Motion Bolton 2nd Martin to permit door to door trick or treating Oct. 31 from 6 to 7 p.m. Motion carried.

The proposed water and sewer rate increase ordinance was read in its entirety on 1st reading. Motion Keen and 2nd Bolton to accept proposed water and sewer rate increase on 1st reading. Motion carried unanimously.

The following building permit applicationw as read:

Susan Foy	Brown Ave.	deck	est cost $ 300.00

Motion Hart 2nd Martin to approve. Motion carried.

Councilwoman Keen requested to again address the issue of Good Samaritan Center borrowing the city's air compressor. After discussion, motion Keen 2nd Martin to permit Good Samaritan to use the air compressor. Motion carried.

Mayor advised the VFW Post# 410, Ladies Aux. and Junior Girs Unit will sponsor a Law Enforcement Day Dinner Friday, October 27, 1989 and extend an invitation to the council members and their spouses.

Council Martin asked if anyone had checked ;on price of repainting street signs and was advised not yet.

ll Call

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uncilman Hart advised council that according to a letter sent Feb. 6, 1987 to e e Public Service Commission, the city advised they did not want the nte olga Public Service District to extend their water service to the rporate limits of Belington because Belington wanted to expand their lines to rvice customers outside the corporate limits. Mr. Hart advised that it seems at according to that letter, council has no choice but to go forward with the dra Rd. water line.

tion Hart 2nd Martin to adjourn at 8:27 p.m.

MAYOR

Mayor

City Clerk

COUNCIL MINUTES

November 16, 1989

The Common Council of the City of Belington met in regular session Thursday, November 16, 1989 at 7:30 p.m. with Mayor Carpenter presiding. Council members present: Craig Bolton, III, Gerald Martin, Shirley Keen, Harmon Cutright, Charles Armentrout, Donald Phillips and James Hart.

Also present: Irene Ross, City Clerk; Susan Bradley, Ass't Clerk; Jonas Friel, Street & Water Commissioner; Clifford Keller & Jeffrey Griffith, Belington Police Department; David Simms, City Attorney; Andrew Humphrey; Sharon Corley; Carol Newman; Louise Esposito; Betty Harris; Jewell Simon; Rose Shaver; James Shaffer; Rodney Anderson; James Sturm; Sandy Sturm; Mary Arbaugh; Bill Arbaugh; Doris Delauder; Lona Kittle; Russell Herron; Julia Bragg; Eugenia Harris; Betty Chenoweth; Kenneth Hill; Larry Herron; Sonny Hymes; Terry Harris; Rachelle McDonald; Mr. & Mrs. Roy Mitchell; Steve Vest; Earl Vest; Charles West; Jeannette A. Bennett; William E. Coontz; Donald McLean; Kelley Clouse; Diana Nash; Ben Champ; Richard Ware; Art Skidmore; Karen Carpenter; Chad Carpenter; Maxine Ricottillli; Dottie Carpenter; Brice Hawk; Joanne Thornton; Allen Thornton; Matthew Thornton; Fred Arbogast; Raymond McDonald; Ronnie Ware; Patty Kittle; Joshua Kittle; Matthew Kittle; Steve Pomp; Doreman Hamilton and Ralph Esposito.

Roll Call

Minutes of the October 19, 1989 meeting were read and approved as read.

Patrons of the local V.F.W. Post 410, Sportsman's Club, Cheers and Kittles Restaurant appeared before council advising they were being harrassed by the police department.

Brice Hawk again questioned the validity of the cat leash law. Mr. Hawk was advised city has ordinance prohibiting cats running at large.

OLD BUSINESS

Several utility customers questioned why city needed a water rate increase and how the additional revenues would be used and were advised revenues were to be used for maintenance and improvements to water and sewer plants and help defray increasing operational expenses for both departments.
The second and final reading of the proposed water and sewer rate increase was read. Motion/Bolton 2nd Keen to accept water and sewer rate increase. Motion carried unanimously.

Street Committee reported ref. drainage problem at Williamson and Custer Street A portion of culvert has been layed and Mr. Endler advised he would purchase culvert if city would install.

BUSINESS

Councilwoman Keen advised property owners on Williamson Avenue requested a street light in front of properties. Discussion. Council advised no money available at this time for additional street lilghts.

COUNCIL MINUTES (cont'd)

November 16, 1989

Councilman Armentrout requested Mayor reply to letter of Philip Barbour High School Key Club ref. community projects.

Councilman Hart advised he had reported at an earlier meeting the weight limit on bridge could be increased but his statement was disputed by a local resident who stated a state official has advised the weight limit would be decreased. Councilman Hart requested the council minutes show the weight limit has been increased to 14-ton.

Ronnie Ware, President of the Planning Commission questioned whether the validity of the comprehensive plan and zoning ordinance had been determined by city attorney. City Attorney advised he was working on matter.

Councilwoman Keen advised complaint of abandoned vehicle on Hice Street. Discussion. Police department to advised owner to remove same.

Councilman Armentrout informed council Johnny Raschella was unable to attend council meeting but wished to object to the water and sewer rate increase.

The following building permit applications were read:

Veldon McDonald	218 Locust Avenue	porch roof	est.cost	450.00
Christina Hinchman	207 Beacon Street	storage bldg.		300.00
Louise Moore	Morgantown Pike	storage bldg.		500.00
Joseph Weese	106 River Road	storage bldg.		800.00
Donnie Ankrom	101 Chestnut Street	chimney		200.00

Motion/Martin 2nd Hart to approve permits. Motion carried.

Councilman Cutright reported request of municipal judge to amend ordinances to include violations not presently covered. Discussion. Ordiance Committe to prepare.

Motion/Bolton 2nd Martin to recess to executive session at 9:19 p.m. to discuss personnel matters. Regular session reconvened at 9:44 p.m.. Motion/Martin 2nd Cross to adjourn at 9:50 p.m.

MAYOR

CITY CLERK

WATER & SEWER REVENUE FUND

9082	General Fund	381.66	utility tax & municipal fee
9083	Michael Mallow	17.00	water deposit refund
9084	Postmaster of Bel.	101.16	utility bills - November 89
9085	Susan E. Bradley	280.41	payroll
9086	Donald Harris	455.38	payroll
9087	Jonas M. Friel	466.45	payroll
9088	Herbert Williamson	259.68	payroll
9089	Thomas Kittle	312.16	payroll
9090	Postmaster of Belington	50.00	2 rolls stamps
9091	C & P Telephone	67.12	1/2 office bill
9092	Summers Auto Parts	147.19	anti-freeze,brake fluid, brakes
9093	Region VII	58.00	FY 89-90 dues
	United of Omaha	17.36	November 89 premium
[illegible]	A T & T	7.17	1/2 office long distance billing
9096	Wallace, Ross & Gibson	170.00	attorney fees w/s rate increase
9097	WV Muncipal League	875.49	assessment
9098	WV Municipal League	4.82	op life assessment
9099	Ed Weese Electric	85.00	install river pump
9100	Shop and Save	17.94	cleaning supplies
9101	C & P Telephone Co.	59.51	water plant
9102	Belington Farm Service	67.43	concrete mix, lime, fittings
9103	Strader Insurance Co.	88.00	bond - Susan Bradley

[illegible]	[illegible] Auto Parts	3.15	plug, etc.
13740	Elkins Machine & Electric	558.00	2 motors
13741	Hill Mfg. Co.	172.24	chemicals
13742	Junior Tire	157.90	tires for sludge trailer
13743	AutoDynamics	40.00	repair brakes/parts & labor
13744	Sturm Environmental Serv.	80.00	May, 96 wastewater analysis
13745	Reliance Laboratories	150.00	annual lead & copper sample testing
[illegible]	American-Marsh Pumps	162.28	diaphragms
1[illegible]7	Civil Tech Engineering	4,400.00	drilling/sampling reservoir
13748	Ed Weese Electric	84.00	labor to repair lift st.#3
13749	C. I. Thornburg Co.	611.49	rotameter, grease ring, spring, etc
13750	Water Works & Ind. Supply	1,857.42	chemicals, materials & supplies
13751	General Fund	1,118.81	transfer utility tax & mun. serv. f
13752	Monongahela Power Co.	2,505.06	water plant, pump, sewer plant, lif
13753	General Fund	389.26	gasoline & diesel fuel
13754	General Fund	406.89	utility tax & municipal serv. fee
13755	Belington, Postmaster of	160.38	utility bills, shut-off notices

COUNCIL MINUTES

JULY 17, 1996

NO MEETING DUE TO LACK OF QUORUM

MAYOR

Irene Ross
CITY CLERK

COUNCIL MINUTES

AUGUST 1, 1996

The Common Council of the City of Belington met in regular session, Thursday, August 1, 1996 at 7:30 p.m. with Mayor Raschella presiding. Council members present: Robert Smithson, Earl Jones, Gerald Martin, Marvin Myers, Dana Booth and Harmon Cutright.

Also present: Irene Ross, City Clerk; Don Harris, Water Commissioner; Lowell England, Street Commissioner; Kieth Corley, Police Dept.; Bill & Susan Evans; Bo Hart; James & Carol Davis; Charles Lane; Gale Booth; Odbert Ware; Leroy Booth; Leon & Helen Bibey;Tom Yokum; Kathryn George; Larry & Connie Shahan, and Joy Phares.

ROLL CALL

Minutes of the July 3, 1996 regular meeting and July 19 special meeeting were read. Motion Booth 2nd Smithson to approve as read. Motion carried.

James Davis of 361 Chestnut St. appeared before council ref. flooding on Chestnut St. Davis requested council take steps to get the beavers and their dams removed and the creek straightened and cleaned. Councilman Smithson advised Mr. Davis that he has contacted the DNR and DEP ref. problems. The city's equipment has been unable to get to the creek to remove the dams due to all the rain.

Hart requested the use of the streets for the Fair. Motion Martin 2nd Myers to approve request. Motion carried. Hart expressed his appreciation for the good job the Huttonsville crew is doing. Hart again requested council consider buying a large water line from the west side tank north to the crab bottom area for better fire protection. After discussion, water commissioner and street commissioner to investigate request and obtain a cost estimate and report findings to council. Hart stated the city employees did a good job in handling problems created by the latest flood but stressed that residents and city gover[illegible]nt should be in unison in speaking out ref. getting assistance in flood co[illegible]. Councilman Booth reported that congressman Mollahan may attend the next [illegible]ouncil meeting and if that happens,notices will appear in the newspaper so that residents can attend the meeting to voice their concerns.

NEW BUSINESS: Councilman Booth requests the Mayor appoint committees since there is a full council.

Councilman Smithson requests the police dept. monitor the area of Leroy Booth's residence on Brown Ave. for barking dogs. Smithson advised the city needs to purchase a turck to replace the Chevrolet pickup. Councilman Martin advised he would check with Glenn Lee for availability of a truck. Smithson requested council be given monthly financial statements and reported there has been a dramatic increase in employee insurance premiums and this matter will have to be discussed in executive session.

The following building permit application were read:

Larry Everson	Crim Ave	storage bldg.	est. cost $ 500.00
Milford Talbott	110 Wabash	roof	1,600.00
Robert Snyder	100 6th St.	room add.	6,800.00
Ruth Day	Elliott Ave	elevate mobile home	300.00
Fire Dept.	Walnut St.	porch	600.00
Mike Wetzel	109 Ind. Pk. Rd.	porch	500.00
Norman Haller	125 Elliott	carport	1,200.00

Motion Booth 2nd Cutright to approve all except Norman Haller. Motion carried. After discussion, motion Booth 2nd Cutright to approve Haller permit if contrac obtains contractor's registration. Motion carried.

The following business license was requested:

Korner Kloset Crim Ave. Traci Golden and Lori Wagner

Motion Martin 2nd Smithson to approve request. Motion carried.

Street Commissioner reported approx. 100 ft. of culvert on Johnson and 200 ft. of culvert on Howard St. needs replaced. Street Committee to investigate. Street Commissioner advised council that Ted Biser has a radio he will install in the Ford truck for $300.00. After discussion, motion Cutright 2nd Smithson to approve the purchase of the radio. Motion carried.

Mayon, on behalf of council, police reserves, and the police dept., wished to thank the VFW for the donation.

Mayor reported Reliable Roofing will patch the roof for now and are scheduled in the near future to replace the roof.

Motion Jones 2nd Cutright to adjourn at 10:13 p.m.

John Rasobella

MAYOR

Irene Ross

CITY CLERK

GENERAL FUND

15915	Irene A. Ross	$ 533.17	payroll
15916	Anita V. Thorne	271.45	payroll
15917	Clifford E. Keller	520.59	payroll
15918	Jeffery W. Walters	579.42	payroll
15919	Keith A. Corley	508.43	payroll
15920	Lowell E. England	531.83	payroll
15921	Jerry D. Booth	406.95	payroll
15922	Patricia A. Kittle	41.56	payroll
15923	State Treasurer	295.00	LET-CVR-Reg. Jail Funds
15924	Workers' Compensation Div.	1,164.54	2nd qtr 96 prem.
15925	AutoDynamics	186.66	labor & parts for dump tk.&Jee
15926	Belington CVB	97.70	Jun 96 hotel tax
15927	SummersAuto Parts	39.79	u-joints, filters, mirror,etc.
15928	Morgan Auto Parts	9.02	oil, clam, mirror head
29	Tom's Printing Service	31.66	printing envelopes
15930	Junior Tire, Inc.	37.00	tire & tire repair
15931	Central Reserve Life Ins.	1,237.21	Jul 96 prem.
15932	Monongahela Power Co	213.74	½ office bill
15933	Belington Farm/Hdwe.	59.63	mortar, faucet, trap, etc.
15934	Barbour Publishing	108.23	notices, ads for TCI,SCBG
15935	Region VII	166.50	1996-97 dues
15936	United of Omaha	17.08	Jul 96 prem.
15937	Commercial Ins. Serv	3,158.85	liabil. & prop. prem
15938	Belington Exxon	4.23	gas for brush crew

15994	Belington Prescrip. Ctr.	8.58	envelopes, keys, pens
15995	Crouse's Small Eng. Repair	29.52	repair concrete saw
15996	Mountain View Equip.	705.50	saw & trimmer
15997	The Furst Group	23.91	long distance charges
15998	Lucent Technologies	27.30	office phoneequip. rental
15999	Barbour Publishing Co	12.58	thank-you notice
[illegible]	Mon. Power Co	1,231.40	street lights
1	Kines Motor Co	19.95	service 95 Ford cruiser
16002	J. F. Allen Co	1,682.88	repave Sturmer (asphalt)
16003	Century Limestone Corp	335.95	crushed stone
16004	Woodford Oil Company	785.70	900 gal. gasoline
16005	Commercial Ins. Serv.	347.44	ins. prem. for 96 Jeep cruiser
16006	WV State Treasurer	70.00	Jul 96 LET-CVR-Reg. Jail Funds
16007	Irene A. Ross	539.57	payroll
16008	Anita V. Thorne	271.45	payroll
16009	Clifford E. Keller	554.45	payroll
16010	Jeffery W. Walters	658.95	payroll
16011	Keith A. Corley	595.17	payroll
16012	Lowell E. England	540.08	payroll
16013	Jerry D. Booth	408.50	payroll
16014	Patricia A. Kittle	41.56	payroll

WATER & SEWER REVENUE FUND

13820	General Fund	161.09	gasoline & diesel fuel
13821	Summers Auto Parts	31.25	parats & supplies for city equip.
13822	Belington Farm & Hdwe	14.94	glue, pipe, couplers, etc.
13823	Central Reserve Life Ins.	965.43	Aug 96 prem.
13824	AutoDynamics	42.40	battery for Int'l truck
13825	United of Omaha	15.79	Aug 96 prem.
13826	Valley Supply Co	681.30	sump pump, couplings, pipe, etc.
13827	Belington Exxon	4.00	batteries
13828	Belington Shop n Save	19.69	cleaning supplies
13829	Ryan's Repair	5.00	Chevy truck tire repair
13830	Bell Atlantic	70.75	water plant
13831	Bell Atlantic	53.26	sewer plant
13832	Mon. Power Co	1,926.42	water plant & pump, sewer plant&liftst
13833	The Furst Group	5.50	long distance chgs. (water plant)
13834	Morgan Auto Parts	11.88	oil for lift stations
13835	Davis Water & Waste Ind.	619.02	impeller
13836	Sturm Environmental Serv	80.00	Jul 96 wastewater analysis
13837	Century Limestone Corp	50.33	crushed stone
13838	Peoples Security Ins	8.67	Aug 96 prem.
13839	Town & Country CPD	7.00	state inspection for sludge trailer
13840	CSX Transportation	200.00	pipe line crossing rental
13841	Office of Lab Services	20.00	bacteria tests
13842	Water Works & Ind. Supply	3,206.36	chemicals, materials & supplies
13843	Susan E. Bradley	426.16	payroll
13844	Donald E. Harris	884.48	payroll
13845	Robert L. Moore, Jr.	295.44	payroll
13846	Michael F. Wolfe	419.59	payroll
13847	Jonas M. Friel	559.02	payroll
13848	Woodrow F. Hoyman	525.46	payroll
13849	Keith D. Phillips	340.39	payroll

COUNCIL MINUTES

SPECIAL MEETING

August 22, 1996

The CommonCouncil of the Cityof Belington met in special session Thursday, August 22, 1996 at 7:00 p.m. with Mayor Raschella presiding. Council members present: Earl Jones, Robaert Smithson, William Evans, Harmon Cutright and Charles Lane.

Also present: Susan Bradley, Ass't City Clerk; Keith Corley, Police Dept., Beck Lee, Region VII and Susan Evans.

The purpose of this meeting was for the 2nd reading of the proposed Water Rate Or[illegible]nce and to hear views and concerns of residents ref. Ordinance. After dis[illegible]on, motion Jones 2nd Cutright to waive reading and accept proposed water rate [illegible]rdinance on 2nd reading. Motion carried unanimously.

MotionSmithson 2nd Evans to adjourn.

John Raschella

MAYOR

Irene Ross

CITY CLERK

OFFICE OF THE BARBOUR DEMOCRAT

I, **ROBERT A. BYRNE**, Editor of the **BARBOUR DEMOCRAT**, a weekly newspaper published in the City of Philippi, County of Barbour, and State of West Virginia, do certify that the annexed:

LEGAL NOTICE

was duly printed in said paper two successive weeks commencing on Wednesday, the 6th day of August, 1997.

Given under my hand at Philippi, West Virginia, this 20th day of August, 1997.

Robert A. Byrne, Editor

Printer's Fee ..... $ 32.34

STATE OF WEST VIRGINIA, COUNTY OF BARBOUR:
Sworn to and subscribed before me this 20th of August, 1997

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
CATHY CORDER
305 Maple Avenue
Philippi, West Virginia 26416
My Commission Expires April 14, 2003

Cathy Corder
NOTARY PUBLIC
My Commission Expires April 14, 2003

NOTICE OF PUBLIC HEARING ON THE CITY OF BELINGTON BOND ORDINANCE

A public hearing will be held on the following-entitled Ordinance at a regular meeting of the Council of The City of Belington (the "City") to be held on August 21, 1997, at 7:30 p.m., in the Council chambers at the City Hall, 505 Crim Avenue, Belington, West Virginia, and at such hearing any person interested may appear before the Council and present protests, and all protests and suggestions shall be heard by the Council and it shall then take such actions as it shall deem proper in the premises upon an Ordinance entitled:

ORDINANCE AUTHORIZING THE DESIGN OF EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE SEWERAGE PORTION OF THE EXISTING PUBLIC COMBINED WATERWORKS AND SEWERAGE SYSTEM OF THE CITY OF BELINGTON AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN $350,000 IN AGGREGATE PRINCIPAL AMOUNT OF COMBINED WATERWORKS AND SEWERAGE SYSTEM DESIGN REVENUE BONDS, SERIES 1997 B (WEST VIRGINIA SRF PROGRAM); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

The above-entitled Ordinance was adopted by the Council of the City on July 31, 1997.

The above-quoted title of the Ordinance describes generally the contents thereof and the purposes of the Bonds contemplated thereby. The City contemplates the issuance of the Bonds described in said Ordinance. The proceeds of the Bonds will be used to provide permanent financing of a portion of the costs of design of extensions, additions, betterments and improvements to the sewerage portion of the existing public combined waterworks and sewerage system of the City. The Bonds are payable solely from revenues to be derived from the ownership and operation of the combined waterworks and sewerage system of the City. No taxes may at any time be levied for the payment of the Bonds or the interest thereon.

A certified copy of the above-entitled Ordinance is on file with the Council at the office of the City Clerk of the City for review by interested parties during regular office hours.

Following said public hearing, the Council intends to enact said Ordinance upon final reading.

Dated: August 6, 1997.

s/s Susan Bradley
City Clerk

6-2

THE CITY OF BELINGTON

Combined Waterworks and Sewerage System Design Revenue Bonds,
Series 1997 B
(West Virginia SRF Program)

MINUTES ON ADOPTION AND ENACTMENT
OF BOND ORDINANCE (FIRST READING)

I, Susan Bradley, City Clerk of The City of Belington (the "City"), hereby certify that the following is a true and correct excerpt of the minutes of a regular meeting of the Council of the City:

* * * * * * * * *

The Council of the City met in regular session, pursuant to notice duly given, on the 17th day of July, 1997, in Belington, West Virginia, at the hour of 7:30 p.m.

PRESENT:	Alan Coberly	-	Mayor
	Susan Bradley	-	City Clerk
	John Leary	-	Councilmember
	James Harris, Jr.	-	Councilmember
	Marshall Reed	-	Councilmember
	Earl Jones	-	Councilmember
	Bernard Cross	-	Councilmember
ABSENT:	Marvin Myers	-	Councilmember
	Dana Booth	-	Councilmember
	Wayne Daugherty	-	Councilmember

The Mayor announced that a quorum of members was present and that the meeting was open for any business properly before it.

Thereupon, the Mayor presented a proposed Bond Ordinance in writing entitled:

ORDINANCE AUTHORIZING THE DESIGN OF EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE SEWERAGE PORTION OF THE EXISTING PUBLIC COMBINED WATERWORKS AND SEWERAGE SYSTEM OF THE CITY OF BELINGTON AND THE FINANCING OF THE COST, NOT OTHERWISE

PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN $350,000 IN AGGREGATE PRINCIPAL AMOUNT OF COMBINED WATERWORKS AND SEWERAGE SYSTEM DESIGN REVENUE BONDS, SERIES 1997 B (WEST VIRGINIA SRF PROGRAM); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

and caused the same to be read and there was discussion. Thereupon, on motion duly made and seconded, it was unanimously ordered that the above-entitled Ordinance be adopted upon first reading.

* * * * * * * * *

There being no further business to come before the meeting, on motion duly made and seconded, it was ordered that the meeting adjourn.

Mayor

* * * * * * * * *

I further hereby certify that the foregoing action of the Council remains in full force and effect and has not been amended, rescinded, superseded, repealed or changed.

WITNESS my signature on this 26th day of August, 1997.

Susan Bradley

City Clerk

07/23/97
062490/96001

THE CITY OF BELINGTON

Combined Waterworks and Sewerage System Design Revenue Bonds,
Series 1997 B
(West Virginia SRF Program)

MINUTES ON ADOPTION AND ENACTMENT
OF BOND ORDINANCE (SECOND READING)

I, Susan Bradley, City Clerk of The City of Belington, hereby certify that the following is a true and correct excerpt of the minutes of a special meeting of the Council of the City:

* * * * * * * * *

The Council of the City met in special session, pursuant to notice duly given, on the 31st day of July, 1997, in Belington, West Virginia, at the hour of 7:30 p.m.

PRESENT:	Alan Coberly	-	Mayor
	Susan Bradley	-	City Clerk
	John Leary	-	Councilmember
	Marshall Reed	-	Councilmember
	Bernard Cross	-	Councilmember
	Marvin Myers	-	Councilmember
	Dana Booth	-	Councilmember
	Wayne Daugherty	-	Councilmember
ABSENT:	James Harris, Jr.	-	Councilmember
	Earl Jones	-	Councilmember

The Mayor announced that a quorum of members was present and that the meeting was open for any business properly before it. He stated that the proposed Bond Ordinance heretofore passed on first reading would be considered upon second reading.

Thereupon, the Mayor presented the proposed Bond Ordinance for adoption upon second reading and caused the same to be read as follows:

ORDINANCE AUTHORIZING THE DESIGN OF EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE SEWERAGE PORTION OF THE EXISTING PUBLIC COMBINED WATERWORKS AND SEWERAGE SYSTEM OF THE CITY OF BELINGTON AND

THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN $350,000 IN AGGREGATE PRINCIPAL AMOUNT OF COMBINED WATERWORKS AND SEWERAGE SYSTEM DESIGN REVENUE BONDS, SERIES 1997 B (WEST VIRGINIA SRF PROGRAM); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

Thereupon, on motion duly made and seconded, it was unanimously ordered that the said Bond Ordinance be adopted on second reading.

* * * * * * * * *

Pursuant to the Bond Ordinance, it was ordered that there be published a notice of public hearing together with an abstract of the Bond Ordinance, which the Council determined to contain sufficient information to give notice of the contents of said Bond Ordinance, once a week for two successive weeks as provided in said Bond Ordinance, said public hearing to be held before this Council upon said Bond Ordinance at the hour of 7:30 p.m. on the 21st day of August, 1997, all in accordance with the requirements of statute.

* * * * * * * * *

There being no further business to come before the meeting, on motion duly made and seconded, it was unanimously ordered that the meeting adjourn.

Mayor

* * * * * * * * *

I further hereby certify that the foregoing action of said Council remains in full force and effect and has not been amended, rescinded, superseded, repealed or changed.

WITNESS my signature on this 26th of August, 1997.

Susan Bradley

City Clerk

08/04/97
062490/96001

THE CITY OF BELINGTON

Combined Waterworks and Sewerage System Design Revenue Bonds,
Series 1997 B
(West Virginia SRF Program)

MINUTES ON ADOPTION AND ENACTMENT OF BOND ORDINANCE
(THIRD READING FOLLOWING PUBLIC HEARING)
AND ADOPTION OF SUPPLEMENTAL RESOLUTION

I, Susan Bradley, City Clerk of The City of Belington (the "City"), hereby certify that the following is a true and correct excerpt of the minutes of a regular meeting of the Council of the City:

* * * * * * * * *

The Council of the City met in regular session, pursuant to notice duly given, on the 21st day of August, 1997, in Belington, West Virginia, at the hour of 7:30 p.m.

PRESENT:	Alan Coberly	-	Mayor
	Susan Bradley	-	City Clerk
	John Leary	-	Councilmember
	Marshall Reed	-	Councilmember
	Bernard Cross	-	Councilmember
	Marvin Myers	-	Councilmember
	Dana Booth	-	Councilmember
	Wayne Daugherty	-	Councilmember
	James Harris, Jr.	-	Councilmember
	Earl Jones	-	Councilmember

ABSENT: None.

The Mayor announced that a quorum of members was present and that the meeting was open for any business properly before it. He stated that the proposed Bond Ordinance heretofore passed on first and second readings would be subject to protests and suggestions from any interested person at this time in accordance with the publication of an abstract of said Bond Ordinance and a Notice of Hearing, which publication has been duly made, and the Mayor called for protests and suggestions as to said Bond Ordinance and all persons desiring to protest the said Bond Ordinance or to make any suggestions with reference thereto were heard.

There being no protests or suggestions made as to said Bond Ordinance, the Mayor thereupon stated that it would be in order to consider the said Bond Ordinance for final enactment and the Mayor caused the said Bond Ordinance to be read as follows:

> ORDINANCE AUTHORIZING THE DESIGN OF EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE SEWERAGE PORTION OF THE EXISTING PUBLIC COMBINED WATERWORKS AND SEWERAGE SYSTEM OF THE CITY OF BELINGTON AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN $350,000 IN AGGREGATE PRINCIPAL AMOUNT OF COMBINED WATERWORKS AND SEWERAGE SYSTEM DESIGN REVENUE BONDS, SERIES 1997 B (WEST VIRGINIA SRF PROGRAM); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

Thereupon, on motion duly made and seconded, it was unanimously ordered that the said Bond Ordinance be finally enacted and put into effect immediately.

Next, the Mayor presented a proposed Supplemental Resolution in writing entitled:

> SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNT, DATE, MATURITY DATE, REDEMPTION PROVISION, INTEREST RATE, INTEREST AND PRINCIPAL PAYMENT DATES, SALE PRICE AND OTHER TERMS OF THE COMBINED WATERWORKS AND SEWERAGE SYSTEM DESIGN REVENUE BONDS, SERIES 1997 B (WEST VIRGINIA SRF PROGRAM), OF THE CITY OF BELINGTON; RATIFYING AND APPROVING A LOAN AGREEMENT RELATING TO SUCH BONDS AND THE SALE AND DELIVERY OF SUCH BONDS TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

and caused the same to be read and there was discussion. Thereupon, on motion duly made and seconded, it was unanimously ordered that the said Supplemental Resolution be adopted and put into effect immediately.

* * * * * * * * *

There being no further business to come before the meeting, on motion duly made and seconded, it was unanimously ordered that the meeting adjourn.

Mayor

* * * * * * * * *

I further hereby certify that the foregoing action of the Council remains in full force and effect and has not been amended, rescinded, superseded, repealed or changed.

WITNESS my signature on this 26th of August, 1997.

Susan Bradley

City Clerk

08/04/97
062490/96001

STEPTOE & JOHNSON

ATTORNEYS AT LAW

BANK ONE CENTER
SIXTH FLOOR
P. O. BOX 2190
CLARKSBURG, W. VA. 26302-2190
(304) 624-8000
FACSIMILE (304) 624-8183

BANK ONE CENTER, SEVENTH FLOOR
P. O. BOX 1588
CHARLESTON, W. VA. 25326-1588
(304) 353-8000
FACSIMILE (304) 353-8180

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

126 EAST BURKE STREET
P. O. BOX 2629
MARTINSBURG, W. VA. 25402-2629
(304) 263-6991
FACSIMILE (304) 263-4785

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

RILEY BUILDING, FOURTH FLOOR
14TH AND CHAPLINE STREETS
P. O. BOX 150
WHEELING, W. VA. 26003-0020
(304) 233-0000
FACSIMILE (304) 233-0014

THE RIVERS OFFICE PARK
200 STAR AVENUE, SUITE 220
P. O. BOX 628
PARKERSBURG, W. VA. 26102-0628
(304) 422-6463
FACSIMILE (304) 422-6462

WRITER'S DIRECT DIAL NUMBER

September 8, 1997

The City of Belington
Combined Waterworks and Sewerage System Design Revenue Bonds
Series 1997 B
(West Virginia SRF Program)

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Internal Revenue Service
Internal Revenue Service Center
Philadelphia, Pennsylvania 19255

Gentlemen:

Enclosed herewith is a completed and executed Internal Revenue Service Form 8038-G with attachments, and a file copy thereof with regard to the above-captioned issue. Please file the original form in the appropriate Internal Revenue Service records and return the copy marked in red as the "File Copy" to me (after acknowledging receipt of the same) in the enclosed self-addressed, stamped envelope. Thank you for your attention to this matter.

Very truly yours,

Francesca Tan

Francesca Tan

FT/jlt
Enclosures
Copy of letter with enclosure to:
Honorable Alan Coberly
Samme L. Gee, Esquire
8038.LTR
062490/96001

62770.

Form **8038-G** (Rev. May 1995) Department of the Treasury Internal Revenue Service

Information Return for Tax-Exempt Governmental Obligations

▶ Under Internal Revenue Code section 149(e)

▶ See separate instructions.

(Note: Use Form 8038-GC if the issue price is under $100,000.)

OMB No. 1545-0720

Part I Reporting Authority — If Amended Return, check here ▶ ☐

1 Issuer's name: The City of Belington

2 Issuer's employer identification number: 55 6000145

3 Number and street (or P.O. box if mail is not delivered to street address): Post Office Box 926 — Room/suite:

4 Report number: G19 97 - 2

5 City, town, or post office, state, and ZIP code: Belington, West Virginia 26250

6 Date of issue: 8-26-97

7 Name of issue: The City of Belington Combined Waterworks and Sewerage System Design Revenue Bonds, Series 1997 B (WV SRF Program)

8 CUSIP number: N/A

Part II Type of Issue (check applicable box(es) and enter the issue price)

9	☐ Education (attach schedule–see instructions)	9	$
10	☐ Health and hospital (attach schedule–see instructions)	10	
11	☐ Transportation	11	
12	☐ Public safety	12	
13	☒ Environment (including sewage bonds)	13	$350,000
14	☐ Housing	14	
15	☐ Utilities	15	
16	☐ Other. Describe (see instructions) ▶	16	

17 If obligations are tax or other revenue anticipation bonds, check box ▶ ☐

18 If obligations are in the form of a lease or installment sale, check box ▶ ☐

Part III Description of Obligations

	(a) Maturity date	(b) Interest rate	(c) Issue price	(d) Stated redemption price at maturity	(e) Weighted average maturity	(f) Yield	(g) Net interest cost
19 Final maturity	6/1/2018	2.000 %	$5,292.50	$5,292.50			
20 Entire issue			$350,000	$350,000	10.788 years	2.004 %	1.999 %

Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)

21	Proceeds used for accrued interest		21	-0-
22	Issue price of entire issue (enter amount from line 20, column (c))		22	$350,000
23	Proceeds used for bond issuance costs (including underwriters' discount)	23 $15,000		
24	Proceeds used for credit enhancement	24 -0-		
25	Proceeds allocated to reasonably required reserve or replacement fund	25 -0-		
26	Proceeds used to currently refund prior issues	26 -0-		
27	Proceeds used to advance refund prior issues	27 -0-		
28	Total (add lines 23 through 27)		28	$15,000
29	Nonrefunding proceeds of the issue (subtract line 28 from line 22 and enter amount here)		29	$335,000

Part V Description of Refunded Bonds (Complete this part only for refunding bonds.) N/A

30 Enter the remaining weighted average maturity of the bonds to be currently refunded ▶ _____ years

31 Enter the remaining weighted average maturity of the bonds to be advance refunded ▶ _____ years

32 Enter the last date on which the refunded bonds will be called ▶ _____

33 Enter the date(s) the refunded bonds were issued ▶

Part VI Miscellaneous

34	Enter the amount of the state volume cap allocated to the issue under section 141(b)(5)	34	-0-
35	Enter the amount of the bonds designated by the issuer under section 265(b)(3)(B)(i)(III) (small issuer exception)	35	-0-
36a	Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (see instructions)	36a	-0-
b	Enter the final maturity date of the guaranteed investment contract ▶		
37	Pooled financings: a Proceeds of this issue that are to be used to make loans to other governmental units	37a	-0-

b If this issue is a loan made from the proceeds of another tax-exempt issue, check box ▶ ☐ and enter the name of the issuer ▶ _____ and the date of the issue ▶ _____

38 If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box ▶ ☐

39 If the issuer has identified a hedge, check box ▶ ☐

Please Sign Here

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete.

▶ Signature of issuer's authorized representative — Date: 8-26-97 ▶ Alan Coberly, Mayor — Type or print name and title

Printed on recycled paper

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

NEW ISSUE REPORT FORM

Date of Report: August 26, 1997

(See Reverse for Instructions)

ISSUE: The City of Belington Combined Waterworks and Sewerage System Design Revenue Bonds, Series 1997 B (West Virginia SRf Program)

ADDRESS: Post Office Box 926, Belington, West Virginia 26250 COUNTY: Barbour

PURPOSE OF ISSUE: New Money X Refunding ____ Refunds issue(s) dated: ____

ISSUE DATE: August 26, 1997 CLOSING DATE: August 26, 1997

ISSUE AMOUNT: $ 350,000 [1st DRAW 56990] RATE: 2% Administrative Fee: 1%

1st DEBT SERVICE DUE: 9/1/98 LDS: 6/18 1st PRINCIPAL DUE: 9/1/98, $3,568.96

1st DEBT SERVICE AMOUNT: $5,318.96 PAYING AGENT: Municipal Bond Commission - DEP

ISSUERS

BOND COUNSEL: Steptoe & Johnson
Contact Person: Vincent A. Collins, Esq.
Phone: 624-8161

CLOSING BANK: Belington Bank
Contact Person: V. L. Smithson
Phone: 823-1531

KNOWLEDGEABLE ISSUER CONTACT

Contact Person: Susan Bradley
Position: City Clerk
Phone: 823-1611 FAX: ____

UNDERWRITERS

BOND COUNSEL: Jackson & Kelly
Contact Person: Samme L. Gee, Esquire
Phone: 340-1318

ESCROW TRUSTEE: ____
Contact Person: ____
Phone: ____

OTHER: ____
Contact Person: ____
Function: ____
Phone: ____

DEPOSITS TO MBC AT CLOSE:

By ____ Wire
____ Check

____ Accrued Interest: $ ____
____ Capitalized Interest: $ ____
____ Reserve Account: $ ____
____ Other: ____ $ ____

REFUNDS & TRANSFERS BY MBC AT CLOSE:

By ____ Wire
____ Check
____ IGT

____ To Escrow Trustee: $ ____
____ To Issuer: $ ____
____ To Cons. Invest. Fund: $ ____
____ To Other: ____ $ ____

NOTES: ____

FOR MUNICIPAL BOND COMMISSION USE ONLY:

DOCUMENTS REQUIRED: ____
TRANSFERS REQUIRED: ____

The purpose of the **NEW ISSUE REPORT FORM** is to provide the WV Municipal Bond Commission with an early warning of three basis facts <u>no later than the day of closing</u> on any issue for which the Commission is to act as fiscal agent. These are:

1. Formal notification that a new issue is outstanding.
2. Date of first action or debt service.
3. Contact people should we lack documents, information, or funds needed to administer the issue by the date of the first action or debt service.

The Commission recognizes that as bond transcripts become increasingly long and complex, it has become more difficult to assemble and submit them to the Commission within the 30 days specified by the WV Code 13-3-8. This notice is not intended to provide all the information needed to administer an issue, but to alert the Commission and ensure that no debt service payments are missed due to delays in assembling bond transcripts. If, at the time of closing, documents such as the ordinance and all suppliments, debt service schedules, and a specimen bond or photostat are available and submitted with this form, it will greatly aid the Commission in the performance of its duties. These documents are needed to set up the proper accounts and to advise the issuer of monthly deposit requirements as far in advance of the first debt service as possible.

It is not necessary to complete all items if they are not pertinent to your issue. Indicate the County of the issuer. With PSDs that overlap more than one county, indicate the county of their business office. Complete "Rate" only if the issue has only one rate. Please complete a separate form for each series of an issue. Other important information can be recorded under "Notes".

Again, please submit this form on each new issue on the day of closing. If fund transfers into or out of the Commission at close are required, please submit this form before closing. If no significant facts change by closing, no resubmission at close is required. If, however, there are changes, please submit an updated form, with changes noted, at close.

If you should have any questions concerning this form, please call the Commission.

THE CITY OF BELINGTON

Combined Waterworks and Sewerage System Design Revenue Bonds,
Series 1997 B
(West Virginia SRF Program)

ACCEPTANCE OF DUTIES AS DEPOSITORY BANK

Belington Bank, a state banking corporation in Belington, West Virginia, hereby accepts appointment as Depository Bank in connection with a Bond Ordinance of The City of Belington (the "Issuer") enacted by the Issuer on August 21, 1997, and a Supplemental Resolution adopted by the Issuer on August 21, 1997 (collectively, the "Bond Legislation"), authorizing issuance of the Issuer's Combined Waterworks and Sewerage System Design Revenue Bonds, Series 1997 B (West Virginia SRF Program), dated August 26, 1997, in the principal amount of $350,000 (the "Bonds"), and agrees to perform all duties of Depository Bank in connection with the Bonds, all as set forth in the Bond Legislation.

WITNESS my signature on this 26th day of August, 1997.

BELINGTON BANK

V L Smithson

President

07/23/97
062490/96001

214363.

THE CITY OF BELINGTON

Combined Waterworks and Sewerage System Design Revenue Bonds,
Series 1997 B
(West Virginia SRF Program)

ACCEPTANCE OF DUTIES AS REGISTRAR

ONE VALLEY BANK, NATIONAL ASSOCIATION, a national banking association with its principal office in Charleston, West Virginia, hereby accepts appointment as Registrar in connection with The City of Belington Combined Waterworks and Sewerage System Design Revenue Bonds, Series 1997 B (West Virginia SRF Program), dated August 26, 1997, in the principal amount of $350,000 (the "Bonds"), and agrees to perform all duties of Registrar in connection with the Bonds, all as set forth in the Bond Legislation authorizing issuance of the Bonds.

WITNESS my signature on this 26th day of August, 1997.

ONE VALLEY BANK, NATIONAL
ASSOCIATION

Assistant Vice President

07/23/97
062490/96001

THE CITY OF BELINGTON

Combined Waterworks and Sewerage System Design Revenue Bonds,
Series 1997 B
(West Virginia SRF Program)

CERTIFICATE OF REGISTRATION OF BONDS

ONE VALLEY BANK, NATIONAL ASSOCIATION, a national banking association with its principal office in Charleston, West Virginia, as Registrar under the Bond Legislation and Registrar's Agreement providing for the above-captioned bond issue of The City of Belington (the "Issuer"), hereby certifies that on the date hereof, the single, fully registered The City of Belington Combined Waterworks and Sewerage System Design Revenue Bond, Series 1997 B (West Virginia SRF Program), of the Issuer, dated August 26, 1997, in the principal amount of $350,000, numbered BR-1, was registered as to principal and interest in the name of "West Virginia Water Development Authority" in the books of the Issuer kept for that purpose at our office, by a duly authorized officer on behalf of One Valley Bank, National Association, as Registrar.

WITNESS my signature on this 26th day of August, 1997.

ONE VALLEY BANK, NATIONAL
ASSOCIATION

Charlotte S. Morgan

Assistant Vice President

07/23/97
062490/96001

214381.

REGISTRAR'S AGREEMENT

THIS REGISTRAR'S AGREEMENT, dated as of the 26th day of August, 1997, by and between THE CITY OF BELINGTON, a municipal corporation and political subdivision of the State of West Virginia (the "Issuer"), and ONE VALLEY BANK, NATIONAL ASSOCIATION, a national banking association (the "Registrar").

WHEREAS, the Issuer has, contemporaneously with the execution hereof, issued and sold its $350,000 principal amount of Combined Waterworks and Sewerage System Design Revenue Bonds, Series 1997 B (West Virginia SRF Program), in fully registered form (the "Bonds"), pursuant to a Bond Ordinance of the Issuer duly enacted August 21, 1997, and a Supplemental Resolution of the Issuer duly adopted August 21, 1997 (collectively, the "Bond Legislation");

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 Bond Legislation, a copy of which is attached as EXHIBIT A hereto and incorporated herein by reference;

WHEREAS, the Bond Legislation provides for an appointment by the Issuer of a Registrar for the Bonds; and

WHEREAS, the Issuer desires to appoint, and by the Bond Legislation and this Registrar's Agreement does appoint, the Registrar to act as Registrar under the Bond Legislation and to take certain other actions hereinafter set forth;

NOW, THEREFORE, it is agreed by and between the parties hereto as follows:

1. Upon the execution of this Registrar's Agreement by the Issuer and the Registrar and during the term hereof, the Registrar does accept and shall have and carry out the powers and duties of Registrar for the Bonds, all as set forth in the Bond Legislation, such duties including, among other things, the duties to authenticate, register and deliver Bonds upon original issuance and when properly presented for exchange or transfer, and shall do so with the intention of maintaining the exemption of interest on the Bonds from federal income taxation, in accordance with any rules and regulations promulgated by the United States Treasury Department or by the Municipal Securities Rulemaking Board or similar regulatory bodies as the Issuer advises it of and with generally accepted industry standards.

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

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

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

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

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

ISSUER: The City of Belington
Post Office Box 926
Belington, West Virginia 26250
Attention: Mayor

REGISTRAR: One Valley Bank, National Association
Post Office Box 1793
One Valley Square
Charleston, West Virginia 25326
Attention: Corporate Trust Department

8. The Registrar is hereby requested and authorized to authenticate and deliver the Bonds in accordance with the Bond Legislation.

IN WITNESS WHEREOF, THE CITY OF BELINGTON and ONE VALLEY BANK, NATIONAL ASSOCIATION, have respectively caused this Registrar's Agreement to be signed in their names and on their behalf, all as of the date first written above.

THE CITY OF BELINGTON

Mayor

ONE VALLEY BANK, NATIONAL ASSOCIATION

Assistant Vice President

07/23/97
062490/96001

EXHIBIT A

Included in transcript as Documents No. 1 and No. 2

SCHEDULE OF COMPENSATION

DIVISION OF ENVIRONMENTAL PROTECTION
1201 Greenbrier Street
Charleston, WV 25311-1088

GASTON CAPERTON
GOVERNOR

DAVID C. CALLAGHAN
DIRECTOR

January 3, 1995

Honorable Larry Carpenter
Mayor, City of Belington
505 Crim Avenue
Belington, WV 26250

CERTIFIED RETURN RECEIPT REQUESTED

Dear Mayor Carpenter:

Enclosed find WV/NPDES Water Pollution Control Permit No. WV0029289, dated the 30th day of December 1994, for the City of Belington, West Virginia.

All facilities permitted to discharge pollutants to the waters of the State under Chapter 22, Article 11 of the West Virginia Code are required to test their effluent in order to verify permit compliance. This testing is the responsibility of the permittee and these test results are to be submitted to the office on the Discharge Monitoring Report (DMR) which is attached to the back of this permit. A (DMR) is to be completed and received by this office each month no later than 20 days following the end of the reporting period. The address to which DMRs are to be sent is noted in Section E.2, Attention: Municipal Branch. It is suggested that several copies of the enclosed DMR form be made for your future use, as this office does not supply permittees with DMR forms. Please note the attachment to this permit which describes the annual permit fee requirement.

Please also note requirement no. 7 on page 9 prohibiting the acceptance of new nondomestic wastewater discharges without prior Office approval.

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If you have any questions, please contact Robert Bates of this office at (304) 558-4086 or TDD No. (304) 558-2751.

Very truly yours,

OFFICE OF WATER RESOURCES

Pravin G. Sangani, P. E.
Municipal Branch Leader

PGS:mll

Enclosure

THE CITY OF BELINGTON

$478,000 Water and Sewer Revenue Bonds of 1969,
Series A and B

BOND ORDINANCE

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THE CITY OF BELINGTON

ORDINANCE AUTHORIZING THE ISSUANCE OF $478,000 WATER AND SEWER REVENUE BONDS OF 1969, SERIES A AND B, OF THE CITY OF BELINGTON, WEST VIRGINIA, TO FINANCE PART OF THE COSTS OF IMPROVEMENTS TO THE WATER AND SEWER SYSTEMS OF THE CITY; COMBINING SAID SYSTEMS INTO A COMBINED WATERWORKS AND SEWERAGE SYSTEM; PROVIDING FOR MANDATORY USE OF THE SEWER FACILITIES; DEFINING AND PRESCRIBING THE TERMS AND PROVISIONS OF THE REVENUE BONDS; PROVIDING FOR THE FIXING, ESTABLISHING AND COLLECTING OF RATES AND CHARGES FOR THE SERVICES AND FACILITIES OF THE COMBINED SYSTEM; PROVIDING GENERALLY FOR THE RIGHTS AND REMEDIES AND SECURITIES OF THE HOLDERS OF THE REVENUE BONDS; AND PROVIDING WHEN THIS ORDINANCE SHALL TAKE EFFECT.

BE IT ORDAINED AND ENACTED BY THE COUNCIL OF THE CITY OF BELINGTON:

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

Section 1.01. Authority for this Ordinance. This ordinance is adopted pursuant to the provisions of Article 13, Chapter 8 of the West Virginia Code (herein called the "Act"), and other applicable provisions of law.

Section 1.02. Findings and Determinations. It is hereby found, determined and declared as follows:

(A) The City of Belington in Barbour County, State of West Virginia (herein called the "City"), now owns a water system and a sewerage system.

(B) It is deemed essential, convenient and desirable for the health, welfare, safety, advantage and convenience of the inhabitants of the City that the said existing water system of the City be improved by adding thereto a new water storage tank and water distribution lines to serve additional customers

and to improve existing service and by rehabilitating the existing water treatment plant and the new water service; and that the existing sewerage system be improved by adding sanitary sewer lines to serve additional customers and interceptor lines, lift stations and treatment facilities; and that meters be acquired and installed for each water customer, all with necessary appurtenances and in accordance with the plans and specifications prepared by the Consulting Engineer and on file with the Recorder (all said improvements being herein collectively called the "Project").

(C) It is necessary for the City to issue its revenue bonds in the principal amount of $478,000 to finance part of the cost of the construction of the Project as hereinafter provided.

(D) It is necessary, in order to comply with the provisions of the Loan Agreement (hereinafter defined) and to provide for issuance of the revenue bonds contemplated thereby, and in the interest of economies of supervision and administration, that the existing water and sewer systems of the City be combined, pursuant to the Act, into a Combined Waterworks and Sewerage System (herein called the "System"), and such combination is hereby ordered, effective on the effective date of this ordinance.

(E) The estimated maximum cost of the construction hereinabove mentioned is the sum of $876,700, of which $438,000 will be obtained from the proceeds of sale of the Series B Bonds herein authorized and the balance from the proceeds of Federal grants for Project No. WPC-WVA-144 for $73,410, for Project No. 03-1-00492 for $316,000 and a supplemental grant of $48,940 thereunder; and contributions in aid of construction in the sum of $350.

(F) The cost of such construction shall be deemed to include, without being limited to, but subject to the provisions of the Loan and Grant Agreements, the construction or acquisition of the Project; the acquisition of any necessary property, real or personal, tangible or intangible or interest therein; and any other purposes necessary, incidental, desirable or appurtenant to the construction of the Project; interest on the Bonds prior to, during and for six months after completion of such construction to the extent that the revenues of the System are not sufficient therefor; engineering and legal expenses; expenses for estimates of costs and revenues; expenses for plans, specifications and surveys; and such other expenses as may be necessary or incidental to the construction of the Project and the financing authorized by this ordinance.

(G) The period of usefulness of the System after completion of the Project is not less than forty years.

(H) There are outstanding on the date of enactment hereof Water Revenue Bonds of the City dated as of the first day of July, 1957 (herein called the "1957 Bonds"), in the principal amount of $39,000 on the date of enactment hereof. The 1957 Bonds are payable out of the revenues of the existing waterworks of the City and bear interest at the maximum rate of 5% per annum. The 1957 Bonds will be redeemed with the proceeds of sale of the Series A Bonds and other moneys on deposit with the State Sinking Fund Commission of West Virginia and available for such purpose. The 1957 Bonds are callable and it is hereby ordered that the Recorder cause notice of redemption of all the 1957 Bonds to be published in accordance with the requirements thereof prior to issuance of the Series

A and B Bonds hereby authorized. No other bonds or obligations of the City are outstanding which are payable out of or secured by any lien on or pledge of the revenues of the System or any part of such revenues or of the System.

Section 1.03. Use of Sewer Facilities Mandatory. The mandatory use of the sewer facilities of the System is essential and necessary for the protection and preservation of the public health, comfort, safety, convenience, welfare and economy of the inhabitants of the City and for the rendering harmless of sewage and water-borne waste matter produced or arising within the City. Accordingly, every owner, tenant and occupant of every lot, parcel and tract of land which abuts on a street, alley or other public way in which any sewer line, main or facility is located, or which is located within 100 feet thereof and upon which lot, parcel or tract a building or other habitable structure has been or shall be erected for residential, commercial or industrial use, shall connect such building or structure with the sewer facilities of the System immediately upon completion of the Project and shall thereafter refrain from using and cease to use any other method for the disposal of sewage or water-borne waste matter and shall pay all charges, fees and rates provided herein.

Any such building or structure not so connected with the System is hereby declared and found to be a hazard to the health, safety, comfort and welfare of the inhabitants of the City and a public nuisance which shall be abated as promptly as possible by proceedings in the Circuit Court of Barbour County or other court of competent jurisdiction.

Section 1.04. Ordinance to Constitute Contract. In consideration of the acceptance of the Bonds authorized to be issued hereunder by those who shall hold the same from time to time, this ordinance shall be deemed to be and shall

constitute a contract between the City and such Bondholders, and the covenants and agreements herein set forth to be performed by the City shall be for the equal benefit, protection and security of the legal holders of any and all such Bonds, and the coupons appertaining thereto, all which shall be of equal rank without preference, priority or distinction of any of the Bonds or coupons over any other thereof, except as expressly provided therein and herein.

Section 1.05. Definitions. The following terms shall have the following meanings in this ordinance unless the text otherwise expressly requires:

"Act" shall mean Article 13, Chapter 8 of the West Virginia Code.

"Bonds" shall mean collectively the $40,000 Water and Sewer Revenue Bonds of 1969, Series A, and the $438,000 Water and Sewer Revenue Bonds of 1969, Series B, originally authorized to be issued pursuant to this ordinance and shall also be deemed to include, where appropriate, the interest coupons originally attached to said Bonds; and shall also include any additional parity Bonds hereafter issued within the terms, restrictions and conditions contained in this ordinance, and the interest coupons appertaining to such additional parity Bonds.

"City" shall mean the City of Belington, in Barbour County, West Virginia, and, where appropriate, shall also mean the City Council thereof.

"Consulting Engineer" shall mean Community Consultants, Incorporated, Consulting Engineers and Planners, of Charleston, West Virginia, or any engineer or firm of engineers which shall at any time hereafter be retained by the City as Consulting Engineer for the System.

"Facilities" shall mean all the facilities of the System and also any facilities which may hereafter be added to the System by any additions, betterments, extensions and improvements thereto and properties, furniture, fixtures or equipment therefor, hereafter at any time constructed or acquired.

"Fiscal Year" shall mean each year beginning on July 1 and ending on the succeeding June 30.

"Government" shall mean United States Department of Commerce, Economic Development Administration, and any successor thereof.

"Grant Agreement" shall mean collectively the Grant Agreement between the City and the Government for Project No. 03-1-00492 and the grant agreement between the City and the Federal Water Pollution Control Administration for Project No. WPC-WVA-144 and all amendments pertaining to any thereof.

"Holder of the Bonds" or "Bondholder" or any similar term shall mean any person who shall be the bearer or owner of any outstanding Bond or Bonds registered to bearer or not registered, or the registered owner of any outstanding Bond or Bonds which shall at the time be registered other than to the bearer or of any coupon representing interest accrued or to accrue on said Bonds.

"Loan Agreement" shall mean the Loan Agreement between the City and the Government for Projects Nos. 03-1-00492 and 03-2-00493, the offer date for which is June 18, 1968, and shall include all amendments and waivers thereof.

"Net Revenues" shall mean the balance of the gross revenues, as defined herein, remaining after deduction only of operating expenses, as defined herein.

"Operating Expenses" shall mean the current expenses, paid or accrued, of operation and maintenance of the System and

its facilities, and shall include without limiting the generality of the foregoing, insurance premiums, salaries, wages and administrative expenses of the City relating and chargeable solely to the System, the accumulation of appropriate reserves for charges not annually recurrent but which are such as may reasonably be expected to be incurred, retention of a sum not to exceed 1/6 of the amount estimated in the current annual budget for costs of operation and maintenance of the System, and such other reasonable operating costs as are normally and regularly included under recognized accounting practices.

"Project" shall mean the improvements to the water and sewer facilities hereinabove described.

"Revenues" or "gross revenues" shall mean all rates, rents, fees, charges or other income received by the City, or accrued to the City, or any department, board, agency or instrumentality thereof in control of the management and operation of the System, from the operation of the System, and all parts thereof, all as calculated in accordance with sound accounting practices.

"Series A Bonds" shall mean the Bonds of Series A hereby authorized.

"Series B Bonds" shall mean the Bonds of Series B hereby authorized.

"System" shall mean the complete combined waterworks and sewerage system of the City, including the Project, the existing waterworks and the existing sewerage facilities, hereby ordered to be combined, and all facilities and other property of every nature, real or personal, tangible or intangible, now or hereafter owned, held or used in connection with the System, and shall also include any and all additions, extensions, improvements, properties or other facilities

hereafter at any time acquired or constructed for the System.

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

ARTICLE II

AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND ISSUE OF BONDS

Section 2.01. Authorization of Bonds. Subject and pursuant to the provisions of this ordinance, Bonds of the City, to be known as "Water and Sewer Revenue Bonds of 1969", Series A in the aggregate principal amount of not to exceed $40,000 and Series B in the aggregate principal amount of not to exceed $438,000, are hereby authorized to be issued for the purpose of financing part of the costs of the Project as authorized by this ordinance. Pending issuance of the definitive Bonds, temporary or interim certificates in the form of fully registered bonds may be issued, exchangeable for definitive Bonds on ninety days' notice to the City and at the expense of the City.

Section 2.02. Descrintion of Bonds. The Bonds shall be dated the first day of April, 1969, shall be in the denomination of $1,000 each, shall be numbered A1 to A40 for Series A and B1 to B438 for Series B, shall bear interest, payable semiannually on April 1 and October 1 of each year, at the rate of five per centum (5%) per annum for the Series A Bonds and four and one-fourth per centum (4-1/4%) per annum for the Series B Bonds, and the minimum price therefor shall be the par value thereof plus accrued interest. The Series A Bonds shall be redeemable on any interest payment date at the par value thereof plus interest to the date of redemption. Series B Bonds maturing in the years 1989 to 2009, both inclusive, shall be redeemable prior to their respective stated dates of maturity, at the option of the City, in whole or in part, but in inverse numerical order if less than all, on October 1, 1979, or on any interest payment date thereafter, at the price of par value thereof and accrued interest to the date of redemption, plus a premium as follows, expressed as

a percentage of the par value of the Series B Bonds called for redemption:

3 % if redeemed October 1, 1979, through April 1, 1984;
2-1/2% if redeemed October 1, 1984, through April 1, 1989;
2 % if redeemed October 1, 1989, through April 1, 1994;
1-1/2% if redeemed October 1, 1994, through April 1, 1999;
1 % if redeemed October 1, 1999, through April 1, 2004;
0 % if redeemed after April 1, 2004.

A notice of the redemption of any of the Bonds shall be published at least once not less than thirty nor more than sixty days prior to the date of redemption in a financial newspaper published in the City of New York, New York; or actual notice in writing shall be given by registered or certified mail not less than thirty days prior to the date fixed for redemption. Interest shall cease upon any of the Bonds so called for prior redemption on the date fixed for redemption, provided payment in full of the redemption price thereof has been duly made or provided for.

The Series A Bonds shall mature serially in numerical order, lowest numbers first, on the first day of April in years and amounts as follows:

Year	Amount	Year	Amount
1970	$ 4,000	1974	$ 5,000
1971	4,000	1975	5,000
1972	4,000	1976	6,000
1973	5,000	1977	7,000

The Series B Bonds shall mature serially in numerical order, lowest numbers first, on the first day of April in years and amounts as follows:

Year	Amount	Year	Amount	Year	Amount
1978	$ 7,000	1989	$11,000	2000	$17,000
1979	7,000	1990	11,000	2001	17,000
1980	7,000	1991	11,000	2002	18,000
1981	7,000	1992	12,000	2003	19,000
1982	8,000	1993	12,000	2004	20,000
1983	8,000	1994	13,000	2005	21,000
1984	8,000	1995	13,000	2006	22,000
1985	9,000	1996	14,000	2007	23,000
1986	9,000	1997	15,000	2008	24,000
1987	10,000	1998	15,000	2009	24,000
1988	10,000	1999	16,000		

The definitive Bonds of both Series shall be issued in coupon form, shall be payable with respect to both principal and interest in lawful money of the United States of America at the office of the State Sinking Fund Commission, Charleston, West Virginia, or at First National City Bank, New York, New York, at the option of the holder, and shall bear interest from their date, payable in accordance with and upon the surrender of the appurtenant interest coupons as they severally mature.

Section 2.03. Execution of Bonds and Coupons. The Bonds shall be executed in the name of the City by its Mayor and its corporate seal shall be affixed thereto or imprinted thereon and attested by its Recorder, the signature of either of whom, but not both, may be by facsimile. In case any one or more of the officials who shall have signed or sealed any of the Bonds shall cease to be such officer of the City before the Bonds so signed and sealed shall have been actually sold and delivered, such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Any Bond may be signed and sealed on behalf of the City by such person as at the actual time of the execution of such Bonds shall hold the proper office in the City, although at the date of such Bond such person may not have held such office or may not have been so authorized.

The coupons to be attached to the Bonds shall be authenticated with the facsimile signatures of the present or any future Mayor and Recorder of the City, and the City may adopt and use for that purpose the facsimile signature of any person who shall have been such Mayor or Recorder at any time on or after the date of the Bonds, notwithstanding

that he may have ceased to be such Mayor or Recorder at the time when said Bonds shall be actually sold and delivered.

Section 2.04. Negotiability and Registration. The Bonds shall be and have all the qualities and incidents of negotiable instruments under the law merchant and the Uniform Commercial Code of the State of West Virginia, and shall pass by delivery except when registered as hereinafter provided.

The Bonds may be registered at the option of the holder as to principal only in the Bond Register of the Treasurer of the State of West Virginia, Charleston, West Virginia, such registration to be noted on the Bonds in the space provided therefor and thereafter no transfer of any Bond so registered shall be valid unless made at said office by the registered owner, or by his duly authorized agent or representative, and similarly noted on such Bond, but any Bond may be discharged from registration by being in like manner transferred to bearer and thereupon transferability by delivery shall be restored. At the option of the holder any such Bond may thereafter again from time to time be registered or transferred to bearer as before. Such registration shall not affect the negotiability of the coupons which shall continue to pass by delivery.

Section 2.05. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Bond shall become mutilated or be destroyed, stolen or lost, the City may in its discretion issue and deliver a new Bond with all unmatured coupons attached of like tenor as the Bond and attached coupons, if any, so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond and attached coupons,

if any, or in lieu of and substitution for the Bond and attached coupons, if any, destroyed, stolen or lost, and upon the holder's furnishing the City proof of his ownership thereof and satisfactory indemnity and complying with such other reasonable regulations and conditions as the City may prescribe and paying such expenses as the City may incur. All Bonds and coupons so surrendered shall be canceled by the Recorder and held for the account of the City. If any such Bond or coupon shall have matured or be about to mature, instead of issuing a substitute Bond or coupon, the City may pay the same, upon being indemnified as aforesaid, and, if such Bond or coupon be destroyed, stolen or lost, without surrender thereof.

Any such duplicate Bonds and coupons issued pursuant to this Section 2.05 shall constitute original, additional contractual obligations on the part of the City, whether or not the lost, stolen or destroyed Bonds or coupons be at any time found by anyone, and such duplicate Bonds and coupons shall be entitled to equal and proportionate benefits with all other Bonds and coupons issued hereunder.

Section 2.06. Bonds Not to be Indebtedness of the City. Neither the Bonds nor coupons shall, in any event, be or constitute an indebtedness of the City within the meaning of any constitutional or statutory limitation of indebtedness, but shall be payable solely from the net revenues derived from the operation of the System as herein provided. No holder or holders of any of the Bonds shall ever have the right to compel the exercise of the taxing power of the City to pay the Bonds or the interest thereon.

Section 2.07. Security for Bonds. The payment of the debt service of all the Bonds shall be secured forthwith equally and ratably by a first lien on the net revenues derived

from the System in an amount sufficient to pay the principal of and interest on the Bonds, and to make the payments into the Sinking Fund hereinafter provided for, and such net revenues are hereby irrevocably pledged to the payment of the principal of and interest on the Bonds as the same become due and for the making of such payments.

Section 2.08. Form of Bonds and Coupons. Subject to the provisions of this ordinance, the text of the Bonds, of the provision for registration to be endorsed thereon, of the coupons and of other provisions shall be of substantially the following tenor, with such omissions, insertions and variations as may be authorized or permitted by this ordinance or any subsequent ordinance or resolution adopted prior to the issuance thereof:

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
COUNTY OF BARBOUR
THE CITY OF BELINGTON
WATER AND SEWER REVENUE BOND OF 1969, SERIES __

No. $1,000

THE CITY OF BELINGTON, in the County of Barbour, State of West Virginia, a municipal corporation created and existing under the laws of the State of West Virginia, for value received, hereby promises to pay to the bearer, or, if this Bond be registered, to the registered holder as herein provided, on the first day of April, 19 , from the net revenues hereinafter mentioned, the principal sum of

ONE THOUSAND DOLLARS

with interest thereon at the rate of per centum (%) per annum, payable semiannually on the first day of April and the first day of October of each year, upon the presentation and surrender of the annexed coupons as they severally fall due. Both principal of and interest on this Bond are payable in lawful money of the United States of America at the office of the State Sinking Fund Commission, Charleston, West Virginia, or, at the option of the holder, at First National City Bank, New York, New York.

This Bond is one of an authorized issue of Bonds in the aggregate principal amount of Four Hundred Seventy-Eight Thousand Dollars ($478,000) of like date, which issue consists of Series A Bonds in the aggregate principal amount of $40,000 and Series B Bonds in the aggregate principal amount of $438,000. The Series A Bonds are issued to refund the Waterworks Revenue Bonds of the City dated April 1, 1957, outstanding in the aggregate principal amount of $39,000, and

the Series B Bonds are issued to finance part of the costs of the acquisition and construction of additions, extensions and improvements to the Combined Waterworks and Sewerage System of the City (herein called the "System"), under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Article 13, Chapter 8 of the West Virginia Code (herein called the "Act") and other applicable statutes, and an Ordinance duly enacted by the Council of the City. The refunding to be accomplished by the Series A Bonds is pursuant to Article 2A of Chapter 13 of said Code.

The Series A Bonds of this issue of Bonds are subject to redemption prior to maturity at the option of the City, in whole or in part in inverse numerical order, without premium, on any interest payment date. The Series B Bonds of this issue maturing on and after April 1, 1980, are redeemable prior to their stated dates of maturity, at the option of the City, in whole or in part, but in inverse numerical order if less than all, on October 1, 1979, or on any interest payment date thereafter, at the price of par and accrued interest to date of redemption, plus a premium as follows, expressed as a percentage of the par value of the Bonds called for redemption:

3 % if redeemed October 1, 1979, through April 1, 1984;
2-1/2% if redeemed October 1, 1984, through April 1, 1989;
2 % if redeemed October 1, 1989, through April 1, 1994;
1-1/2% if redeemed October 1, 1994, through April 1, 1999;
1 % if redeemed October 1, 1999, through April 1, 2004;
0 % if redeemed after April 1, 2004;

provided, however, that a notice of such redemption shall be published at least once not less than thirty nor more than sixty days prior to the redemption date in a financial newspaper published in the City of New York, New York, or actual notice in writing shall be given by registered or certified mail not less than thirty days prior to the date fixed for redemption. Interest shall cease upon this Bond

after the date fixed for redemption if it shall be duly called for prior redemption and payment thereof duly provided for.

The Series A and Series B Bonds of the issue of which this Bond is one and the coupons appertaining thereto are payable, equally and ratably, solely from, and secured by a first lien upon and pledge of, the net revenues derived from the operation of the System, with monthly payments from such net revenues to be made into the Sinking Fund with the State Sinking Fund Commission for payment of the principal hereof and interest hereon, in the manner provided in said Ordinance, and do not and shall not in any event constitute an indebtedness of the City within the meaning of any constitutional, statutory or charter provisions or limitations, and the City shall not be obligated to pay this Bond or the interest hereon except from the net revenues of the System, as provided in the Ordinance. Neither the credit nor the taxing power of the City shall be deemed to be pledged to, nor shall a tax ever be levied for, the payment of the principal of or interest on this Bond. The City covenants with the holders of the Bonds of the issue of which this Bond is one to establish and at all times maintain such rates and collect such charges for the services and facilities of the System, and to revise the same from time to time, whenever necessary, as will always provide revenues in each fiscal year sufficient to pay at least one hundred thirty per centum (130%) of the amount of principal and interest on said Bonds maturing and becoming due in such fiscal year and one hundred per centum (100%) of the necessary expenses of operating and maintaining the System during such fiscal year, and the City has entered into certain other covenants with the holders of the Bonds of the issue of which this Bond is one, for the terms of which reference is made to the Ordinance.

Additional parity Bonds of equal rank with this Bond and the Bonds of the issue of which this Bond is one as to lien and source of and security for payment may be issued under the provisions and restrictions contained in the Ordinance.

It is hereby certified and recited that all acts, conditions and things required to exist, to happen and to be performed precedent to and in the issuance of this Bond, do exist, have happened and have been performed in regular and due form, time and manner as required by the laws and Constitution of the State of West Virginia applicable thereto, and that the issuance of this Bond and of the issue of Bonds of which this Bond is one is not in violation of any constitutional, statutory or charter limitation of indebtedness.

This Bond, under the provisions 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.

This Bond may be registered as to principal only in accordance with the provisions endorsed hereon.

This Bond and the interest hereon are exempt from all taxation by the State of West Virginia or any county, municipality, political subdivision or agency thereof.

IN WITNESS WHEREOF, The City of Belington has caused this Bond to be signed by its Mayor and its corporate seal to be imprinted hereon and attested by its Recorder, and the annexed interest coupons to be executed with the facsimile signatures of said Mayor and said Recorder, all as of the first day of April, 1969.

THE CITY OF BELINGTON

By_____
Mayor

ATTEST:

(SEAL)

_____
Recorder

(FORM OF COUPON)

No.

$

On the first day of , 19 , unless the Bond to which this coupon was originally attached shall be redeemable prior to maturity and shall have been duly called for prior redemption and payment of the redemption price duly made or provided for, The City of Belington, West Virginia, will pay to the bearer at the office of the State Sinking Fund Commission, Charleston, West Virginia, or, at the option of the holder, at First National City Bank, New York, New York, solely from the net revenues described in the Bond to which this coupon is attached, the sum of Dollars ($) in lawful money of the United States of America, upon presentation and surrender of this coupon, being six months' interest then due on its Water and Sewer Revenue Bond of 1969, Series __, dated April 1, 1969, No. .

THE CITY OF BELINGTON

By (facsimile signature)
Mayor

ATTEST:

(facsimile signature)
Recorder

(Note to Printer: Line up numbers, dates and amounts in right column)

PROVISION FOR REGISTRATION

This Bond may be registered in the name of the holder as to principal only on books kept by the Treasurer of the State of West Virginia, such registration being noted hereon in the registration blank below, after which no transfer shall be valid unless made on said books by the registered holder or his agent or representative duly authorized, and similarly noted in said registration blank below, but it may be discharged from registration by being transferred to bearer, after which it shall be transferable by delivery. At the option of the holder, this Bond shall again be subject to successive registrations and transfers as before. The principal of this Bond, if registered, shall be payable only to the registered owner or his legal representative. Notwithstanding the registration of this Bond, the coupons shall remain payable to bearer and shall continue to be transferable by delivery merely.

(No writing on this Bond except by the Treasurer of the State of West Virginia as Registrar.)

Date of Registration	In Whose Name Registered	Registrar

(FORM OF TEMPORARY, FULLY
REGISTERED BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
COUNTY OF BARBOUR
CITY OF BELINGTON
WATER AND SEWER REVENUE BOND OF 1969
SERIES B

No. BR-1 $438,000

THE CITY OF BELINGTON, in the County of Barbour, State of West Virginia (herein called the "City"), a municipal corporation created and existing under the laws of the State of West Virginia, for value received, hereby promises to pay to the UNITED STATES OF AMERICA, SECRETARY OF COMMERCE,

or his successor (herein sometimes called the "Payee"), or his registered assigns (herein sometimes called the "Alternate Payee") the principal sum of Four Hundred Thirty-Eight Thousand Dollars ($438,000) on the 1st day of April in years and installments as follows:

Year	Amount	Year	Amount	Year	Amount
1978	$ 7,000	1989	$11,000	2000	$17,000
1979	7,000	1990	11,000	2001	17,000
1980	7,000	1991	11,000	2002	18,000
1981	7,000	1992	12,000	2003	19,000
1982	8,000	1993	12,000	2004	20,000
1983	8,000	1994	13,000	2005	21,000
1984	8,000	1995	13,000	2006	22,000
1985	9,000	1996	14,000	2007	23,000
1986	9,000	1997	15,000	2008	24,000
1987	10,000	1998	15,000	2009	24,000
1988	10,000	1999	16,000		

in lawful money of the United States of America, and to pay interest on the balance of said principal sum from time to time remaining unpaid, in like lawful money, at the rate of four and one-fourth per centum (4-1/4%) per annum, semiannually

on April 1 and October 1 of each year, commencing October 1, 1969, until the principal amount hereof has been paid. During the time the Payee is the registered owner of this Bond, payment of the principal installments and interest due shall be made at Federal Reserve Bank of Richmond, Richmond, Virginia, or such other fiscal agent as the Payee shall designate (herein sometimes called the "Fiscal Agent"). During such time as an Alternate Payee is the registered owner hereof said payments shall be made at the office of the State Sinking Fund Commission of West Virginia, Charleston, West Virginia, or, at the option of the Alternate Payee, at the principal office of First National City Bank, New York, New York (herein sometimes called the "Alternate Paying Agent"). Payments of principal and interest, including prepayments of installments of principal as hereinafter provided, shall be noted on the Payment Record made a part of this Bond and such payment shall fully discharge the obligation of the City herein to the extent of the payments so made. Upon final payment of the principal and interest, this Bond shall be surrendered to the City for cancellation.

This Bond, designated as "The City of Belington Water and Sewer Revenue Bond of 1969, Series B" (herein called the "Bond") is one of an authorized issue of Bonds in the aggregate principal amount of Four Hundred Seventy-Eight Thousand Dollars ($478,000) of like date, which issue consists of Series A Bonds in the aggregate principal amount of Forty Thousand Dollars ($40,000), and Series B Bonds in the aggregate principal amount of Four Hundred Thirty-Eight Thousand Dollars ($438,000), which Series B Bonds are initially represented in their entirety by this temporary Bond. The Series A Bonds are issued to refund the Waterworks Revenue Bonds of the City dated April 1, 1957, outstanding in the aggregate principal amount of $39,000, and the Series B Bonds are issued to finance part of the costs

of the acquisition and construction of additions, extensions and improvements to the Combined Waterworks and Sewerage System of the City (herein called the "System") under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Article 13, Chapter 8 of the West Virginia Code (herein called the "Act") and other applicable statutes, and an Ordinance duly enacted by the Council of the City. The refunding to be accomplished by the Series A Bonds is pursuant to Article 2A of Chapter 13 of said Code.

The Series A Bonds of this issue of Bonds are subject to redemption prior to maturity at the option of the City in whole or in part in inverse numerical order without premium on any interest payment date. In addition to the installments of principal required to be paid by the City as hereinabove set forth, the City shall have the right to prepay on any interest payment date commencing October 1, 1979, the entire principal amount hereof then remaining unpaid, or such lesser portion thereof as it may determine, in inverse chronological order of such installments and in multiples of $1,000, at the price of par and accrued interest to date of prepayment, plus a premium as follows, expressed as a percentage of the amount of the prepayment:

103% if paid on or before April 1, 1984;
102-1/2% if paid thereafter and on or before April 1, 1989;
102% if paid thereafter and on or before April 1, 1994;
101-1/2% if paid thereafter and on or before April 1, 1999;
101% if paid thereafter and on or before April 1, 2004;
100% if paid after April 1, 2004;

provided, however, that so long as the registered owner hereof shall be the payee, the City may prepay on any interest payment date the entire unpaid principal amount hereof, or, from time to time, in inverse chronological order of such installments, such lesser portion thereof, in multiples of $1,000, as the City

may determine at the principal amount thereof, plus accrued interest to the date of such prepayment.

Notice of any such optional prepayment shall be given at least thirty days prior to the prepayment date by sending to the registered owner of this Bond by registered or certified mail a notice fixing such prepayment date and stating the amount of principal to be prepaid and the premium, if any.

The Series A and Series B Bonds of the issue of which this Bond is one and the interest thereon are payable, equally and ratably, solely from and secured by a first lien on and pledge of the net revenues derived from the operation of the System, with monthly payments from such net revenues to be made into the Sinking Fund with the State Sinking Fund Commission for payment of the principal hereof and interest hereon, in the manner provided in said Ordinance, and do not and shall not in any event constitute an indebtedness of the City within the meaning of any constitutional, statutory or charter provisions or limitations, and the City shall not be obligated to pay this Bond or the interest thereon except from the net revenues of the System, as provided in the Ordinance. Neither the credit nor the taxing power of the City shall be deemed to be pledged to, nor shall a tax ever be levied for, the payment of the principal of or interest on this Bond. The City covenants with the holders of the Bonds of the issue of which this Bond is one to establish and at all times maintain such rates and collect such charges for the services and facilities of the System, and to revise the same from time to time, whenever necessary, as will always provide revenues in each fiscal year sufficient to pay at least one hundred thirty per centum (130%) of the amount of principal and interest on said Bonds maturing and becoming due in such fiscal year and one hundred per centum (100%)

of the necessary expenses of operating and maintaining the System during such fiscal year, and the City has entered into certain other covenants with the holders of the Bonds of the issue of which this Bond is one, for the terms of which reference is made to the Ordinance.

This Bond may be assigned, and upon such assignment the assignor shall promptly notify the City by registered mail and the Alternate Payee shall surrender the same to the City, either in exchange for a new, fully registered temporary Bond or for transfer on the Registration Records and verification of the endorsements made on the Payment Record attached hereto of the portion of the principal amount hereof and interest hereon paid or prepaid, and every such assignee shall take this Bond subject to such conditions.

This Bond is exchangeable at the expense of the City upon ninety days' written notice at the request of the registered owner hereof and upon surrender of this Bond to the City for negotiable, coupon Bonds in the form substantially as provided in said Ordinance and in an aggregate principal amount equal to the unpaid principal amount hereof.

Additional parity Bonds of equal rank with this Bond and the Bonds of the issue of which this Bond is one as to lien and source of and security for payment may be issued under the provisions and restrictions contained in the Ordinance.

It is hereby certified and recited that all acts, conditions and things required to exist, to happen and to be performed precedent to and in the issuance of this Bond, do exist, have happened and have been performed in regular and due form, time and manner as required by the laws and Constitution of the State of West Virginia applicable thereto, and that the issuance of this Bond and of the issue of Bonds of which this Bond is one is not in violation of any consti-

tutional, statutory or charter limitation of indebtedness.

This Bond and the interest hereon are exempt from all taxation by the State of West Virginia or any county, municipality, political subdivision or agency thereof.

IN WITNESS WHEREOF, The City of Belington has caused this Bond to be signed by its Mayor and its corporate seal to be impressed hereon and attested by its Recorder, all as of the 1st day of April, 1969.

THE CITY OF BELINGTON

By_____
Mayor

ATTEST:

(SEAL)

_____
Recorder

(FORM OF ASSIGNMENT)

For value received, the undersigned hereby sells, assigns and transfers unto _____ all the right, title and interest of the undersigned in and to this Bond.

_____

Date: _____

In the presence of: _____ _____

(FORM OF PAYMENT RECORD)

PAYMENT RECORD

Due Date	Principal Payment	Principal Balance Due	Interest Payment (4-1/4%)	Date Paid	Name of Paying Agent, Authorized Official and Title
October 1, 1969					

(Show all installments of principal and all interest payment dates)

(FORM OF RECORD OF ADVANCE PAYMENTS)

Principal Due		Principal Payment	Balance	Date Paid	Name of Paying Agent, Authorized Official and Title
Date	Amt.				

ARTICLE III

BOND PROCEEDS; REVENUES AND APPLICATION THEREOF

Section 3.01. Disposition of Bond Proceeds. Except as hereinafter in this section provided, all moneys received from the sale of any or all the Bonds, the proceeds of the aforesaid federal grants, funds constituting contributions in aid of construction and the proceeds of any temporary construction financing shall be deposited by the City in a special fund in a bank or trust company which is a member of the Federal Deposit Insurance Corporation, which fund is hereby created and designated as the "Belington Waterworks and Sewerage System 1968 Construction Fund" (herein called the "Construction Fund"). The moneys in the Construction Fund shall be secured at all times by the deposit, by said bank or trust company, of direct obligations of the United States of America having a market value at least equal to the amount of moneys in the Construction Fund in excess of $15,000. Moneys in the Construction Fund shall be expended by the City solely for the purposes provided in this ordinance. Any moneys in the Construction Fund not immediately needed for said purposes may, with the approval of the Consulting Engineer, be invested in direct obligations of the United States of America having a maturity of not more than one year. Any balance in the Construction Fund after the completion of the Project shall be disposed of in accordance with the Loan and Grant Agreement.

All moneys received upon sale of the Bonds as accrued interest on the Bonds to the date of delivery thereof and such part of the Bond proceeds as represents capitalized interest will be immediately deposited by the City in the Sinking Fund.

All moneys received upon sale of the Series A Bonds representing the principal amount thereof will be immediately placed irrevocably in trust with the State Sinking Fund Commission in the bond and interest sinking fund created for the 1957 Bonds and will be used solely to pay the redemption price of the 1957 Bonds outstanding on the redemption date immediately following delivery of the Series A and B Bonds. Any moneys remaining in such fund after payment in full of the 1957 Bonds will be transferred by the State Sinking Fund Commission to the Sinking Fund hereby established.

Section 3.02. Covenants of the City as to Revenues and Funds. So long as any of the Bonds shall be outstanding and unpaid, or until there shall have been set apart in the Sinking Fund and Reserve Account therein, hereinafter established, a sum sufficient to pay, when due, the entire principal of the Bonds remaining unpaid together with interest accrued and to accrue thereon, the City additionally covenants with the holders of any and all Bonds issued pursuant to this ordinance as follows:

(A) System Revenue Fund. The entire gross revenues derived from the operation of the System, and all parts thereof, shall be deposited as collected by the City in a special fund in a bank or trust company in the State of West Virginia which is a member of the Federal Deposit Insurance Corporation, which Fund (herein called the "Revenue Fund") is hereby established. The Revenue Fund shall constitute a trust fund for the purposes provided in this ordinance and shall be kept separate and distinct from all other funds of the City and used only for the purposes and in the manner provided in this ordinance.

(B) Disposition of Revenues. All revenues at any time on deposit in the Revenue Fund shall be disposed of only in the following order and priority:

(1) The City shall first each month pay from the moneys in the Revenue Fund all current Operating Expenses of the System, as defined herein.

(2) The City shall next, before the end of each month, transfer from the Revenue Fund and remit to the State Sinking Fund Commission, for deposit into the "Water and Sewer Revenue Bonds Sinking Fund" (herein called the "Sinking Fund"), which is hereby established, one-sixth of the amount required to pay the interest which will mature and become due on the next interest payment date; and beginning with the month of April, 1969, the City shall also monthly transfer from the Revenue Fund and remit to the State Sinking Fund Commission for deposit into the Sinking Fund, one-twelfth of the amount required to pay the principal which will mature and become due on the next succeeding April 1, which payments for principal and interest required to be remitted to the State Sinking Fund Commission in each March and September shall be so remitted not later than each March 15 and September 15.

The City shall also, from the Revenue Fund, remit to the State Sinking Fund Commission, at such times as the State Sinking Fund Commission shall require, such additional sums as shall be necessary to pay the fiscal charges due for paying the Bonds and the interest thereon.

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

Moneys in the Sinking Fund shall be used only for the purpose of paying principal of and interest on the Bonds as the same shall become due.

The City shall next, from the Revenue Fund, remit prior to the end of each fiscal year to the State Sinking Fund Commission, for deposit in the Reserve Account hereby established in the Sinking Fund, three-quarters of the balance remaining in the Revenue Fund; provided, however, that no further payments need be made into the Reserve Account when there shall have been deposited therein, and so long as there shall be maintained on deposit therein, an amount equal to the largest amount of principal and interest which will mature and become due on the Bonds in any succeeding year.

Moneys in the Reserve Account shall be used only for the purpose of the payment of maturing principal of or interest on the Bonds when other moneys in the Sinking Fund are insufficient therefor, and for no other purpose. Any moneys withdrawn from the Reserve Account for the payment of principal of and interest on the Bonds shall be restored thereto from the first revenues available after the payment of all sums required for principal of and interest on the Bonds.

(3) After all the foregoing payments and provisions have been met, from the revenues remaining in said Revenue Fund the City shall, prior to the end of each month, pay into a fund to be known as the "Depreciation Account", which is hereby established, the balance remaining in the Revenue Fund; provided, however, that no further payments need be made into the Depreciation Account when there shall have been deposited therein, and so long as there shall remain on deposit therein, the sum of $88,000. The moneys in the Depreciation Account shall be used first to meet any deficiencies in the Sinking Fund, and next to meet any deficiencies of payments into the Reserve Account required

to accumulate or maintain the maximum prescribed amount therein, and next for payment of the costs of replacements, improvements or additions to the capital assets of the System.

The Depreciation Account shall be deposited in and maintained with a bank or trust company in the State of West Virginia which is a member of the Federal Deposit Insurance Corporation. The moneys in the Depreciation Account may, in the discretion of the City, be invested and reinvested in direct obligations of the United States of America.

The City may, in its discretion, use any surplus moneys in the Revenue Fund, after all the above payments and provisions have been met, for the redemption of Bonds then callable at prices not greater than the then redemption price thereof, or may use such surplus for any lawful purpose relating directly to the System.

The City in its discretion may deposit all or any of the funds in the Depreciation Account into the Sinking Fund when such deposit will result in there being a sufficient sum in the Sinking Fund and the Reserve Account therein to purchase and redeem all Bonds outstanding.

All the funds provided for in this Section 3.02 shall constitute trust funds and shall be used only for the purposes and in the order provided herein. The moneys in excess of the sum of $15,000 in the Revenue Fund and the Depreciation Account shall at all times be secured, to the full extent thereof in excess of the sum of $15,000, by direct or general obligations of the United States of America.

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

ARTICLE IV

GENERAL COVENANTS OF THE CITY

Section 4.01. General Statement. So long as any of the Bonds shall be outstanding and unpaid, or until there shall have been set apart in the Sinking Fund a sum sufficient to pay when due, or redeem prior to maturity, the entire principal of the Bonds remaining unpaid, together with interest accrued and to accrue thereon and any redemption premiums applicable, the covenants and agreements contained in this Article IV, and in this ordinance, shall be and constitute valid and legally binding covenants between the City and the holders from time to time of the Bonds and the interest coupons appertaining thereto.

Section 4.02. Rates. The City will, in the manner provided in the Act, fix such rates and collect such rentals, fees or other charges for the services and facilities of the System, and revise the same from time to time whenever necessary, as will always provide revenues in each fiscal year sufficient to pay at least one hundred thirty per centum (130%) of the amount of the principal of and interest on the Bonds maturing and becoming due in such fiscal year, and one hundred per centum (100%) of the necessary expenses of operating and maintaining the System during such fiscal year, and such rates, fees, rentals and other charges shall not be reduced so as to be insufficient to provide adequate revenues for such purposes.

Section 4.03. Sale of the System. The System may be sold, mortgaged, leased, or otherwise disposed of only as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient fully to pay or

redeem at or prior to maturity all the Bonds. The proceeds from such sale, mortgage, lease or other disposition of the System shall immediately be remitted to the State Sinking Fund Commission and the City shall direct said Commission to apply such proceeds to the payment of principal and interest at maturity of Bonds then due, or the purchase or redemption prior to maturity, at not more than the redemption price, of all outstanding Bonds. Any balance remaining after the redemption or payment of all the Bonds and interest thereon shall be remitted to the City by said State Sinking Fund Commission unless necessary for the payment of other obligations issued by the City and payable out of the revenues of the System.

The foregoing provision notwithstanding, the City shall have and hereby reserves the right to sell, lease or otherwise dispose of any of the property comprising a part of the System hereafter determined in the manner provided herein to be no longer necessary, useful or profitable in the operation thereof. Prior to any such sale, lease or other disposition of said property, if the amount to be received therefor is not in excess of Ten Thousand Dollars ($10,000), the Council shall make a finding by resolution in writing, concurred in by the Consulting Engineer in writing, determining that such property is no longer necessary, useful or profitable in the operation thereof, and such proceeds shall be deposited in the Depreciation Account and used only as provided herein for such fund, but such deposit of proceeds shall not reduce the amount, if any, required to be deposited in the Depreciation Account under the provisions hereof.

No sale, lease or other disposition of the properties of the System shall be made by the City if the proceeds to be derived therefrom shall be in excess of Ten Thousand Dollars ($10,000) and insufficient to pay or redeem prior to maturity all the principal of Bonds then outstanding and all interest

thereon to their respective dates of redemption or maturity, without the prior approval and consent in writing of the holders, or their duly authorized representatives, of at least two-thirds in amount of each Series of Bonds then outstanding. The City shall prepare the form of such approval and consent for execution by the Bondholders, or their duly authorized representatives, which form shall provide for the disposition of the proceeds of the sale, lease or other disposition of such properties of the System.

Notwithstanding the foregoing, so long as any of the Bonds are held by the Federal Government, the City will not dispose of its title to the System or any useful part thereof without the written consent of the Federal Government.

Section 4.04. Covenant Against Encumbrances. The City has heretofore issued and there are now outstanding the 1957 Bonds which are obligations payable from the revenues of the water facilities of the System. Prior to delivery of the Series A and B Bonds, the City will take the steps and actions provided herein irrevocably to secure redemption of all the 1957 Bonds outstanding. After delivery of the Series A and B Bonds, the City will not have any obligations outstanding which rank prior to or equally as to lien on and source and security for payment from such revenues with the Bonds; and all obligations hereafter issued by the City payable from the revenues of the System, except additional parity Bonds as herein authorized, shall contain an express statement that such obligations are junior and subordinate, as to lien on and source of and security for payment from such revenues and in all other respects, to the Bonds.

The City shall not create, or cause or permit to be created, any debt, lien, pledge, assignment, encumbrance or any other charge, having priority over or being on a parity

with the lien of the Bonds and any such additional parity Bonds, and the interest thereon, upon any of the income and revenues of the System pledged as security therefor in this ordinance, or upon the System, or any part thereof.

Section 4.05. Issuance of Additional Parity Bonds. No additional parity Bonds, as in this Section defined, payable out of the revenues of the System, shall be issued after the issuance of any Bonds pursuant to this ordinance, except under the conditions and in the manner herein provided.

(A) No such additional parity Bonds shall be issued except for the purpose of financing the costs of the construction or acquisition of extensions, additions and improvements to the System.

(B) No such additional parity Bonds shall be issued at any time, however, unless and until there has been procured and filed with the Recorder a written certification by an independent certified public accountant, based upon the necessary investigation, reciting the conclusion that the net revenues, as defined herein and adjusted as provided below, actually derived from the System during any twelve consecutive months of the fifteen months immediately preceding the date of the issuance of such additional parity Bonds, shall have been not less than one hundred thirty per centum (130%) of the largest aggregate amount which will mature and become due in any succeeding fiscal year for principal of and interest on the Bonds originally issued pursuant to this ordinance then outstanding, and on any additional parity Bonds theretofore issued pursuant to the provisions contained in this ordinance then outstanding, and on the additional parity Bonds then proposed to be issued.

(C) The net revenues actually derived from the System during such twelve consecutive months may, for the

purposes of this Section, be adjusted by adding to such net revenues any additional net revenues estimated in writing by the Consulting Engineer and such independent certified public accountant to have been derivable during such twelve months from the additional facilities to be financed by the additional parity Bonds proposed to be issued or, if the rates, fees or other charges for the services of the System or any part thereof were increased during such twelve months, such addition may be in the amount that such actual net revenues would have been increased if such increased rates, fees or other charges had been in effect during all such twelve months.

(D) Prior to the issuance of any such additional parity Bonds, the City shall have entered into written contracts for the immediate acquisition or construction of such additions, extensions or improvements to the System which are to be financed by such additional parity Bonds.

(E) The term "additional parity Bonds", as used in this Section, shall be deemed to mean additional Bonds issued under the provisions and within the limitations of this Section, payable from the revenues of the System on a parity with the Bonds originally authorized and issued pursuant to this ordinance, and all the covenants and other provisions of this ordinance (except as to details of such additional parity Bonds inconsistent herewith) shall be for the equal benefit, protection and security of the holders of any Bonds originally authorized and issued pursuant to this ordinance and the holders of any additional parity Bonds subsequently issued within the limitations of and in compliance with this Section. All such Bonds, regardless of the time or times of their issuance, shall rank equally with respect to their lien on the revenues of the System, and their source of and security for payment from said revenues, without preference of any Bond

or coupon over any other. The City shall comply fully with all the increased payments into the various funds created in this ordinance required for such additional parity Bonds, in addition to the payments required for Bonds originally issued pursuant to this ordinance.

(F) All additional parity Bonds issued pursuant to this Section shall mature serially on April 1 of each year of maturity, and the semiannual interest thereon shall be payable April 1 and October 1 of each year.

(G) The term "additional parity Bonds" as used in this Section shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien of which on the revenues of the System is subject to the prior and superior lien on such revenues of the Bonds issued pursuant to this ordinance, and the City shall not issue any obligations whatsoever payable from the revenues of the System, or any part thereof, which rank equally as to lien on and source of and security for payment from such revenues with Bonds issued pursuant to this ordinance, except in the manner and under the conditions provided in this Section.

(H) No additional parity Bonds, as in this Section defined, shall be created at any time, however, unless all the payments into the respective Funds provided for in this ordinance on Bonds then outstanding and all other payments provided for in this ordinance shall have been made in full to the date of issuance of the additional parity Bonds and the City shall have fully complied with all the covenants, agreements and terms of this ordinance.

(I) With the written consent in advance of the original purchasers of the Series A and B Bonds originally authorized by this ordinance and anything to the contrary

in subsections (A), (B), (C) and (D) of this Section notwithstanding, additional parity Bonds may be authorized and issued by the City pursuant to supplemental ordinance in the event that the Bonds hereby originally authorized and issued hereunder should be insufficient, together with the grants hereinabove mentioned, to pay all costs of construction of the Project. Any such additional parity Bonds authorized and issued under the provisions of this subsection (I) shall be limited to the aggregate principal amount required to make up any deficiency in funds for payment of such construction costs as defined in this ordinance, and the maturities of any such additional parity Bonds shall be in years and amounts suggested by such original purchasers. All provisions of subsections (E), (F), (G) and (H) of this Section shall be fully complied with in the authorization and issuance of additional parity Bonds under this subsection (I) and, if necessary for such compliance, the rates, fees and charges provided in Section 5.01 of this ordinance shall be increased by such supplemental ordinance.

Section 4.06. Covenant to Proceed. The City covenants and agrees to proceed promptly with the construction of the Project in accordance with the Loan and Grant Agreement.

Section 4.07. Insurance and Bonds. The City will carry fire and extended coverage insurance on the insurable property of the System with a reputable insurance carrier or carriers prior to issuance of the Bonds. Such insurance shall at all times be in an amount or amounts equal to the fair appraisal value of the insurable portions of the buildings, properties, furniture, fixtures and equipment of the System. In time of war, the City shall also carry in said amount, or such lesser amount if coverage in said full amount be not available, such insurance as may be available against loss or damage by the risks and hazards of war. The proceeds of all such insurance policies

shall be placed in the Depreciation Account and used only for the repair and restoration of the damaged or destroyed properties or for the other purposes provided herein for the Depreciation Account.

The City shall also carry liability insurance with limits of not less than $200,000 for injury to or death of one person, $500,000 for injury to or death of more than one person in one accident, and $100,000 for damage to the property of others, such liability insurance to cover all liability of the City in connection with the System and with any motor vehicle owned or operated by the City, or operated for the benefit of the City, in connection with the System.

The City will obtain and maintain fidelity bonds upon every official and employee of the City having custody of the Construction Fund or of any revenues or other funds of the City pertaining to the System in an amount at least equal to the total funds in the custody of any such person at any one time, provided, however, that the maximum amount of any such fidelity bond need not exceed $50,000 insofar as custody of the Construction Fund is concerned.

Notwithstanding the foregoing, the City shall during construction, and thereafter as long as the Government holds any Bonds, carry insurance, and during construction require each contractor and subcontractor to carry insurance, of such types and in such amounts as the Government may specify with insurance carriers acceptable to the Government.

Section 4.08. Books and Records. The City will keep books and records of the System, which shall be separate and apart from all other books, records and accounts of the City, in which complete and correct entries shall be made

of all transactions relating to the System, and any holder of a Bond or Bonds, his agents and representatives, shall have the right at all reasonable times to inspect the System and all records, accounts and data of the City relating thereto.

The City shall, at least once a year, cause said books, records and accounts of the System to be properly audited by an independent competent firm of public accountants, and shall make available the report of said accountants at all reasonable times to any holder or holders of the Bonds, any taxpayer or inhabitant of the City, or any person receiving services from the System, or anyone acting for and in behalf of said taxpayer, citizen or Bondholder or Bondholders, and shall promptly send a copy of each such report to the original purchasers of the Bonds by registered or certified mail.

So long as the Government holds any of the Bonds, the City will furnish operating and other financial statements in such form and for such periods as may be requested by the Government.

Section 4.09. Maintenance of System. The City will maintain the System in good condition and repair and continuously operate the same in an efficient manner and at a reasonable cost.

Section 4.10. Mandatory Use of System. As hereinabove provided, the mandatory use of the sewer facilities of the System is essential and necessary for the protection and preservation of the public health, comfort, safety, convenience, welfare and economy of the inhabitants of the City and for the collection of sewage and water-borne waste matter produced or arising within the City, and the City covenants to enforce such mandatory use promptly and impartially. Reference is here made to Section 1.03 hereof as to provision for mandatory use of the sewer facilities of the System.

Section 4.11. Services Rendered to the City. The City will not render or cause to be rendered any free services of any nature by the System, nor will any preferential rates be established for users of the same class; and in the event the City or any department, agency, instrumentality, officer or employee thereof shall avail itself or themselves of the facilities or services provided by the System, or any part thereof, the same rates, fees or charges applicable to other customers receiving like services under similar circumstances shall be charged the City, and any such department, agency, instrumentality, officer or employee thereof. Such charges shall be paid as they accrue, and the City shall transfer from its general funds sufficient sums to pay such charges incurred by it. The revenues so received shall be deemed to be revenues derived from the operation of the System, and shall be deposited and accounted for in the same manner as other revenues derived from such operation of the System.

Section 4.12. Operating Budget. The City shall annually, at least forty-five days preceding the beginning of each fiscal year, prepare and adopt by resolution of its governing body a detailed budget of the estimated expenditures for operation and maintenance of the System during the succeeding fiscal year. No expenditures for the operation and maintenance of the System shall be made in any fiscal year in excess of the amounts provided therefor in such budget without a written finding and recommendation by the Council, which finding and recommendation shall state in detail the purpose of and necessity for such increased expenditures for the operation and maintenance of the System. No increased expenditures in excess of ten per centum (10%) of the amount of such budget shall be made except upon the further certificate of the Consulting Engineer that such increased expenditures are necessary for the continued operation of the System. The City shall mail copies of such annual budget and all resolutions authorizing increased expenditures for operation and maintenance to the original purchasers of the Bonds and to any holder or holders of Bonds who shall file his address with the City and request in writing that copies of all such budgets and resolutions be furnished him or them, and shall make available such budgets and all resolutions authorizing increased expenditures for operation and maintenance of the System at all reasonable times to any holder or holders of Bonds or anyone acting for and in behalf of such Bondholder or Bondholders.

Section 4.13. Remedies and Appointment of Receiver. Any holder or holders of the Bonds or the coupons appertaining thereto may, by proper action, either at law or in equity,

compel the performance of the duties of the City under this ordinance and the Act. If there be default in the payment of principal or interest upon any of the Bonds or coupons appertaining thereto or in the performance of any covenant contained in this ordinance and such default shall continue for a period of sixty days, any holder or holders of the Bonds or such coupons shall, in addition to all other remedies or rights, have the right by appropriate proceedings at law or in equity, to obtain the appointment of a receiver to administer the System on behalf of the City, with power to charge rates, rentals, fees or other charges sufficient to provide for the payment of the Bonds and the interest thereon and for the payment of operating expenses, and to apply such rates, rentals, fees, charges or other revenues in conformity with the provisions of this ordinance and the Act.

Section 4.14. Enforcement of Collections. The City will diligently enforce and collect all fees, rentals or other charges for the services and facilities of the System, and take all steps, actions and proceedings for the enforcement and collection of such fees, rentals or other charges which shall become delinquent to the full extent permitted or authorized by the Act, the Charter of the City, ordinances of the City, and other laws of the State of West Virginia.

The City further covenants and agrees that it will, to the full extent possible and permitted by law, under reasonable rules and regulations, discontinue and shut off the services and facilities of the System, and all parts thereof, for nonpayment of the fees, rentals or other charges for the services and facilities of the System, or any part

thereof, and will not restore any of the services and facilities of the System, or any part thereof, until all delinquent charges for the services and facilities of all parts of the System, plus reasonable penalties and charges for the restoration of service, have been fully paid.

Section 4.15. No Competing Franchise. The City will not grant, or cause, consent to or allow the granting of, any franchise or permit to any person, firm, corporation, body, agency or instrumentality whatsoever for the services provided by the System to or within the City.

Section 4.16. Consulting Engineer. The City will retain the Consulting Engineer hereinabove designated, or other qualified and recognized independent engineers, on an annual basis to inspect generally the operation, maintenance and renewal of the System.

Section 4.17. Financing and Continuation Statements. The City, by its Mayor or the Recorder, either of whom is hereby authorized and directed to act hereunder, will execute Financing Statements meeting the requirements of the Uniform Commercial Code of West Virginia and will file the same with the Secretary of State of the State of West Virginia and with the Clerk of the County Court of Barbour County. Continuation Statements will be filed to maintain the security interest arising from this ordinance and the Bonds.

ARTICLE V

RATES AND LIEN FOR CHARGES

Section 5.01. Minimum Rates Established. The following minimum schedule of fees, rentals and rates to be charged for the services and facilities of the System are hereby fixed and determined, as follows:

Applicability

Applicable to the entire territory served.

Availability of Service

Available to general domestic, commercial and industrial service.

WATER

Rate

First	2,000 gallons used per month	@ $1.80 per 1,000 gallons.
Next	3,000 gallons used per month	@ $0.90 per 1,000 gallons.
Next	5,000 gallons used per month	@ $0.80 per 1,000 gallons.
Next	10,000 gallons used per month	@ $0.70 per 1,000 gallons
Next	30,000 gallons used per month	@ $0.60 per 1,000 gallons.
All over	50,000 gallons used per month	@ $0.50 per 1,000 gallons.

Minimum monthly charge for each size meter is as follows:

5/8" and 3/4" Meter	$ 3.60
1" Meter	6.00
1 1/4" Meter	9.00
1 1/2" Meter	12.00
2" Meter	22.00
3" Meter	35.00
4" Meter	75.00
6" Meter	150.00

SEWER

The sewer service charges shall be 100% of charges for water as above provided.

Service Charge

A charge of $10.00 shall be made for re-establishing a discontinued service.

Billing

Water and sewer service shall be billed monthly. All accounts shall be paid in full within twenty days after the mailing date of the bills. If the account is not paid in full within the prescribed time, water and sewer service shall be discontinued immediately and shall not be restored until said account is paid in full, plus a $10.00 Service Charge for restoring service.

Tapping Charge

A tapping charge of $25.00 plus cost of materials used, will be made for all new customer service.

The schedules of rates and charges set out above shall be and constitute the minimum fees, rentals and rates to be charged for the services and facilities of the System as therein provided, shall take effect not later than the effective date of this ordinance, and shall not be reduced as long as any of the Bonds or interest thereon are outstanding and unpaid; provided, however, that such minimum rates shall be increased by the City whenever such increase is necessary in order to comply fully with all the provisions of this ordinance, and the City shall always be obligated to and shall fix, establish and collect fees, rentals, rates and other charges for the services and facilities of the System which shall at all times be sufficient to pay at least 130% of the principal of and interest on Bonds issued pursuant to this ordinance maturing and becoming due in any fiscal year and 100% of all operating expenses, and as otherwise provided herein.

Section 5.02. Lien for Delinquent Charges. As provided in the Act, the City shall have a lien on all lands, buildings and premises served by the System for all charges for the services and facilities thereof, and the City covenants that it will diligently enforce such liens against all lands, buildings and premises where charges are delinquent for such services or facilities, in addition to discontinuing service to such lands, buildings or premises for such delinquent charges as provided in Section 4.14.

ARTICLE VI

MISCELLANEOUS

Section 6.01. Modification or Amendment. No material modification or amendment of this ordinance, or of any ordinance or resolution amendatory hereof or supplemental hereto, may be made without the consent in writing of the holders of two-thirds or more in principal amount of the Bonds then outstanding; provided, however, that no modification or amendment shall permit a change in the maturity of such Bonds or a reduction in the rate of interest thereon, or in the amount of the principal obligation, or affecting the unconditional promise of the City to pay the principal of and interest on the Bonds as the same shall become due from the net revenues of the System, without the consent of the holders of such Bonds. Notwithstanding the above, no amendment or modification shall be made which would reduce the percentage of the principal amount of Bonds required for consent to the above-permitted amendments or modifications.

Section 6.02. Refunding of Bonds Permitted. The City reserves the right to refund the Bonds when in its judgment it would be to the best interests of the City and of its inhabitants so to do. Upon payment of all the Bonds outstanding, prior to or simultaneously with the issuance of any refunding bonds or of an issue of bonds for the purposes of refunding the Bonds then outstanding and providing funds for additions, extensions and improvements to the System, or upon provision for such payment by deposit in trust, with the Fiscal Agent herein designated, of a sum equal to the principal amount of the Bonds outstanding, plus an amount equal to all interest accrued and to accrue to the date of payment or redemption

of such Bonds, and plus an amount equal to the redemption premiums required to call and redeem all callable Bonds at the earliest date hereby authorized, the security, pledge and any lien applicable to the Bonds then outstanding shall, upon such deposit, immediately cease and determine. The sum so deposited in trust shall be used solely to pay at maturity, as to noncallable Bonds, and at the earliest redemption date, as to callable Bonds, the principal amount of the Bonds and all interest thereon to the date of payment or redemption and the applicable redemption premiums. The moneys so deposited may be invested by the Fiscal Agent in direct or general obligations of the United States of America having maturities not later than the dates on which the moneys shall be required to be used for such payment or redemption.

Section 6.03. Covenant of Due Procedure, Etc. The City covenants that all acts, conditions, things and procedures required to exist, to happen, to be performed or to be taken precedent to and in the final enactment and passage of this ordinance exist, have happened, have been performed and have been taken in regular and due form and time as required by and in full compliance with the laws and Constitution of the State of West Virginia applicable thereto; that no event, occurrence or act has taken place which would or might have any adverse effect upon the construction and acquisition of the Project herein ordered or the authorization and issuance of the Bonds hereby authorized; and that the Mayor, the Recorder and the Members of the Council of the City were at all times when any actions in connection with this ordinance or when such construction and acquisition occurred, and are, duly in office and duly qualified for such office. In the event that the City obtains temporary construction financing pending issuance of the Bonds,

as now contemplated, the City hereby covenants with any person, bank, firm, corporation or governmental body or agency which supplies such temporary financing that the City will issue and deliver the Bonds hereby authorized not later than December 31, 1969, in any event and intends that this covenant be relied upon by such supplier of any such temporary financing.

Section 6.04. Severability of Invalid Provision. If any one or more of the covenants, agreements or provisions of this ordinance should be held contrary to any express provision of law or contrary to the policy of express law, although not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall, to the extent of such invalidity, be null and void and shall be deemed separable from the remaining covenants, agreements or provisions, and shall in no way affect the validity of all the other provisions of this ordinance or the Bonds or coupons appertaining thereto.

Section 6.05. Conflicting Provisions Repealed. All ordinances, resolutions and orders, or parts thereof, in conflict with the provisions of this ordinance, are, to the extent of such conflicts, hereby repealed.

Section 6.06. Effective Time. This ordinance shall take effect at the time and in the manner provided in the Act.

Section 6.07. Statutory Notice. Upon enactment and approval of this Ordinance the Recorder is hereby authorized and directed to cause a copy of this Ordinance to be published once in the Belington News, a newspaper published and of general circulation in the City, together with a notice to all persons concerned to the effect that this Ordinance has been enacted and that the City contemplates the issuance of the Bonds described herein. Pursuant to the Act, if no petition as provided in the Act be filed within ten days after such publication, this Ordinance shall be in full force and effect and if such a petition be so filed, further procedure shall be in accordance with the Act.

Section 6.08. Table of Contents and Headings. The Table of Contents and Headings of the Articles, Sections and Subsections and parts hereof are for convenience only and shall neither control nor affect in any way the meaning or construction of any of the provisions hereof.

Enacted September 19, 1968.

Published in the Belington News on October 3 and finally effective, no petition having been filed under the Act, October 14, 1968.

THE CITY OF BELINGTON

ORDINANCE AMENDING BOND AUTHORIZING ORDINANCE PROVIDING FOR ISSUANCE OF $478,000 WATER AND SEWER REVENUE BONDS OF 1969, SERIES A AND B, OF THE CITY OF BELINGTON

WHEREAS, the Council of the City of Belington has heretofore, on the 19th day of September, 1968, enacted a Bond Authorizing Ordinance entitled:

> "ORDINANCE AUTHORIZING THE ISSUANCE OF $478,000 WATER AND SEWER REVENUE BONDS OF 1969, SERIES A AND B, OF THE CITY OF BELINGTON, WEST VIRGINIA, TO FINANCE PART OF THE COSTS OF IMPROVEMENTS TO THE WATER AND SEWER SYSTEMS OF THE CITY; COMBINING SAID SYSTEMS INTO A COMBINED WATERWORKS AND SEWERAGE SYSTEM; PROVIDING FOR MANDATORY USE OF THE SEWER FACILITIES; DEFINING AND PRESCRIBING THE TERMS AND PROVISIONS OF THE REVENUE BONDS; PROVIDING FOR THE FIXING, ESTABLISHING AND COLLECTING OF RATES AND CHARGES FOR THE SERVICES AND FACILITIES OF THE COMBINED SYSTEM; PROVIDING GENERALLY FOR THE RIGHTS AND REMEDIES AND SECURITIES OF THE HOLDERS OF THE REVENUE BONDS; AND PROVIDING WHEN THIS ORDINANCE SHALL TAKE EFFECT."

and publication of said Bond Authorizing Ordinance in its entirety was made once in the Belington News on the 3rd day of October, 1968, and no petition was filed within ten days after such publication as provided in West Virginia Code, Chapter 8, Article 13, (herein called the Act), and said Ordinance became in full force and effect; and

WHEREAS, certain changes and additions to said Ordinance are required;

NOW, THEREFORE, BE IT ORDAINED AND ENACTED BY THE COUNCIL OF THE CITY OF BELINGTON:

1.

Section 1.05 of the above-entitled Bond Authorizing Ordinance is amended to add the following definition of

"Government" and to amend the definitions of "Grant Agreement" and "Loan Agreement" therein to read as follows:

> "Government" shall mean United States Department of Commerce, Economic Development Administration, and any successor thereof.
>
> "Grant Agreement" shall mean collectively the Grant Agreement between the City and the Government for Project No. 03-1-00492 and the grant agreement between the City and the Federal Water Pollution Control Administration for Project No. WPC-WVA-144 and all amendments pertaining to any thereof.
>
> "Loan Agreement" shall mean the Loan Agreement between the City and the Government for Projects Nos. 03-1-00492 and 03-2-00493, the offer date for which is June 18, 1968, and shall include all amendments and waivers thereof.

2.

Section 2.08 of said Bond Authorizing Ordinance is amended to change that part of the second sentence of the third paragraph of the form of temporary, fully registered Bond which precedes the table of prepayment premiums in such third paragraph to read as follows:

> " * * * In addition to the installments of principal required to be paid by the City as hereinabove set forth, the City shall have the right to prepay on any interest payment date commencing October 1, 1979, the entire principal amount hereof then remaining unpaid, or such lesser portion thereof as it may determine, in inverse chronological order of such installments and in multiples of $1,000, at the price of par and accrued interest to date of prepayment, plus a premium as follows, expressed as a percentage of the amount of the prepayment:"

3.

Section 4.07 of said Bond Authorizing Ordinance is amended by changing the title thereof to read "Insurance and Bonds", by changing the figure therein of $100,000 to $200,000, the figure therein of $300,000 to $500,000, and the figure therein of $50,000 to $100,000, and to add the following

paragraphs to said Section 4.07:

> "The City will obtain and maintain fidelity bonds upon every official and employee of the City having custody of the Construction Fund or of any revenues or other funds of the City pertaining to the System in an amount at least equal to the total funds in the custody of any such person at any one time, provided, however, that the maximum amount of any such fidelity bond need not exceed $50,000 insofar as custody of the Construction Fund is concerned.
>
> "Notwithstanding the foregoing, the City shall during construction, and thereafter as long as the Government holds any Bonds, carry insurance, and during construction require each contractor and subcontractor to carry insurance, of such types and in such amounts as the Government may specify with insurance carriers acceptable to the Government."

4.

Section 4.08 of said Bond Authorizing Ordinance is amended by adding the following paragraph thereto:

> "So long as the Government holds any of the Bonds, the City will furnish operating and other financial statements in such form and for such periods as may be requested by the Government."

5.

Section 5.01 of said Bond Authorizing Ordinance is amended to insert a minimum monthly charge for a 1 1/4" meter in the schedule of minimum monthly water charges, as follows:

1 1/4" meter	$9.00

6.

Upon enactment and approval of this Ordinance the Recorder is hereby authorized and directed to cause a copy of this Ordinance to be published once in the Belington News, a newspaper published and of general circulation in the City, together with a notice to all persons concerned to the effect that this Ordinance has been enacted and that the City contemplates the issuance of the Bonds described herein.

Pursuant to the Act, if no petition as provided in the Act be filed within ten days after such publication, this Ordinance shall be in full force and effect and if such a petition be so filed, further procedure shall be in accordance with the Act.

7.

The Recorder is hereby authorized and directed in the event this Ordinance shall become in full force and effect, to certify copies of the said Bond Authorizing Ordinance after making the changes herein provided for, for all purposes in connection with issuance and delivery of the aforesaid Revenue Bonds.

Enacted _____, 1968.

THE CITY OF BELINGTON

ORDINANCE AMENDING BOND AUTHORIZING ORDINANCE FOR ISSUANCE OF $478,000 WATER AND SEWER REVENUE BONDS OF 1969, SERIES A AND B, OF THE CITY, AS AMENDED BY AN AMENDATORY ORDINANCE, CHANGING THE DESIGNATION AND AMOUNT OF SUCH BONDS, THE INTEREST AND PRINCIPAL PAYMENT DATES, THE SCHEDULES OF PRINCIPAL PAYMENTS AND THE DATES FOR REDEMPTIONS PRIOR TO MATURITY OF SUCH BONDS; AND MAKING CERTAIN NEW PROVISIONS.

WHEREAS, the Council of the City of Belington has heretofore, on the 19th day of September, 1968, enacted a Bond Authorizing Ordinance entitled:

"ORDINANCE AUTHORIZING THE ISSUANCE OF $478,000 WATER AND SEWER REVENUE BONDS OF 1969, SERIES A AND B, OF THE CITY OF BELINGTON, WEST VIRGINIA, TO FINANCE PART OF THE COSTS OF IMPROVEMENTS TO THE WATER AND SEWER SYSTEMS OF THE CITY; COMBINING SAID SYSTEMS INTO A COMBINED WATERWORKS AND SEWERAGE SYSTEM; PROVIDING FOR MANDATORY USE OF THE SEWER FACILITIES; DEFINING AND PRESCRIBING THE TERMS AND PROVISIONS OF THE REVENUE BONDS; PROVIDING FOR THE FIXING, ESTABLISHING AND COLLECTING OF RATES AND CHARGES FOR THE SERVICES AND FACILITIES OF THE COMBINED SYSTEM; PROVIDING GENERALLY FOR THE RIGHTS AND REMEDIES AND SECURITIES OF THE HOLDERS OF THE REVENUE BONDS; AND PROVIDING WHEN THIS ORDINANCE SHALL TAKE EFFECT."

which said Ordinance is herein referred to as the "First Ordinance," and said Council has heretofore on the 7th day of November, 1968, amended the First Ordinance by an Ordinance entitled:

"ORDINANCE AMENDING BOND AUTHORIZING ORDINANCE PROVIDING FOR ISSUANCE OF $478,000 WATER AND SEWER REVENUE BONDS OF 1969, SERIES A AND B, OF THE CITY OF BELINGTON"

which Amendatory Ordinance is herein called the "Second Ordinance;" and

WHEREAS, pursuant to the Loan Agreement as defined in the First Ordinance as amended by the Second Ordinance, it

is required that the maximum authorized amount of the Series A Bonds be reduced, that changes in the principal and interest payment dates and in the dates of the Bonds be made, that changes in the schedules of maturities of the Bonds be made, and that changes in the dates of redemption privileges be made, all to the end of compliance with the Loan Agreement and to permit sale of the Bonds;

NOW, THEREFORE, BE IT ORDAINED AND ENACTED BY THE COUNCIL OF THE CITY OF BELINGTON:

AMENDMENT OF ARTICLE I OF FIRST ORDINANCE

Section A. Article I of the First Ordinance, as amended by the Second Ordinance, is hereby further amended as follows:

(1) Section 1.02(C) of the First Ordinance is amended by changing the figure "$478,000" therein to read "$474,000."

(2) Section 1.05 of the First Ordinance is amended by changing the definition of "Bonds" therein to read as follows:

> "'Bonds' shall mean collectively the $36,000 Water and Sewer Revenue Bonds of 1971, Series A, and the $438,000 Water and Sewer Revenue Bonds of 1971, Series B, originally authorized to be issued pursuant to this ordinance and shall also be deemed to include, where appropriate, the interest coupons originally attached to said Bonds; and shall also include any additional parity Bonds hereafter issued within the terms, restrictions and conditions contained in this ordinance, and the interest coupons appertaining to such additional parity Bonds."

AMENDMENT OF ARTICLE II OF FIRST ORDINANCE

Section B. Article II of the First Ordinance, as amended by the Second Ordinance, is hereby further amended as follows:

(1) Sections 2.01 and 2.02 of the First Ordinance, except the last paragraph of Section 2.02 which shall remain as originally enacted, are hereby changed to read as follows:

"Section 2.01. Authorization of Bonds. Subject and pursuant to the provisions of this ordinance, Bonds of the City, to be known as 'Water and Sewer Revenue Bonds of 1971', Series A in the aggregate principal amount of not to exceed $34,000 and Series B in the aggregate principal amount of not to exceed $438,000, are hereby authorized to be issued for the purpose of financing part of the costs of the Project as authorized by this ordinance. The Bonds shall be in coupon or fully registered form, and fully registered Bonds shall be exchangeable for coupon Bonds on ninety days' notice to the City and at the expense of the City.

"Section 2.02. Description of Bonds. The Bonds shall be dated the first day of July, 1971, shall be in the denomination of $1,000 each, shall be numbered A1 to A34 for Series A and B1 to B438 for Series B, shall bear interest, payable semi-annually on January 1 and July 1 of each year, at the rates hereinafter provided for the Series A Bonds and at the rate of four and one-fourth per centum (4-1/4%) per annum for the Series B Bonds, and the minimum price therefor shall be the par value thereof plus accrued interest. The Series A Bonds shall be redeemable on any interest payment date at the par value thereof plus interest to the date of redemption. Series B Bonds maturing in the years 1982 and thereafter shall be redeemable prior to their respective stated dates of maturity, at the option of the City, in whole or in part, but in inverse numerical order if less than all, on January 1, 1982, or on any interest payment date thereafter, at the price of par value thereof and accrued interest to the date of redemption, plus a premium as follows, expressed as a percentage of the par value of the Series B Bonds called for redemption:

3 % if redeemed January 1, 1982, through July 1, 1986;
2-1/2% if redeemed January 1, 1987, through July 1, 1991;
2 % if redeemed January 1, 1992, through July 1, 1996;
1-1/2% if redeemed January 1, 1997, through July 1, 2001;
1 % if redeemed January 1, 2002, through July 1, 2006;
0 % if redeemed after July 1, 2006.

"A notice of the redemption of any of the Bonds shall be published at least once not less than thirty

nor more than sixty days prior to the date of redemption in a financial newspaper published in the City of New York, New York; or actual notice in writing shall be given by registered or certified mail not less than thirty days prior to the date fixed for redemption. Interest shall cease upon any of the Bonds so called for prior redemption on the date fixed for redemption, provided payment in full of the redemption price thereof has been duly made or provided for.

"The Series A Bonds shall mature serially in numerical order, lowest numbers first, on the first day of July in years and amounts, and will bear interest at the coupon rates, as follows:

Year	Amount	Coupon Rate
1972	$ 5,000	4-3/4%
1973	5,000	4-3/4%
1974	5,000	4-3/4%
1975	5,000	5%
1976	5,000	5%
1977	5,000	5%
1978	6,000	5%

"The Series B Bonds shall mature serially in numerical order, lowest numbers first, on the first day of July in years and amounts as follows:

Year	Amount	Year	Amount
1979	$ 7,000	1994	$12,000
1980	7,000	1995	13,000
1981	7,000	1996	13,000
1982	7,000	1997	14,000
1983	8,000	1998	15,000
1984	8,000	1999	15,000
1985	8,000	2000	16,000
1986	9,000	2001	17,000
1987	9,000	2002	17,000
1988	10,000	2003	18,000
1989	10,000	2004	19,000
1990	11,000	2005	20,000
1991	11,000	2006	21,000
1992	11,000	2007	22,000
1993	12,000	2008	23,000
		2009	24,000
		2010	24,000"

(2) Section 2.08 of the First Ordinance, as amended by the Second Ordinance, except the first paragraph thereof and except the form for provision for registration thereof, both which shall remain as originally enacted, is hereby changed to read as follows:

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
COUNTY OF BARBOUR
THE CITY OF BELINGTON
WATER AND SEWER REVENUE BOND OF 1971,
SERIES ___

No. $1,000

THE CITY OF BELINGTON, in the County of Barbour, State of West Virginia, a municipal corporation created and existing under the laws of the State of West Virginia, for value received, hereby promises to pay to the bearer, or, if this Bond be registered, to the registered holder as herein provided, on the first day of July, 19 , from the net revenues hereinafter mentioned, the principal sum of

ONE THOUSAND DOLLARS

with interest thereon at the rate of per centum (%) per annum, payable semiannually on the first day of January and the first day of July of each year, upon the presentation and surrender of the annexed coupons as they severally fall due. Both principal of and interest on this Bond are payable in lawful money of the United States of America at the office of the State Sinking Fund Commission, Charleston, West Virginia, or, at the option of the holder, at First National City Bank, New York, New York.

This Bond is one of an authorized issue of Bonds in the aggregate principal amount of Four Hundred Seventy-Four Thousand Dollars ($474,000) of like date, which issue consists of Series A Bonds in the aggregate principal amount of $36,000 and Series B Bonds in the aggregate principal amount of $438,000. The Bonds are issued to refund the Waterworks Revenue Bonds of the City dated July 1, 1957, outstanding in the aggregate principal amount of $36,000, and to finance part of the costs of the acquisition and construction of additions, extensions and improvements to the Combined Waterworks and Sewerage System of the City (herein called the "System"), under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Article 13, Chapter 8 of the West Virginia Code (herein called the "Act") and other applicable statutes, and an Ordinance duly enacted by the Council of the City. The refunding to be accomplished by the Series A Bonds is pursuant to Article 2A of Chapter 13 of said Code.

The Series A Bonds of this issue of Bonds are subject to redemption prior to maturity at the option of the City, in whole or in part in inverse numerical order, without premium, on any interest payment date. The Series B Bonds of this issue maturing on and after July 1, 1982,

are redeemable prior to their stated dates of maturity, at the option of the City, in whole or in part, but in inverse numerical order if less than all, on January 1, 1982, or on any interest payment date thereafter, at the price of par and accrued interest to date of redemption, plus a premium as follows, expressed as a percentage of the par value of the Bonds called for redemption:

3 % if redeemed January 1, 1982, through July 1, 1986;
2-1/2% if redeemed January 1, 1987, through July 1, 1991;
2 % if redeemed January 1, 1992, through July 1, 1996;
1-1/2% if redeemed January 1, 1997, through July 1, 2001;
1 % if redeemed January 1, 2002, through July 1, 2006;
0 % if redeemed after July 1, 2006.

provided, however, that a notice of such redemption shall be published at least once not less than thirty nor more than sixty days prior to the redemption date in a financial newspaper published in the City of New York, New York, or actual notice in writing shall be given by registered or certified mail not less than thirty days prior to the date fixed for redemption. Interest shall cease upon this Bond after the date fixed for redemption if it shall be duly called for prior redemption and payment thereof duly provided for.

The Series A and Series B Bonds of the issue of which this Bond is one and the coupons appertaining thereto are payable, equally and ratably, solely from, and secured by a first lien upon and pledge of, the net revenues derived from the operation of the System, with monthly payments from such net revenues to be made into the Sinking Fund with the State Sinking Fund Commission for payment of the principal hereof and interest hereon, in the manner provided in said Ordinance, and do not and shall not in any event constitute an indebtedness of the City within the meaning of any constitutional, statutory or charter provisions or limitations, and the City shall not be obligated to pay this Bond or the interest hereon except from the net revenues of the System, as provided in the Ordinance. Neither the credit nor the taxing power of the City shall be deemed to be pledged to, nor shall a tax ever be levied for, the payment of the principal of or interest on this Bond. The City covenants with the holders of the Bonds of the issue of which this Bond is one to establish and at all times maintain such rates and collect such charges for the services and facil-

ities of the System, and to revise the same from time to time, whenever necessary, as will always provide revenues in each fiscal year sufficient to pay at least one hundred thirty per centum (130%) of the amount of principal and interest on said Bonds maturing and becoming due in such fiscal year and one hundred per centum (100%) of the necessary expenses of operating and maintaining the System during such fiscal year, and the City has entered into certain other covenants with the holders of the Bonds of the issue of which this Bond is one, for the terms of which reference is made to the Ordinance.

Additional parity Bonds of equal rank with this Bond and the Bonds of the issue of which this Bond is one as to lien and source of and security for payment may be issued under the provisions and restrictions contained in the Ordinance.

It is hereby certified and recited that all acts, conditions and things required to exist, to happen and to be performed precedent to and in the issuance of this Bond, do exist, have happened and have been performed in regular and due form, time and manner as required by the laws and Constitution of the State of West Virginia applicable thereto, and that the issuance of this Bond and of the issue of Bonds of which this Bond is one is not in violation of any constitutional, statutory or charter limitation of indebtedness.

This Bond, under the provisions 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.

This Bond may be registered as to principal only in accordance with the provisions endorsed hereon.

This Bond and the interest hereon are exempt from all taxation by the State of West Virginia or any county, municipality, political subdivision or agency thereof.

IN WITNESS WHEREOF, The City of Belington has caused this Bond to be signed by its Mayor and its corporate seal to be imprinted hereon and attested by its Clerk, and the annexed interest coupons to be executed with the facsimile signatures of said Mayor and said Clerk, all as of the first day of July, 1971.

THE CITY OF BELINGTON

By_____
Mayor

ATTEST:

(SEAL)

_____
Clerk

(FORM OF COUPON)

No.
$

On the first day of , 19 , unless the Bond to which this coupon was originally attached shall be redeemable prior to maturity and shall have been duly called for prior redemption and payment of the redemption price duly made or provided for, The City of Belington, West Virginia, will pay to the bearer at the office of the State Sinking Fund Commission, Charleston, West Virginia, or, at the option of the holder, at First National City Bank, New York, New York, solely from the net revenues described in the Bond to which this coupon is attached, the sum of Dollars ($) in lawful money of the United States of America, upon presentation and surrender of this coupon, being six months' interest then due on its Water and Sewer Revenue Bond of 1971, Series ___, dated July 1, 1971, No. .

THE CITY OF BELINGTON

By (facsimile signature)

ATTEST:

(facsimile signature)
Clerk

(Note to Printer: Line up numbers, dates and amounts in right column)

(FORM OF FULLY REGISTERED
BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
COUNTY OF BARBOUR
THE CITY OF BELINGTON
WATER AND SEWER REVENUE BOND OF 1971,
SERIES B

No. BR-1 $438,000

THE CITY OF BELINGTON, in the County of Barbour, State of West Virginia (herein called the "City"), a municipal corporation created and existing under the laws of the State of West Virginia, for value received, hereby promises to pay to the UNITED STATES OF AMERICA, SECRETARY OF COMMERCE,

or his successor (herein sometimes called the "Payee"), or his registered assigns (herein sometimes called the "Alternate Payee"), the principal sum of Four Hundred Thirty-Eight Thousand Dollars ($438,000) on the 1st day of July in years and installments as follows:

Year	Amount	Year	Amount
1979	$ 7,000	1995	$13,000
1980	7,000	1996	13,000
1981	7,000	1997	14,000
1982	7,000	1998	15,000
1983	8,000	1999	15,000
1984	8,000	2000	16,000
1985	8,000	2001	17,000
1986	9,000	2002	17,000
1987	9,000	2003	18,000
1988	10,000	2004	19,000
1989	10,000	2005	20,000
1990	11,000	2006	21,000
1991	11,000	2007	22,000
1992	11,000	2008	23,000
1993	12,000	2009	24,000
1994	12,000	2010	24,000

in lawful money of the United States of America, and to pay interest on the balance of said principal sum from time to time remaining unpaid, in like lawful money, at the rate of four and one-fourth per centum (4-1/4%) per annum, semiannually on January 1 and July 1 of each year, commencing January 1, 1972, until the principal amount hereof has been paid. During the time the Payee is the registered owner of this Bond, payment of the principal installments and interest due shall be made at Federal Reserve Bank of Richmond, Richmond, Virginia, or such other fiscal agent as the Payee shall designate (herein sometimes called the "Fiscal Agent"). During such time as an Alternate Payee is the registered owner hereof said payments shall be made at the office of the State

Sinking Fund Commission of West Virginia, Charleston, West Virginia, or, at the option of the Alternate Payee, at the principal office of First National City Bank, New York, New York (herein sometimes called the "Alternate Paying Agent"). Payments of principal and interest, including prepayments of installments of principal as hereinafter provided, shall be noted on the Payment Record made a part of this Bond and such payment shall fully discharge the obligation of the City herein to the extent of the payments so made. Upon final payment of the principal and interest, this Bond shall be surrendered to the City for cancellation.

This Bond, designated as "The City of Belington Water and Sewer Revenue Bond of 1971, Serics A" (herein called the "Bond"), represents a portion of an authorized issue of Bonds of Series A in the aggregate principal amount of Four Hundred Seventy-Four Thousand Dollars ($474,000) of like date, which issue consists of Series A Bonds in the aggregate principal amount of Thirty-Six Thousand Dollars ($36,000), and Series B Bonds in the aggregate principal amount of Four Hundred Thirty-Eight Thousand Dollars ($438,000), which Series B is initially represented in its entirety by this Bond. The Series A Bonds of this issue are issued to refund the Waterworks Revenue Bonds of the City dated July 1, 1957, outstanding in the aggregate principal amount of $36,000, and the Series B Bonds are issued to finance part of the costs of the acquisition and construction of additions, extensions and improvements to the Combined Waterworks and Sewerage System of the City (herein called the "System") under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Article 13, Chapter 8 of the West Virginia Code (herein called the "Act") and other applicable statutes, and an Ordinance duly enacted by the Council of the City. The refunding to be accomplished by the Series A Bonds is pursuant to Article 2A of Chapter 13 of said Code.

The Series A Bonds of this issue of Bonds are subject to redemption prior to maturity at the option of the City in whole or in part in inverse numerical order without premium on any interest payment date. In addition to the installments of principal required to be paid by the City as hereinabove set forth, the City shall have the right to prepay on any interest payment date commencing January 1, 1982, the entire principal amount hereof then remaining unpaid, or such lesser portion thereof as it may determine, in inverse chronological order of such installments and in multiples of $1,000, at the price of par and accrued interest to date of prepayment, plus a premium as follows,

expressed as a percentage of the amount of the prepayment:

3 % if redeemed January 1, 1982, through July 1, 1986;
2-1/2% if redeemed January 1, 1987, through July 1, 1991;
2 % if redeemed January 1, 1992, through July 1, 1996;
1-1/2% if redeemed January 1, 1997, through July 1, 2001;
1 % if redeemed January 1, 2002, through July 1, 2006;
0 % if redeemed after July 1, 2006

provided, however, that so long as the registered owner hereof shall be the payee, the City may prepay on any interest payment date the entire unpaid principal amount hereof, or, from time to time, in inverse chronological order of such installments, such lesser portion thereof, in multiples of $1,000, as the City may determine at the principal amount thereof, plus accrued interest to the date of such prepayment.

Notice of any such optional prepayment shall be given at least thirty days prior to the prepayment date by sending to the registered owner of this Bond by registered or certified mail a notice fixing such prepayment date and stating the amount of principal to be prepaid and the premium, if any.

The Series A and Series B Bonds of the issue of which this Bond is one and the interest thereon are payable, equally and ratably, solely from and secured by a first lien on and pledge of the net revenues derived from the operation of the System, with monthly payments from such net revenues to be made into the Sinking Fund with the State Sinking Fund Commission for payment of the principal hereof and interest hereon, in the manner provided in said Ordinance, and do not and shall not in any event constitute an indebtedness of the City within the meaning of any constitutional, statutory or charter provisions or limitations, and the City shall not be obligated to pay this Bond or the interest thereon except from the net revenues of the System, as provided in the Ordinance. Neither the credit nor the taxing power of the City shall be deemed to be pledged to, nor shall a tax ever be levied for, the payment of the principal of or interest on this Bond. The City covenants with the holders of the Bonds of the issue of which this Bond is one to establish and at all times maintain such rates and collect such charges for the services and facilities of the System, and to revise the same from time to time, whenever necessary, as will always provide revenues in each fiscal year sufficient to pay at least one hundred thirty per centum (130%) of the amount of principal and interest on said Bonds maturing and becoming due in such fiscal year and one

hundred per centum (100%) of the necessary expenses of operating and maintaining the System during such fiscal year, and the City has entered into certain other covenants with the holders of the Bonds of the issue of which this Bond is one, for the terms of which reference is made to the Ordinance.

This Bond may be assigned, and upon such assignment the assignor shall promptly notify the City by registered mail and the Alternate Payee shall surrender the same to the City, either in exchange for a new, fully registered temporary Bond or for transfer on the Registration Records and verification of the endorsements made on the Payment Record attached hereto of the portion of the principal amount hereof and interest hereon paid or prepaid, and every such assignee shall take this Bond subject to such conditions.

This Bond is exchangeable at the expense of the City upon ninety days' written notice at the request of the registered owner hereof and upon surrender of this Bond to the City for negotiable, coupon Bonds in the form substantially as provided in said Ordinance and in an aggregate principal amount equal to the unpaid principal amount hereof.

Additional parity Bonds of equal rank with this Bond and the Bonds of the issue of which this Bond is one as to lien and source of and security for payment may be issued under the provisions and restrictions contained in the Ordinance.

It is hereby certified and recited that all acts, conditions and things required to exist, to happen and to be performed precedent to and in the issuance of this Bond, do exist, have happened and have been performed in regular and due form, time and manner as required by the laws and Constitution of the State of West Virginia applicable thereto, and that the issuance of this Bond and of the issue of Bonds of which this Bond is one is not in violation of any constitutional , statutory or charter limitation of indebtedness.

This Bond and the interest hereon are exempt from all taxation by the State of West Virginia or any county, municipality, political subdivision or agency thereof.

IN WITNESS WHEREOF, The City of Belington has caused this Bond to be signed by its Mayor and its corporate seal to be impressed hereon and attested by its Clerk, all as of the 1st day

of July, 1971.

THE CITY OF BELINGTON

By_____
Mayor

ATTEST:

(SEAL)

_____ _____
Clerk

(FORM OF ASSIGNMENT)

For value received, the undersigned hereby sells, assigns and transfers unto _____ _____ all the right, title and interest of the undersigned in and to this Bond.

_____

Date: _____

In the presence of: _____ _____

(FORM OF PAYMENT RECORD)

PAYMENT RECORD

Due Date	Principal Payment	Principal Balance Due	Interest Payment (4-1/4%)	Date Paid	Name of Payi Agent, Autho rized Offici and Titl
January 1, 1972					

(FORM OF RECORD OF ADVANCE PAYMENTS)

Principal Due		Principal Payment	Balance	Date Paid	Name of Pa Agent, Aut rized Offi and Titl
Date	Amt.				

AMENDMENT OF ARTICLE III OF FIRST ORDINANCE

Section C. Article III of the First Ordinance is hereby amended as follows:

(1) Section 3.02(B)(2) is hereby amended by substituting "June, 1971," for "April, 1969" therein; by substituting "July 1" for "April 1" therein; by substituting "December" for "March" and "June" for "September", and substituting "December 15" for "March 15" and "June 15" for "September 15."

AMENDMENT OF ARTICLE IV OF FIRST ORDINANCE

Section D. Article IV of the First Ordinance is hereby amended as follows:

(1) Section 4.05(F) is hereby amended by substituting "July 1" for "April 1" and "January 1" for "October 1."

(2) Section 4.17 is hereby amended to read as follows:

"Section 4.17. Financing Statements. The City, by its Mayor or the Clerk, either of whom is hereby authorized and directed to act hereunder, will execute Financing Statements meeting the requirements of the Uniform Commercial Code of West Virginia and will file the same with the Secretary of State of the State of West Virginia and with the Clerk of the County Court of Barbour County."

GENERAL PROVISIONS

Section E. Wherever in the First Ordinance, as amended by the Second Ordinance, the word "Recorder" appears, there shall be substituted therefor the word "Clerk".

Section F. Except as herein and in the Second Ordinance otherwise expressly provided, the First Ordinance and all terms and provisions thereof shall remain in full force and effect as originally enacted.

Section G. This ordinance is enacted pursuant to West Virginia Code, Chapter 8, Article 20 (formerly Article 13), herein called the "Act", and other provisions of law.

Section H. Upon enactment and approval of this ordinance, the Clerk is hereby authorized and directed to cause a copy hereof to be published, in accordance with the Act, once a week for two successive weeks with at least six full days intervening between each publication in the Belington News, a newspaper published and of general circulation in the City of Belington, together with a notice to all persons concerned to the effect that this ordinance has been adopted and that the City contemplates the issuance of the Bonds described in this ordinance and that any person interested may appear before the Council of the City upon a date to be stated in such notice, which date shall be not less than ten days subsequent to the date of the second publication of this ordinance and such notice, and present protests. At such hearing before the Council, all protests and suggestions shall be heard and the Council shall then take such action as it shall deem proper in the premises.

Enacted _____, 1971.

Ratified and confirmed following public hearing (pursuant to Section H above) on the ____ day of _____, 1971.

UNITED STATES DEPARTMENT OF COMMERCE
Economic Development Administration
Washington, D.C. 20230

February 27, 1997

The Honorable Johnny Raschella, Mayor
City of Belington
Office of the Mayor
505 Crim Avenue
Belington, WV 26250

Re: offer to Amend Loan Agreement: EDA Project # 01 01 00492

Dear Mayor Raschella:

I am writing in response to the request by Steptoe & Johnson, Attorneys at Law serving in the capacity as legal counsel for the City of Belington to the Economic Development Administration (EDA) requesting an amendment to the above mentioned loan agreement. Pursuant to your request to amend the loan agreement entered into with the City of Belington, Barbour County, West Virginia on June 20, 1968, EDA agrees:

1. [to] the extension of parity to the City of Belington as the request relates to proposed Water and Sewerage Revenue Bonds, Series 1997 "A" and to the combined Waterworks and Sewerage System Revenue Bonds, Series 1997 "B" [West Virginia State Revolving Fund Program Bonds];

2. A reduction of the 130% debt service requirement to the requested 115% debt service coverage, for the purpose of the 1997 Series "A" & "B" Bond issue;and,

3. All other terms and conditions of the Loan Agreement [Project No. 01 01 00492] remain unchanged.

A formal Offer to Amend must be accepted and returned to the Economic Development Administration, Liquidation Division no later than Close of Business, Monday, March 17, 1997. The acceptance should be send by certified mail.

Should you have any questions, please contact John Goldring, Financial Analyst or Ken Kukovich, Director, Liquidation Division at 202-482-4965.

Sincerely,

Wilbur F. Hawkins
Deputy Assistant Secretary
for Economic Development

cc: Steptoe & Johnson, Attorneys at Law
Attn: Vince A. Collins & Francesca Tan

THE CITY OF BELINGTON

COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1997 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY)

BOND ORDINANCE

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THE CITY OF BELINGTON

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE WATERWORKS PORTION OF THE EXISTING PUBLIC COMBINED WATERWORKS AND SEWERAGE SYSTEM OF THE CITY OF BELINGTON AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN $500,000 IN AGGREGATE PRINCIPAL AMOUNT OF COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1997 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

BE IT ORDAINED AND ENACTED BY THE COUNCIL OF THE CITY OF BELINGTON:

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

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

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

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

B. The Issuer presently owns and operates a public combined waterworks and sewerage system. However, it is deemed necessary and desirable for the health and welfare of the inhabitants of the Issuer that there be acquired and constructed certain extensions, additions, betterments and improvements to the waterworks portion of the existing public combined waterworks and sewerage system of the Issuer, consisting of approximately 3 miles of waterline extension along Route 92 for about 49 customers, together with all appurtenant facilities, (collectively, the "Project") (the existing public combined waterworks and sewerage system of the Issuer, the Project and any further extensions, additions, betterments and improvements thereto are herein called the "System"), in accordance with the plans and specifications prepared by the Consulting Engineers, which plans and specifications have heretofore been filed with the Issuer.

C. The estimated revenues to be derived in each year after completion of the Project from the operation of the System will be sufficient to pay all costs of operation and maintenance of the System and the principal of and interest on the Bonds (as hereinafter defined) and to make all payments provided for herein.

D. It is deemed necessary for the Issuer to issue its Combined Waterworks and Sewerage System Revenue Bonds, Series 1997 A (West Virginia Water Development Authority), in the total aggregate principal amount of not more than $500,000 (the "Series 1997 A Bonds"), initially to be represented by a single bond, to permanently finance the costs of acquisition and construction of the Project. The remaining costs of the Project shall be funded from the sources set forth in Section 2.01 hereof. Said costs shall be deemed to include the cost of all property rights, easements and franchises deemed necessary or convenient therefor; interest upon the Series 1997 A Bonds prior to and during acquisition and construction of the Project and for a period not exceeding 6 months after completion of acquisition and construction of the Project; amounts which may be deposited in the Series 1997 A Bonds Reserve Account (as hereinafter defined); engineering and legal expenses; expenses for estimates of costs and revenues, expenses for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the enterprise, administrative expense, commitment fees, fees and expenses of the West Virginia Water Development Authority (the "Authority"), discount, initial fees for the services of registrars, paying agents, depositories or trustees or other costs in connection with the sale of the Series 1997 A Bonds and such other expenses as may be necessary or incidental to the financing herein authorized, the acquisition or construction of the Project and the placing of same in operation, and the performance of the things herein required or permitted, in connection with any thereof, provided, that reimbursement to the Issuer for any amounts expended by it for allowable costs prior to the issuance of the Series 1997 A Bonds or the repayment of indebtedness incurred by the Issuer for such purposes shall be deemed Costs of the Project, as hereinafter defined.

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

F. It is in the best interests of the Issuer that its Series 1997 A Bonds be sold to the Authority pursuant to the terms and provisions of a loan agreement to be entered into by and between the Issuer and the Authority, in form satisfactory to the Issuer and the Authority, as shall be approved by supplemental resolution of the Issuer.

G. There are outstanding obligations of the Issuer which will rank on a parity with the Series 1997 A Bonds as to liens, pledge and source of and security for payment, being the Water and Sewer Revenue Bonds of 1971, Series B, dated July 1, 1971, issued in the original principal amount of $438,000, currently held by the Economic Development Administration (the "Prior Bonds").

The Issuer has obtained the consent of the Holders of the Prior Bonds to the issuance of the Series 1997 A Bonds on a parity with the Prior Bonds. Other than the Prior Bonds, there are no outstanding bonds or obligations of the Issuer which are secured by revenues or assets of the System.

H. The Issuer has complied with all requirements of West Virginia law and the Loan Agreement relating to authorization of the acquisition, construction and operation of the Project and the System and issuance of the Series 1997 A Bonds, or will have so complied prior to issuance of any thereof, including, if necessary, the obtaining of a certificate of convenience and necessity from the Public Service Commission of West Virginia by final order, the time for rehearing and appeal of which will either have expired prior to the date of issuance of the Series 1997 A Bonds or such final order will not be subject to appeal or rehearing.

I. The Issuer is a governmental unit which has general taxing powers to finance operations of or facilities of the nature of the Project and the System; 95% or more of the Net Proceeds of the Series 1997 A Bonds are to be used for local governmental activities of the Issuer (or of a governmental unit the jurisdiction of which is entirely within the jurisdiction of the Issuer); and the Issuer, all subordinate entities, all entities which issue obligations on behalf of the Issuer, and all entities formed or, to the extent provided under Section 148 of the Code, herein defined, availed of, to avoid the purposes of Section 148(f)(4)(D) of the Code and all other entities benefiting thereby reasonably expect to issue less than $5,000,000 aggregate principal amount of tax-exempt obligations (other than private activity bonds) during the calendar year in which the Series 1997 A Bonds are to be issued.

J. The Project has been reviewed and determined to be technically and financially feasible by the West Virginia Infrastructure and Jobs Development Council pursuant to Chapter 31, Article 15A of the West Virginia Code of 1931, as amended.

Section 1.03. Bond Legislation Constitutes Contract. In consideration of the acceptance of Series 1997 A Bonds by the registered owners of the same from time to time, this Bond Legislation shall be deemed to be and shall constitute a contract between

the Issuer and such Bondholders, and the covenants and agreements herein set forth to be performed by the Issuer shall be for the equal benefit, protection and security of the Bondholders of any and all of such Bonds, all which shall be of equal rank and without preference, priority or distinction between any one Bond and any other Bonds and by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

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

"Act" means Chapter 8, Article 20 of the West Virginia Code of 1931, as amended and in effect on the date of enactment hereof.

"Authority" means the West Virginia Water Development Authority, which is expected to be the original purchaser and Registered Owner of the Series 1997 A Bonds, or any other agency, board or department of the State that succeeds to the functions of the Authority.

"Authorized Officer" means the Mayor of the Issuer, or any other officer of the Issuer specifically designated by resolution of the Governing Body.

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

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

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

"Bonds" means, collectively, the Series 1997 A Bonds and, where appropriate, any bonds on a parity therewith subsequently authorized to be issued hereunder or by another ordinance of the Issuer.

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

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

"Closing Date" means the date upon which there is an exchange of the Series 1997 A Bonds for the proceeds representing the purchase price of the Series 1997 A Bonds from the Authority.

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

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

"Consulting Engineers" means Green Engineering, Inc., Philippi, West Virginia, or any qualified engineer or firm of engineers that shall at any time hereafter be retained by the Issuer as Consulting Engineers for the System, or portion thereof; provided, however, that the Consulting Engineers shall not be a regular, full-time employee of the State or any of its agencies, commissions or political subdivisions.

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

"Council" means the Council of the Issuer or any other governing body of the Issuer that succeeds to the functions of the Council as presently constituted.

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

"Depreciation Account" means the Depreciation Account created by the Prior Ordinance and continued hereby.

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

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

"Governing Body" means the Council of the Issuer, as it may now or hereafter be constituted.

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

"Gross Revenues" means all rates, rents, fees, charges or other income received by the Issuer, or accrued to the Issuer, or any department, board, agency or instrumentality thereof in control of the management and operation of the System, from the operation of the System, and all parts thereof, all as calculated in accordance with generally accepted accounting principles.

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

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

"Investment Property" means any security (as said term is defined in Section 165(g)(2)(A) or (B) of the Code), obligation, annuity contract, investment-type property or residential rental property for family units which is not located within the jurisdiction of the Issuer and which is not acquired to implement a court ordered or approved housing desegregation plan, excluding, however, obligations the interest on which is excluded from gross income, under Section 103 of the Code, for federal income tax purposes other than specified private activity bonds as defined in Section 57(a)(5)(C) of the Code.

"Issuer" means The City of Belington, a municipal corporation and political subdivision of the State of West Virginia, in Barbour County, West Virginia, and, unless the context clearly indicates otherwise, includes the Governing Body of the Issuer.

"Loan Agreement" means the Loan Agreement to be entered into between the Authority and the Issuer, providing for the purchase of the Series 1997 A Bonds from the Issuer by the Authority, the form of which shall be approved, and the execution and delivery by the Issuer authorized and directed or ratified by the Supplemental Resolution.

"Mayor" means the Mayor of the Issuer.

"Net Proceeds" means the face amount of the Series 1997 A Bonds, plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds, if any, deposited in the Series 1997 A Bonds Reserve Account. For purposes of the Private Business Use limitations set forth herein, the term Net Proceeds shall include any amounts resulting from the investment of proceeds of the Series 1997 A Bonds, without regard to whether or not such investment is made in tax-exempt obligations.

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

"Nonpurpose Investment" means any Investment Property which is acquired with the gross proceeds or any other proceeds of the Series 1997 A Bonds and is not acquired in order to carry out the governmental purpose of the Series 1997 A Bonds.

"Operating Expenses" means the current expenses, paid or accrued, of operation and maintenance of the System, and includes, without limiting the generality of the foregoing, insurance premiums, salaries, wages and administrative expenses of the Issuer relating and chargeable solely to the System, the accumulation of appropriate reserves for charges not annually recurrent but which are such as may reasonably be expected to be incurred, retention of a sum not to exceed 1/6th of the amount estimated in the current budget for costs of operation and maintenance of the System, and such other reasonable operating costs and expenses as should normally and regularly be included under generally accepted accounting principles.

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

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

"Paying Agent" means the Commission or such other entity or authority as may be designated as a Paying Agent by the Issuer in the Supplemental Resolution.

"Prior Bonds" means the Issuer's Water and Sewer Revenue Bonds of 1971, Series B, defined in Section 1.02G hereof.

"Prior Ordinance" means the ordinance of the Issuer enacted September 19, 1968, including all amendments thereto, authorizing the Prior Bonds.

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

"Program" means the Authority's loan program, under which the Authority purchases the water development revenue bonds of local governmental entities satisfying

certain legal and other requirements with the proceeds of the water development revenue bonds of the Authority.

"Project" means the Project as described in Section 1.02B hereof.

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

(a) Government Obligations;

(b) Government Obligations which have been stripped of their unmatured interest coupons, interest coupons stripped from Government Obligations, and receipts or certificates evidencing payments from Government Obligations or interest coupons stripped from Government Obligations;

(c) Bonds, debentures, notes or other evidences of indebtedness issued by any of the following agencies: Banks for Cooperatives; Federal Intermediate Credit Banks; Federal Home Loan Bank System; Export-Import Bank of the United States; Federal Land Banks; Government National Mortgage Association; Tennessee Valley Authority; or Washington Metropolitan Area Transit Authority;

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

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

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

(g) Repurchase agreements, fully secured by investments of the types described in paragraphs (a) through (e) above, with banks or national banking associations which are members of FDIC or with government bond dealers recognized as primary dealers by the Federal Reserve Bank of New York, provided, that said investments securing said repurchase agreements either must mature as nearly as practicable coincident with the maturity of said

repurchase agreements or must be replaced or increased so that the market value thereof is always at least equal to the principal amount of said repurchase agreements, and provided further that the holder of such repurchase agreement shall have a prior perfected security interest in the collateral therefor; must have (or its agent must have) possession of such collateral; and such collateral must be free of all claims by third parties;

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

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

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

"Registrar" means the Bond Registrar.

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

"Revenue Fund" means the Revenue Fund established by the Prior Ordinance and continued hereby.

"Series 1997 A Bonds" means the not more than $500,000 aggregate principal amount of Combined Waterworks and Sewerage System Revenue Bonds, Series 1997 A (West Virginia Water Development Authority), of the Issuer, authorized by this Ordinance.

"Series 1997 A Bonds Construction Trust Fund" means the Series 1997 A Bonds Construction Trust Fund established by Section 5.01 hereof.

"Series 1997 A Bonds Reserve Account" means the Series 1997 A Bonds Reserve Account established in the Series 1997 A Bonds Sinking Fund pursuant to Section 5.02 hereof.

"Series 1997 A Bonds Reserve Requirement" means, as of any date of calculation, the maximum amount of principal and interest which will become due on the Series 1997 A Bonds in the then current or any succeeding year.

"Series 1997 A Bonds Sinking Fund" means the Series 1997 A Bonds Sinking Fund established by Section 5.02 hereof.

"State" means the State of West Virginia.

"Supplemental Resolution" means any resolution, ordinance or order of the Issuer supplementing or amending this Ordinance and, when preceded by the article "the," refers specifically to the supplemental resolution authorizing the sale of the Series 1997 A Bonds; provided, that any matter intended by this Ordinance to be included in the Supplemental Resolution with respect to the Series 1997 A Bonds and not so included, may be included in another Supplemental Resolution.

"System" means the complete public combined waterworks and sewerage system of the Issuer, including the Project, and all facilities and other property of every nature, real or personal, tangible or intangible, now or hereafter owned, held or used in connection with the System, and any further extensions, additions, betterments and improvements thereto hereafter constructed or acquired from any sources whatsoever.

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

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

ARTICLE II

AUTHORIZATION OF ACQUISITION AND CONSTRUCTION OF THE PROJECT

Section 2.01. Authorization of Acquisition and Construction of the Project. There is hereby authorized and ordered the acquisition and construction of the Project, at an estimated cost of not to exceed $517,000, in accordance with the plans and specifications which have been prepared by the Consulting Engineers, heretofore filed in the office of the Governing Body. The proceeds of the Series 1997 A Bonds hereby authorized shall be applied as provided in VI hereof. The Issuer has received bids and will enter into contracts for the acquisition and construction of the Project, compatible with the financing plan submitted to the Authority.

The cost of the Project is estimated not to exceed $517,000, of which approximately $500,000 will be obtained from proceeds of the Series 1997 A Bonds and approximately $17,000 from Tap Fees received by the Issuer.

ARTICLE III

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

Section 3.01. Authorization of Bonds. For the purposes of capitalizing interest on the Series 1997 A Bonds, funding a reserve account for the Series 1997 A Bonds, paying Costs of the Project not otherwise provided for and paying certain costs of issuance and related costs, or any or all of such purposes, as determined by the Supplemental Resolution, there shall be and hereby are authorized to be issued the negotiable Series 1997 A Bonds of the Issuer. The Series 1997 A Bonds shall be issued as a single bond, designated "Combined Waterworks and Sewerage System Revenue Bond, Series 1997 A (West Virginia Water Development Authority)," in the principal amount of not more than $500,000, and shall have such terms as set forth hereinafter and in the Supplemental Resolution. The proceeds of the Series 1997 A Bonds remaining after funding of the Series 1997 A Bonds Reserve Account (if funded from Bond proceeds) and capitalizing interest on the Series 1997 A Bonds, if any, shall be deposited in or credited to the Series 1997 A Bonds Construction Trust Fund established by Section 5.01 hereof.

Section 3.02. Terms of Bonds. The Series 1997 A Bonds shall bear interest at such rate or rates, not exceeding the then legal maximum, payable semiannually on such dates; shall mature on such dates and in such amounts; and shall be redeemable, in whole or in part, all as the Issuer shall prescribe in a Supplemental Resolution. The Bonds shall be payable as to principal at the office of the Paying Agent, in any coin or currency which, on the dates of payment of principal, is legal tender for the payment of public or private debts under the laws of the United States of America. Interest on the Bonds shall be paid by check or draft of the Paying Agent or its agent, mailed to the registered owner thereof at the address as it appears on the books of the Bond Registrar, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner thereof.

Unless otherwise provided by the Supplemental Resolution, the Series 1997 A Bonds shall initially be issued in the form of a single bond, fully registered to the Authority, with a debt service schedule attached, representing the aggregate principal amount of the Series 1997 A Bonds, and shall mature in principal installments, all as provided in the Supplemental Resolution. The Bonds shall be exchangeable at the option and expense of the Registered Owner for another fully registered Bond or Bonds of the same series in aggregate principal amount equal to the amount of said Bonds then Outstanding and being exchanged, with principal installments or maturities, as applicable, corresponding to the dates of payment of principal installments of said Bonds; provided, that the Authority shall not be obligated to pay any expenses of such exchange.

Subsequent series of Bonds, if any, shall be issued in fully registered form and in denominations as determined by a Supplemental Resolution. The Series 1997 A Bonds shall be dated as of the date specified in a Supplemental Resolution and shall bear interest from the date so specified therein.

Section 3.03. Execution of Bonds. The Series 1997 A Bonds shall be executed in the name of the Issuer by the Mayor, and the seal of the Issuer shall be affixed thereto or imprinted thereon and attested by the City Clerk. In case any one or more of the officers who shall have signed or sealed any of the Bonds shall cease to be such officer of the Issuer before the Bonds so signed and sealed have been actually sold and delivered, such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Any Bonds may be signed and sealed on behalf of the Issuer by such person as at the actual time of the execution of such Bonds shall hold the proper office in the Issuer, although at the date of such Bonds such person may not have held such office or may not have been so authorized.

Section 3.04. Authentication and Registration. No Series 1997 A Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Bond Legislation unless and until the Certificate of Authentication and Registration on such Bond, substantially in the form set forth in Section 3.10 hereof, shall have been manually executed by the Bond Registrar. Any such executed Certificate of Authentication and Registration upon any such Bond shall be conclusive evidence that such Bond has been authenticated, registered and delivered under this Bond Legislation. The Certificate of Authentication and Registration on any Bond shall be deemed to have been executed by the Bond Registrar if manually signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of the Bonds issued hereunder.

Section 3.05. Negotiability, Transfer and Registration. Subject to the provisions for transfer of registration set forth below, the Series 1997 A Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder, in accepting any of said Bonds, shall be conclusively deemed to have agreed that such Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder shall further be conclusively deemed to have agreed that said Bonds shall be incontestable in the hands of a bona fide holder for value.

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

The registered Bonds shall be transferable only upon the books of the Bond Registrar, by the registered owner thereof in person or by his attorney duly authorized in

writing, upon surrender thereto together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered owner or his duly authorized attorney.

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

Section 3.06. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Series 1997 A Bond shall become mutilated or be destroyed, stolen or lost, the Issuer may, in its discretion, issue, and the Bond Registrar shall, if so advised by the Issuer, authenticate and deliver, a new Bond of the same series and of like tenor as the Bonds so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond, or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the Holder's furnishing satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer may prescribe and paying such expenses as the Issuer and the Bond Registrar may incur. All Bonds so surrendered shall be cancelled by the Bond Registrar and held for the account of the Issuer. If any such Bond shall have matured or be about to mature, instead of issuing a substitute Bond, the Issuer may pay the same, upon being indemnified as aforesaid, and if such Bond be lost, stolen or destroyed, without surrender thereof.

Section 3.07. Bonds not to be Indebtedness of the Issuer. The Series 1997 A Bonds shall not, in any event, be or constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation, but shall be payable solely from the Net Revenues derived from the operation of the System as herein provided and amounts, if any, in the Series 1997 A Bonds Sinking Fund and the Series 1997 A Bonds Reserve Account. No Holder or Holders of any of the Series 1997 A Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 1997 A Bonds or the interest thereon.

Section 3.08. Bonds Secured by Pledge of Net Revenues; Lien Position with Respect to Prior Bonds. The payment of the debt service of all Series 1997 A Bonds issued hereunder shall be secured forthwith equally and ratably with each other by a first lien on the Net Revenues derived from the System, on a parity with the lien on the Net Revenues

in favor of the Holders of the Prior Bonds. Such Net Revenues in an amount sufficient to pay the principal of and interest on the Series 1997 A Bonds and the Prior Bonds and to make the payments into all funds and accounts and all other payments provided for in the Bond Legislation, are hereby irrevocably pledged to such payments as they become due.

Section 3.09. Delivery of Bonds. The Issuer shall execute and deliver the Series 1997 A Bonds to the Bond Registrar, and the Bond Registrar shall authenticate, register and deliver the Series 1997 A Bonds to the original purchasers upon receipt of the documents set forth below:

A. If other than the Authority, a list of the names in which the Series 1997 A Bonds are to be registered upon original issuance, together with such taxpayer identification and other information as the Bond Registrar may reasonably require;

B. A request and authorization to the Bond Registrar on behalf of the Issuer, signed by an Authorized Officer, to authenticate and deliver the Series 1997 A Bonds to the original purchasers;

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

D. An executed copy of the Loan Agreement; and

E. The unqualified approving opinion of bond counsel on the Series 1997 A Bonds.

Section 3.10. Form of Series 1997 A Bonds. The text of the Series 1997 A Bonds shall be in substantially the following form, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted hereby, or by any Supplemental Resolution adopted prior to the issuance thereof:

(FORM OF SERIES 1997 A BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF BELINGTON
COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BOND,
SERIES 1997 A
(WEST VIRGINIA WATER DEVELOPMENT AUTHORITY)

No. AR-____ $_____

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF BELINGTON, a municipal corporation and political subdivision of the State of West Virginia in Barbour County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the West Virginia Water Development Authority (the "Authority") or registered assigns the sum of _____ DOLLARS ($_____), in installments on October 1 of each year, beginning October 1, 199___, as set forth on the "Schedule of Annual Debt Service" attached as EXHIBIT A hereto and incorporated herein by reference with interest on each installment at the rate per annum set forth on said EXHIBIT A.

The interest on each installment shall run from the original date of delivery of this Bond to the Authority and payment therefor, and until payment of such installment, and such interest shall be payable on April 1 and October 1 in each year, beginning _____ 1, 199____, as set forth on said EXHIBIT A. Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent"). The interest on this Bond is payable by check or draft of the Paying Agent mailed to the registered owner hereof at the address as it appears on the books of One Valley Bank, National Association, Charleston, West Virginia, as registrar (the "Registrar"), on the 15th day of the month next preceding an interest payment date, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner hereof.

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority, and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement by and between the Issuer and the Authority, dated _____, 199____.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain extensions, additions, betterments and improvements to the waterworks portion of the existing public combined waterworks and sewerage system of the Issuer (the "Project"); (ii) to pay interest on the Bonds of this Series (the "Bonds") during construction of the Project and for not more than 6 months thereafter; (iii) to fund a reserve account for the Bonds; and (iv) to pay certain costs of issuance hereof and related costs. The existing public combined waterworks and sewerage system of the Issuer, the Project, and any further extensions, additions, betterments or improvements thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 8, Article 20 of the West Virginia Code of 1931, as amended (the "Act"), and a Bond Ordinance duly enacted by the Issuer on _____, 199____, and a Supplemental Resolution duly adopted by the Issuer on _____, 199____ (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY, WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S WATER AND SEWER REVENUE BONDS OF 1971, SERIES B, DATED JULY 1, 1971, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $438,000 (THE "PRIOR BONDS").

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the Holders of the Prior Bonds and from moneys in the Reserve Account created under the Bond Legislation for the Bonds (the "Series 1997 A Bonds Reserve Account"), and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to make all payments due and owing on the Bonds and 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 1997 A Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 130% of the maximum amount payable in any year for principal of and interest on the Prior Bonds, so long as the Prior Bonds are outstanding, unless waived by the Holders of the Prior Bonds, and at least 115% of the maximum amount payable in any year for principal of and interest on the Bonds, and all

other obligations secured by a lien on or payable from such revenues on a parity with the Bonds; provided however, that so long as the Prior Bonds are no longer outstanding and so long as there exists in the Series 1997 A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with the Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

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

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

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

IN WITNESS WHEREOF, THE CITY OF BELINGTON has caused this Bond to be signed by its Mayor, and its corporate seal to be hereunto affixed and attested by its City Clerk, and has caused this Bond to be dated _____, 199____.

[SEAL]

_____
Mayor

ATTEST:

_____
City Clerk

(Form of)

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 1997 A Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: _____, 199____.

ONE VALLEY BANK, NATIONAL
ASSOCIATION, as Registrar

_____
Authorized Officer

EXHIBIT A

SCHEDULE OF ANNUAL DEBT SERVICE

(Form of)

ASSIGNMENT

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

Dated: _____, _____.

_____

In the presence of:

_____

Section 3.11. Sale of Bonds; Approval and Ratification of Execution of Loan Agreement. The Series 1997 A Bonds shall be sold to the Authority, pursuant to the terms and conditions of the Loan Agreement. If not so authorized by previous ordinance or resolution, the Mayor is specifically authorized and directed to execute the Loan Agreement in the form attached hereto as "Exhibit A" and made a part hereof, and the City Clerk is directed to affix the seal of the Issuer, attest the same and deliver the Loan Agreement to the Authority, and any such prior execution and delivery is hereby authorized, approved, ratified and confirmed.

Section 3.12. "Amended Schedule A" Filing. Upon completion of acquisition and construction of the Project, the Issuer will file with the Authority a schedule in substantially the form of the "Amended Schedule A" to the Loan Agreement, setting forth the actual costs of the Project and sources of funds therefor.

ARTICLE IV

[RESERVED]

ARTICLE V

FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION THEREOF

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

(1) Revenue Fund (established by the Prior Ordinance);

(2) Depreciation Account (established by the Prior Ordinance); and

(3) Series 1997 A Bonds Construction Trust Fund.

Section 5.02. Establishment of Funds and Accounts with Commission. The following special funds or accounts are hereby created (or continued if previously established by the Prior Ordinance) with and shall be held by the Commission separate and apart from all other funds or accounts of the Commission and the Issuer and from each other:

(1) Series 1997 A Bonds Sinking Fund; and

(a) Within the Series 1997 A Bonds Sinking Fund, the Series 1997 A Bonds Reserve Account.

The Sinking Fund and the Reserve Account established at the Commission by the Prior Ordinance for the Prior Bonds have been eliminated pursuant to an agreement between the Issuer and the Holder of the Prior Bonds. Pursuant to said agreement, the Issuer makes direct payments to the Holder of the Prior Bonds.

Section 5.03. System Revenues; Flow of Funds. A. The entire Gross Revenues derived from the operation of the System shall be deposited upon receipt in the Revenue Fund. The Revenue Fund shall constitute a trust fund for the purposes provided in this Bond Legislation and shall be kept separate and distinct from all other funds of the Issuer and the Depository Bank and used only for the purposes and in the manner provided in this Bond Legislation. All revenues at any time on deposit in the Revenue Fund shall be disposed of only in the following order and priority:

(1) The Issuer shall first, each month, pay from the moneys in the Revenue Fund all current Operating Expenses.

(2) The Issuer shall next, (i) on or before the due date of payment of each installment on the Prior Bonds, transfer from the Revenue Fund and remit to the Holder of the Prior Bonds, the amounts required to pay the interest on the Prior Bonds and to amortize the principal of the Prior Bonds over the life of such Bond issue; (ii) on the first day of each month, commencing 7 months prior to the first date of payment of interest on the Series 1997 A Bonds for which interest has not been capitalized, transfer from the Revenue Fund and remit to the Commission for deposit in the Series 1997 A Bonds Sinking Fund, an amount equal to 1/6th of the amount of interest which will become due on the Series 1997 A Bonds on the next ensuing semiannual interest payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 1997 A Bonds Sinking Fund and the next semiannual interest payment date is less than 7 months, then such monthly payments shall be increased proportionately to provide, one month prior to the next semiannual interest payment date, the required amount of interest coming due on such date; and (iii) on the first day of each month, commencing 13 months prior to the first date of payment of principal of the Series 1997 A Bonds, transfer from the Revenue Fund and remit to the Commission for deposit in the Series 1997 A Bonds Sinking Fund, an amount equal to 1/12th of the amount of principal which will mature and become due on the Series 1997 A Bonds on the next ensuing annual principal payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 1997 A Bonds Sinking Fund and the next annual principal payment date is less than 13 months, then such monthly payments shall be increased proportionately to provide, one month prior to the next annual principal payment date, the required amount of principal coming due on such date.

(3) The Issuer shall next, on the first day of each month, commencing 13 months prior to the first date of payment of principal of the Series 1997 A Bonds, if not fully funded upon issuance of the Series 1997 A Bonds, transfer from the Revenue Fund and remit to the Commission for deposit in the Series 1997 A Bonds Reserve Account, an amount equal to 1/120th of the Series 1997 A Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 1997 A Bonds Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Series 1997 A Bonds Reserve Requirement.

(4) The Issuer shall next, each month, transfer from the Revenue Fund and remit to the Depository Bank for deposit in the Depreciation Account, the moneys remaining in the Revenue Fund until there has been accumulated therein the sum of $88,000, and thereafter, such sums as shall be required to maintain such amount therein. Additionally, so long as the

Series 1997 A Bonds are outstanding, the Issuer shall next, each month, transfer from the Revenue Fund to the Depreciation Account, a sum equal to 2 1/2% of the Gross Revenues each month, exclusive of any payments for account of any reserve account. All funds in the Depreciation Account shall be kept apart from all other funds of the Issuer or of the Depository Bank and shall be invested and reinvested in accordance with Article VIII hereof. Withdrawals and disbursements may be made from the Depreciation Account for replacements, repairs, improvements or extensions to the System.

Moneys in the Series 1997 A Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest on the Series 1997 A Bonds as the same shall become due. Moneys in the Series 1997 A Bonds Reserve Account shall be used only for the purpose of paying principal of and interest on the Series 1997 A Bonds as the same shall come due, when other moneys in the Series 1997 A Bonds Sinking Fund are insufficient therefor, and for no other purpose.

All investment earnings on moneys in the Series 1997 A Bonds Sinking Fund and the Series 1997 A Bonds Reserve Account (if equal to the Series 1997 A Bonds Reserve Requirement) shall be returned, not less than once each year, by the Commission to the Issuer, and such amounts shall, during construction of the Project, be deposited in the Series 1997 A Bonds Construction Trust Fund, and following completion of construction of the Project, shall be deposited in the Revenue Fund and applied in full, first to the next ensuing interest payment due on the Series 1997 A Bonds, and then to the next ensuing principal payment due thereon.

Any withdrawals from the Series 1997 A Bonds Reserve Account which result in a reduction in the balance of the Series 1997 A Bonds Reserve Account to below the Series 1997 A Bonds Reserve Requirement shall be subsequently restored from the first Net Revenues available after all required debt service payments have been made in full for the Prior Bonds and the Series 1997 A Bonds.

As and when additional Bonds ranking on a parity with the Series 1997 A Bonds are issued, provision shall be made for additional payments into the respective sinking funds sufficient to pay the interest on such additional parity Bonds and accomplish retirement thereof at maturity and to accumulate a balance in the appropriate reserve account in an amount equal to the maximum amount of principal and interest which will become due in any year for account of the Bonds of such series, including such additional Bonds.

The Issuer shall not be required to make any further payments into the Series 1997 A Bonds Sinking Fund, or the Series 1997 A Bonds Reserve Account therein when the aggregate amount of funds therein are at least equal to the aggregate principal amount of the Series 1997 A Bonds issued pursuant to this Bond Legislation then Outstanding and all interest to accrue until the maturity thereof.

The Commission is hereby designated as the fiscal agent for the administration of the Series 1997 A Bonds Sinking Fund and the Series 1997 A Bonds Reserve Account created hereunder, and all amounts required for said accounts shall be remitted to the Commission from the Revenue Fund by the Issuer at the times provided herein.

Moneys in the Series 1997 A Bonds Sinking Fund and the Series 1997 A Bonds Reserve Account shall be invested and reinvested by the Commission in accordance with Section 8.01 hereof.

The Series 1997 A Bonds Sinking Fund, including the Series 1997 A Bonds Reserve Account therein, shall be used solely and only for, and are hereby pledged for, the purpose of servicing the Series 1997 A Bonds under the conditions and restrictions hereinafter set forth.

B. The Issuer shall on the first day of each month (if such day is not a business day, then the next succeeding business day) deposit with the Commission the required principal, interest and reserve payments with respect to the Series 1997 A Bonds and all such payments shall be remitted to the Commission with appropriate instructions as to the custody, use and application thereof consistent with the provisions of this Bond Legislation.

C. Whenever all of the required and provided transfers and payments from the Revenue Fund into the several special funds, as hereinbefore provided, are current and there remains in the Revenue Fund a balance in excess of the estimated amounts required to be so transferred and paid into such funds during the following month or such other period as required by law, such excess shall be considered Surplus Revenues. Surplus Revenues may be used for any lawful purpose of the System.

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

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

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

payment dates; provided, however, that the priority of curing deficiencies in the funds and accounts herein shall be in the same order as payments are to be made pursuant to this Section 5.03 and the Net Revenues shall be applied to such deficiencies before being applied to any other payments hereunder.

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

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

I. All Tap Fees shall be deposited by the Issuer, as received, in the Bond Construction Trust Fund, and following completion of the Project, shall be deposited in the Revenue Fund and may be used for any lawful purpose of the System.

ARTICLE VI

BOND PROCEEDS; CONSTRUCTION DISBURSEMENTS

Section 6.01. Application of Bond Proceeds; Pledge of Unexpended Bond Proceeds. From the moneys received from the sale of any or all of the Series 1997 A Bonds, the following amounts shall be first deducted and deposited in the order set forth below:

A. From the proceeds of the Series 1997 A Bonds or from other funds available to the Issuer, there shall first be deposited with the Commission in the Series 1997 A Bonds Sinking Fund, the amount, if any, set forth in the Supplemental Resolution as capitalized interest; provided, that such amount may not exceed the amount necessary to pay interest on the Series 1997 A Bonds for the period commencing on the date of issuance of the Series 1997 A Bonds and ending 6 months after the estimated date of completion of construction of the Project.

B. Next, from the proceeds of the Series 1997 A Bonds or from other funds available to the Issuer, there shall be deposited with the Commission in the Series 1997 A Bonds Reserve Account, the amount, if any, set forth in the Supplemental Resolution for funding the Series 1997 A Bonds Reserve Account.

C. Next, from the proceeds of the Series 1997 A Bonds, there shall first be credited to the Series 1997 A Bonds Construction Trust Fund and then paid, any and all other borrowings by the Issuer made for the purpose of temporarily financing a portion of the Costs of the Project and any borrowings by the Issuer from the Authority, including interest accrued thereon to the date of such payment, not otherwise paid from funds of the Issuer.

D. The remaining moneys derived from the sale of the Series 1997 A Bonds shall be deposited with the Depository Bank in the Series 1997 A Bonds Construction Trust Fund and applied solely to payment of Costs of the Project in the manner set forth in Section 6.02 hereof.

E. The Depository Bank shall act as a trustee and fiduciary for the Bondholder with respect to the Series 1997 A Bonds Construction Trust Fund and shall comply with all requirements with respect to the disposition of the Series 1997 A Bonds Construction Trust Fund set forth in the Bond Legislation. Moneys in the Series 1997 A Bonds Construction Trust Fund shall be used solely to pay Costs of the Project and until so transferred or expended, are hereby pledged as additional security for the Series 1997 A Bonds.

Section 6.02. Disbursements From the Bond Construction Trust Fund. Payments for Costs of the Project shall be made monthly. Except as provided in Section 6.01 hereof, disbursements from the Series 1997 A Bonds Construction Trust Fund (except for the costs of issuance of the Series 1997 A Bonds which shall be made upon request of the Issuer), shall be made only after submission to the Depository Bank of a certificate, signed by an Authorized Officer and the Consulting Engineers, stating:

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

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

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

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

In case any contract provides for the retention of a portion of the contract price, the Depository Bank shall disburse from the Series 1997 A Bonds Construction Trust Fund only the net amount remaining after deduction of any such portion. All payments made from the Series 1997 A Bonds Construction Trust Fund shall be presumed by the Depository Bank to be made for the purposes set forth in said certificate, and the Depository Bank shall not be required to monitor the application of disbursements from the Series 1997 A Bonds Construction Trust Fund. The Consulting Engineers shall from time to time file with the Depository Bank written statements advising the Depository Bank of its then authorized representative.

Pending such application, moneys in the Series 1997 A Bonds Construction Trust Fund, including any accounts therein, shall be invested and reinvested in Qualified Investments at the written direction of the Issuer.

After completion of the Project, as certified by the Consulting Engineers, and all Costs have been paid, the Depository Bank shall transfer any moneys remaining in the Series 1997 A Bonds Construction Trust Fund to the Series 1997 A Bonds Reserve Account, and when fully funded, shall return such remaining moneys to the Issuer for deposit in the Revenue Fund; provided that, in no event shall more than 10% of the proceeds of the Series 1997 A Bonds be deposited in the Series 1997 A Bonds Reserve Account and any balance in excess of said amounts shall be returned to the Issuer for deposit in the Revenue Fund. The Issuer shall thereafter, apply such moneys in full, first to the next ensuing interest payments due on the Series 1997 A Bonds and thereafter to the next ensuing principal payments due thereon.

ARTICLE VII

ADDITIONAL COVENANTS OF THE ISSUER

Section 7.01. General Covenants of the Issuer. All the covenants, agreements and provisions of this Bond Legislation shall be and constitute valid and legally binding covenants of the Issuer and shall be enforceable in any court of competent jurisdiction by any Holder or Holders of the Series 1997 A Bonds. In addition to the other covenants, agreements and provisions of this Bond Legislation, the Issuer hereby covenants and agrees with the Holders of the Series 1997 A Bonds as hereinafter provided in this VII. All such covenants, agreements and provisions shall be irrevocable, except as provided herein, as long as any of the Series 1997 A Bonds or the interest thereon is Outstanding and unpaid.

Section 7.02. Bonds not to be Indebtedness of the Issuer. The Series 1997 A Bonds shall not be nor constitute an indebtedness of the Issuer within the meaning of any constitutional, statutory or charter limitation of indebtedness, but shall be payable solely from the funds pledged for such payment by this Bond Legislation. No Holder or Holders of the Series 1997 A Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 1997 A Bonds or the interest thereon.

Section 7.03. Bonds Secured by Pledge of Net Revenues; Lien Position with Respect to Prior Bonds. The payment of the debt service of all Series 1997 A Bonds issued hereunder shall be secured forthwith equally and ratably with each other by a first lien on the Net Revenues derived from the operation of the System, on a parity with the lien on the Net Revenues in favor of the Holders of Prior Bonds. The Net Revenues derived from the System, in an amount sufficient to pay the principal of and interest on the Series 1997 A Bonds and to make the payments into all funds and accounts and all other payments provided for in the Bond Legislation, are hereby irrevocably pledged to such payments as they become due.

Section 7.04. Rates and Charges. The initial schedule of water rates and charges for the services and facilities of the System shall be as set forth in the water rate ordinance of the Issuer enacted August 22, 1996, which rates are incorporated herein by reference as a part hereof. The initial schedule of sewer rates and charges for the services and facilities of the System shall be as set forth in the sewer rate ordinance of the Issuer enacted November 16, 1989, which rates are incorporated herein by reference as a part hereof.

Section 7.05. Sale of the System. Except as otherwise required by law or with the written consent of the Authority, the System may not be sold, mortgaged, leased or otherwise disposed of except as a whole, or substantially as a whole, and only if the net

proceeds to be realized shall be sufficient to pay fully all Bonds Outstanding, or to effectively defease this Bond Legislation in accordance with Article X hereof. The proceeds from any such sale, mortgage, lease or other disposition of the System shall, with respect to the Series 1997 A Bonds, immediately be remitted to the Commission for deposit in the Series 1997 A Bonds Sinking Fund, and, with the written permission of the Authority, or in the event the Authority is no longer a Bondholder, the Issuer shall direct the Commission to apply such proceeds to the payment of principal at maturity of and interest on the Series 1997 A Bonds. Any balance remaining after the payment of all the Series 1997 A Bonds and interest thereon shall be remitted to the Issuer by the Commission unless necessary for the payment of other obligations of the Issuer payable out of the revenues of the System.

The foregoing provision notwithstanding, the Issuer shall have and hereby reserves the right to sell, lease or otherwise dispose of any of the property comprising a part of the System hereinafter determined in the manner provided herein to be no longer necessary, useful or profitable in the operation thereof. Prior to any such sale, lease or other disposition of such property, if the amount to be received therefor, is not in excess of $10,000, the Issuer shall make a finding by resolution in writing, concurred by the Consulting Engineer in writing, determining that such property is no longer necessary, useful or profitable in the operation thereof, and may then provide for the sale of such property. The proceeds of any such sale shall be deposited in the Depreciation Account. Such payment of such proceeds into the Depreciation Account shall not reduce the amounts required to be paid into the Depreciation Account by other provisions of this Bond Legislation.

No sale, lease or other disposition of the properties of the System shall be made by the Issuer if the proceeds to be derived therefrom, shall be in excess of $10,000 and insufficient to pay all Bonds then Outstanding without the prior approval and consent in writing of the Holders, or their duly authorized representatives, of at least 2/3rds of each Series of the Bonds then Outstanding. The Issuer shall prepare the form of such approval and consent for execution by the then Holders of the Bonds or their duly authorized representatives, which form shall provide for the disposition of the proceeds of the sale, lease or other disposition of such properties of the System.

Notwithstanding the foregoing, so long as the Prior Bonds are Outstanding and held by the Economic Development Administration, the Issuer shall not dispose of the System or any part thereof without the written consent of the Economic Development Administration.

Section 7.06. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances. Except as provided for in Section 7.06 and Section 7.07 hereof, the Issuer shall not issue any other obligations whatsoever payable from the revenues of the System which rank prior to, or equally, as to lien on and source of and security for payment from such revenues with the Series 1997 A Bonds. All

obligations issued by the Issuer after the issuance of the Series 1997 A Bonds and payable from the revenues of the System, except additional parity Bonds, shall contain an express statement that such obligations are junior and subordinate, as to lien on, pledge and source of and security for payment from such revenues and in all other respects, to the Series 1997 A Bonds; provided, that no such subordinate obligations shall be issued unless all payments required to be made into all funds and accounts set forth herein have been made and are current at the time of the issuance of such subordinate obligations.

Except as provided above, the Issuer shall not create, or cause or permit to be created, any debt, lien, pledge, assignment, encumbrance or any other charge, having priority over or being on a parity with the lien of the Series 1997 A Bonds, and the interest thereon, upon any of the income and revenues of the System pledged for payment of the Series 1997 A Bonds and the interest thereon in this Bond Legislation, or upon the System or any part thereof.

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

Section 7.07. Parity Bonds. So long as the Prior Bonds are Outstanding, the limitations on issuance of parity obligations set forth in the Prior Ordinance shall be applicable. In addition, no Parity Bonds, payable out of the revenues of the System, shall be issued after the issuance of any Bonds pursuant to this Bond Legislation, except under the conditions and in the manner herein provided.

All Parity Bonds issued hereunder shall be on a parity in all respects with the Series 1997 A Bonds.

No such Parity Bonds shall be issued except for the purpose of financing the costs of the acquisition or construction of extensions, additions, betterments or improvements to the System or refunding the Series 1997 A Bonds issued pursuant hereto, or both such purposes.

No Parity Bonds shall be issued at any time, however, unless there has been procured and filed with the City Clerk a written statement by the Independent Certified Public Accountants, based upon the necessary investigation and certification by the Consulting Engineers, reciting the conclusion that the Net Revenues actually derived, subject to the adjustments hereinafter provided for, from the System during any 12 consecutive months, within the 15 months immediately preceding the date of the actual issuance of such Parity Bonds, shall, so long as the Prior Bonds are Outstanding, not be less than 130%, unless waived by the Holders of the Prior Bonds, and thereafter, shall not be less than 115%, of the largest aggregate amount that will mature and become due in any succeeding Fiscal Year for principal of and interest on the following:

(1) The Prior Bonds then Outstanding;

(2) The Series 1997 A Bonds then Outstanding;

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

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

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

Within 30 days of the delivery of such Parity Bonds, the Issuer shall have entered into written contracts for the immediate acquisition or construction of such extensions, additions, betterments or improvements, if any, to the System that are to be financed by such Parity Bonds.

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

Parity Bonds shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien of which on the revenues of the System is subject to the prior and superior liens of the Series 1997 A Bonds on such revenues. The Issuer shall not issue any obligations whatsoever payable from the revenues of the System, or any part thereof, which rank prior to or, except in the manner and under the conditions provided in this section, equally, as to lien on and source of and security for payment from such revenues, with the Series 1997 A Bonds.

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

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

Section 7.08. Books; Records and Facilities. The Issuer shall keep complete and accurate records of the cost of acquiring the Project site and the costs of acquiring, constructing and installing the Project. The Issuer shall permit the Authority, or its agents and representatives, to inspect all books, documents, papers and records relating to the Project and the System at all reasonable times for the purpose of audit and examination. The Issuer shall submit to the Authority such documents and information as it may reasonably require in connection with the acquisition, construction and installation of the Project, the operation and maintenance of the System and the administration of the loan or any grants or other sources of financing for the Project.

The Issuer shall permit the Authority, or its agents and representatives, to inspect all records pertaining to the operation of the System at all reasonable times 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.

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

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

supervision of the Governing Body shall be reported to such agent of the Issuer as the Governing Body shall direct.

The Issuer shall file with the Consulting Engineers and the Authority or any other original purchaser of the Series 1997 A Bonds and shall mail in each year to any Holder or Holders of the Series 1997 A Bonds requesting the same, an annual report containing the following:

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

(B) A balance sheet statement showing all deposits in all the funds and accounts provided for in this Bond Legislation and the status of all said funds and accounts.

(C) The amount of any Bonds, notes or other obligations payable from the revenues of the System Outstanding.

The Issuer shall also, at least once a year, cause the books, records and accounts of the System to be audited by Independent Certified Public Accountants and shall mail, upon request, and make available generally, the report of said Independent Certified Public Accountants, or a summary thereof, to any Holder or Holders of the Series 1997 A Bonds and shall submit said report to the Authority, or any other original purchaser of the Series 1997 A Bonds. Such audit report submitted to the Authority shall include a statement that the Issuer is in compliance with the terms and provisions of the Loan Agreement and this Bond Legislation and that the revenues of the System are adequate to meet the Issuer's Operating Expenses and debt service requirements.

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

Section 7.09. Rates. Equitable rates or charges for the use of and service rendered by the System have been established all in the manner and form required by law, and copies of such rates and charges so established will be continuously on file with the City Clerk, which copies will be open to inspection by all interested parties. The schedule of rates and charges shall at all times be adequate to produce Gross Revenues from said System sufficient to pay Operating Expenses and to make the prescribed payments into the funds created hereunder. Such schedule of rates and charges shall be changed and readjusted whenever necessary so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant, with a

margin for contingencies and temporary unanticipated reduction in income and revenues, the Issuer hereby covenants and agrees that the schedule of rates or charges from time to time in effect shall be sufficient, together with other revenues of the System (i) to provide for all Operating Expenses of the System and (ii) to leave a balance each year equal to at least 130% of the maximum amount required in any year for payment of principal of and interest on the Prior Bonds, so long as the Prior Bonds are Outstanding, unless waived by the Holders of the Prior Bonds, and equal to at least 115% of the maximum amount required in any year for payment of principal of and interest on the Series 1997 A Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 1997 A Bonds; provided that, in the event that the Prior Bonds are no longer Outstanding and an amount equal to or in excess of the reserve requirement is on deposit in the Series 1997 A Bonds Reserve Account and any reserve accounts for obligations on a parity with the Series 1997 A Bonds, are funded at least at the requirement therefor, such balance each year need only equal at least 110% of the maximum amount required in any year for payment of principal of and interest on the Series 1997 A Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 1997 A Bonds. In any event, the Issuer shall not reduce the rates or charges for services set forth in the rate ordinance described in Section 7.04.

Section 7.10. Operating Budget; Audit and Monthly Financial Report. The Issuer shall annually, at least 45 days preceding the beginning of each Fiscal Year, prepare and adopt by resolution a detailed, balanced budget of the estimated revenues and expenditures for operation and maintenance of the System during the succeeding Fiscal Year and shall submit a copy of such budget to the Authority within 30 days of adoption thereof. No expenditures for the operation and maintenance of the System shall be made in any Fiscal Year in excess of the amounts provided therefor in such budget without a written finding and recommendation by a registered professional engineer, which finding and recommendation shall state in detail the purpose of and necessity for such increased expenditures for the operation and maintenance of the System, and no such increased expenditures shall be made until the Issuer shall have approved such finding and recommendation by a resolution duly adopted. No increased expenditures in excess of 10% of the amount of such budget shall be made except upon the further certificate of a registered professional engineer that such increased expenditures are necessary for the continued operation of the System. The Issuer shall mail copies of such annual budget and all resolutions authorizing increased expenditures for operation and maintenance to the Authority and to any Holder of any Bonds who shall file his or her address with the Issuer and request in writing that copies of all such budgets and resolutions be furnished him or her and shall make available such budgets and all resolutions authorizing increased expenditures for operation and maintenance of the System at all reasonable times to any Holder of any Bonds or anyone acting for and in behalf of such Holder of any Bonds.

Commencing on the date contracts are executed for the acquisition and construction of the Project and for two years following the completion of the Project, the Issuer shall each month complete a "Monthly Financial Report," a form of which is attached

to the Loan Agreement as Exhibit C, and forward a copy of such report to the Authority by the 10th day of each month.

Section 7.11. Engineering Services and Operating Personnel. The Issuer will obtain a certificate of the Consulting Engineers in the form attached to the Loan Agreement, stating, among other things, that the Project has been or will be constructed in accordance with the approved plans, specifications and designs as submitted to the Authority, the Project is adequate for the purposes for which it was designed, the funding plan as submitted to the Authority is sufficient to pay the costs of acquisition and construction of the Project, and all permits required by federal and state laws for construction of the Project have been obtained.

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

The Issuer agrees that qualified operating personnel properly certified by the State will be employed to operate the System so long as any of the Series 1997 A Bonds are Outstanding.

Section 7.12. No Competing Franchise. To the extent legally allowable, the Issuer will not grant or cause, consent to or allow the granting of, any franchise or permit to any person, firm, corporation, body, agency or instrumentality whatsoever for the providing of any services which would compete with services provided by the System.

Section 7.13. Enforcement of Collections. The Issuer will diligently enforce and collect all fees, rentals or other charges for the services and facilities of the System, and take all steps, actions and proceedings for the enforcement and collection of such fees, rentals or other charges which shall become delinquent to the full extent permitted or authorized by the Act, the rules and regulations of the Public Service Commission of West Virginia and other laws of the State of West Virginia.

Whenever any fees, rates, rentals or other charges for the services and facilities of the System shall remain unpaid for a period of 30 days after the same shall become due and payable, the property and the owner thereof, as well as the user of the services and facilities, shall be delinquent until such time as all such rates and charges are fully paid. To the extent authorized by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, rates, rentals and other charges, if not

paid, when due, shall become a lien on the premises served by the System. The Issuer further covenants and agrees that, it will, to the full extent permitted by law and the rules and regulations promulgated by the Public Service Commission of West Virginia, discontinue and shut off the services of the System, to all users of the services of the System delinquent in payment of charges for the services of the System and will not restore such services until all delinquent charges for the services of the System, plus reasonable interest and penalty charges for the restoration of service, have been fully paid and shall take all further actions to enforce collections to the maximum extent permitted by law.

Section 7.14. No Free Services. The Issuer will not render or cause to be rendered any free services of any nature by the System, nor will any preferential rates be established for users of the same class; and in the event the Issuer, or any department, agency, instrumentality, officer or employee of the Issuer shall avail itself or themselves of the facilities or services provided by the System, or any part thereof, the same rates, fees or charges applicable to other customers receiving like services under similar circumstances shall be charged the Issuer and any such department, agency, instrumentality, officer or employee. The revenues so received shall be deemed to be revenues derived from the operation of the System, and shall be deposited and accounted for in the same manner as other revenues derived from such operation of the System.

Section 7.15. Insurance and Construction Bonds. A. The Issuer hereby covenants and agrees that so long as any of the Bonds remain Outstanding, the Issuer will, as an Operating Expense, procure, carry and maintain insurance with a reputable insurance carrier or carriers as is customarily covered with respect to works and properties similar to the System. Such insurance shall initially cover the following risks and be in the following amounts:

(1) FIRE, LIGHTNING, VANDALISM, MALICIOUS MISCHIEF AND EXTENDED COVERAGE INSURANCE, on all above-ground insurable portions of the System in an amount equal to the actual cost thereof. In time of war the Issuer will also carry and maintain insurance to the extent available against the risks and hazards of war. The proceeds of all such insurance policies shall be placed in the Depreciation Account and used only for the repairs and restoration of the damaged or destroyed properties or for the other purposes provided herein for the Depreciation Account. The Issuer will itself, or will require each contractor and subcontractor to, obtain and maintain builder's risk insurance (fire and extended coverage) to protect the interests of the Issuer, the Issuer, the Authority, the prime contractor and all subcontractors as their respective interests may appear, in accordance with the Loan Agreement, during construction of the Project on a 100% basis (completed value form) on the insurable portion of the Project, such insurance to be made payable to the order of the Authority, the Issuer, the contractors and subcontractors, as their interests may appear.

(2) PUBLIC LIABILITY INSURANCE, with limits of not less than $1,000,000 per occurrence to protect the Issuer and the Authority from claims for bodily injury and/or death and not less than $500,000 per occurrence from claims for damage to property of others which may arise from the operation of the System, and insurance with the same limits to protect the Issuer from claims arising out of operation or ownership of motor vehicles of or for the System.

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

(4) FLOOD INSURANCE, if the facilities of the System are or will be located in designated special flood or mudslide-prone areas and to the extent available at reasonable cost to the Issuer.

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

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

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

Section 7.16. Connections. To the extent permitted by the laws of the State and rules and regulations of the Public Service Commission of West Virginia, the Issuer shall require every owner, tenant or occupant of any house, dwelling or building intended to be served by the System to connect thereto.

Section 7.17. Completion of Project; Permits and Orders. The Issuer will complete the Project as promptly as possible and operate and maintain the System in good condition and in compliance with all federal and state requirements and standards.

The Issuer will obtain all permits required by state and federal laws for the acquisition and construction of the Project and all orders and approvals from the Public Service Commission of West Virginia necessary for the acquisition and construction of the Project and the operation of the System.

Section 7.18. Compliance with Loan Agreement and Law. The Issuer agrees to comply with all the terms and conditions of the Loan Agreement and all applicable laws, rules and regulations issued by the Authority, or other State, federal or local bodies in regard to the acquisition and construction of the Project and the operation, maintenance and use of the System.

Section 7.19. Tax Covenants. The Issuer hereby further covenants and agrees as follows:

A. PRIVATE BUSINESS USE LIMITATION. The Issuer shall assure that (i) not in excess of 10% of the Net Proceeds of the Series 1997 A Bonds are used for Private Business Use if, in addition, the payment of more than 10% of the principal or 10% of the interest due on the Series 1997 A Bonds during the term thereof is, under the terms of the Series 1997 A Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for a Private Business Use or in payments in respect of property used or to be used for a Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for a Private Business Use; and (ii) and that, in the event that both (A) in excess of 5% of the Net Proceeds of the Series 1997 A Bonds are used for a Private Business Use, and (B) an amount in excess of 5% of the principal or 5% of the interest due on the Series 1997 A Bonds during the term thereof is, under the terms of the Series 1997 A Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for said Private Business Use or in payments in respect of property used or to be used for said Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for said Private Business Use, then said excess over said 5% of Net Proceeds of the Series 1997 A Bonds used for a Private Business Use shall be used for a Private Business Use related to the governmental use of the Project, or if the Series 1997 A Bonds are for the purpose of financing more than one project, a portion of the Project, and shall not exceed the proceeds used for the governmental use of that portion of the Project to which such Private Business Use is related, all of the foregoing to be determined in accordance with the Code.

B. PRIVATE LOAN LIMITATION. The Issuer shall assure that not in excess of 5% of the Net Proceeds of the Series 1997 A Bonds are used, directly or

indirectly, to make or finance a loan (other than loans constituting Nonpurpose Investments) to persons other than state or local government units.

C. FEDERAL GUARANTEE PROHIBITION. The Issuer shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause the Series 1997 A Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code.

D. INFORMATION RETURN. The Issuer will file all statements, instruments and returns necessary to assure the tax-exempt status of the Series 1997 A Bonds and the interest thereon, including, without limitation, the information return required under Section 149(e) of the Code.

E. FURTHER ACTIONS. The Issuer will take any and all actions that may be required of it (including, without limitation, those deemed necessary by the Authority) so that the interest on the Series 1997 A Bonds will be and remain excludable from gross income for federal income tax purposes, and will not take any actions, or fail to take any actions (including, without limitation, those deemed necessary by the Authority), the result of which would adversely affect such exclusion.

Section 7.20. Statutory Mortgage Lien. For the further protection of the Holders of the Series 1997 A Bonds, a statutory mortgage lien upon the System is granted and created by the Act, which statutory mortgage lien is hereby recognized and declared to be valid and binding, shall take effect immediately upon delivery of the Series 1997 A Bonds and shall be on a parity with the statutory mortgage lien in favor of the Holders of the Prior Bonds.

Section 7.21. Securities Laws Compliance. The Issuer will provide the Authority, in a timely manner, with any and all information that may be requested of it (including its annual audit report, financial statements, related information and notices of changes in usage and customer base) so that the Authority may comply with the provisions of SEC Rule 15c2-12 (17 CFR Part 240).

ARTICLE VIII

INVESTMENT OF FUNDS; NON ARBITRAGE

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

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

The Depository Bank shall keep complete and accurate records of all funds, accounts and investments, and shall distribute to the Issuer, at least once each year, a summary of such funds, accounts and investment earnings. The Issuer shall retain all such records and any additional records with respect to such funds, accounts and investment earnings so long as any of the Series 1997 A Bonds are Outstanding and as long thereafter as necessary to comply with the Code and assure the exclusion of interest on the Series 1997 A Bonds from gross income for federal income tax purposes.

Section 8.02. Arbitrage. The Issuer covenants that (i) it shall not take, or permit or suffer to be taken, any action with respect to the gross or other proceeds of the Series 1997 A Bonds which would cause the Series 1997 A Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code, and (ii) it will take all actions that may be required of it (including, without implied limitation, the timely filing of a Federal information return with respect to the Series 1997 A Bonds) so that the interest on the Series 1997 A Bonds will be and remain excludable from gross income for Federal income tax purposes, and will not take any actions which would adversely affect such exclusion.

Section 8.03. Small Issuer Exemption from Rebate of Excess Investment Earnings to the United States. In accordance with Section 148 (f)(4)(D) of the Code, the Issuer covenants that it is a governmental unit with general taxing powers; that no part of the Series 1997 A Bonds are private activity bonds; that 95% or more of the Net Proceeds of the Series 1997 A Bonds are to be used for local governmental activities of the Issuer (or of a governmental unit the jurisdiction of which is entirely within the jurisdiction of the Issuer); and that the aggregate face amount of all the tax-exempt obligations (other than private activity bonds) issued by the Issuer during the calendar year in which the Series 1997 A Bonds are issued does not and will not exceed $5,000,000, determined in accordance with Section 148(f)(4)(D) of the Code and the Regulations from time to time in effect and applicable to the Series 1997 A Bonds. For purposes of the first paragraph of Section 8.03 and for purposes of applying Section 148(f)(4)(D) of the Code, the Issuer and all entities which issue obligations on behalf of the Issuer shall be treated as one issuer; all obligations issued by a governmental unit to make loans to other governmental units with general taxing powers not subordinate to such unit shall, for purposes of applying this first paragraph of Section 8.03 and Section 148(f)(4)(D) of the Code, be treated as not issued by such unit; all obligations issued by a subordinate entity shall, for purposes of applying this first paragraph of Section 8.03 and Section 148(f)(4)(D) of the Code to each other entity to which such entity is subordinate, be treated as issued by such other entity; and an entity formed (or, to the extent provided by the Secretary, as set forth in the Code, availed of) to avoid the purposes of such Section 148(f)(4)(D) of the Code and all other entities benefiting thereby shall be treated as one issuer.

Notwithstanding the foregoing, if in fact the Issuer is subject to the rebate requirements of Section 148(f) of the Code, and not exempted from such requirements, the Issuer covenants to make, or cause to be made, all rebate calculations, computations and payments in the time, manner and as required in Section 148(f) of the Code and the Regulations from time to time in effect and applicable to the Series 1997 A Bonds and otherwise covenants and agrees to comply with the provisions of such Section 148(f) of the Code and the Regulations from time to time in effect and applicable to the Series 1997 A Bonds. In the event of a failure to pay the correct rebate amount, the Issuer will pay, from any lawful sources available therefor, to the United States such amount, plus a penalty equal to 50% of the rebate amount not paid, plus interest, unless waived. In order to provide for the administration of this paragraph, the Issuer may provide for the employment of independent attorneys, accountants and consultants compensated on such reasonable basis as the Issuer may deem appropriate.

The Issuer shall furnish to the Authority, annually, and at such time as it is required to perform its rebate calculations under the Code, a certificate with respect to its rebate calculations and, at any time, any additional information relating thereto as may be requested by the Authority. In addition, the Issuer shall cooperate with the Authority in preparing any required rebate calculations and in all other respects in connection with rebates and hereby consents to the performance of all matters in connection with such rebates by the Authority at the expense of the Issuer.

The Issuer shall submit to the Authority within 15 days following the end of each Bond Year a certified copy of its rebate calculation or, if the Issuer qualifies for the small governmental issue exception to rebate, the Issuer shall submit a certificate stating that it is exempt from the rebate provisions and that no event has occurred to its knowledge during the Bond Year which would make the Series 1997 A Bonds subject to rebate. The Issuer shall also furnish the Authority, at any time, such additional information relating to rebate as may be reasonably requested by the Authority, including information with respect to earnings on all funds constituting "gross proceeds" of the Bonds (as such term "gross proceeds" is defined in the Code).

ARTICLE IX

DEFAULT AND REMEDIES

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

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

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

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

Section 9.02. Remedies. Upon the happening and continuance of any Event of Default, any Registered Owner of a Bond may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his or her rights and, in particular, (i) bring suit for any unpaid principal or interest then due, (ii) by mandamus or other appropriate proceeding enforce all rights of such Registered Owners including the right to require the Issuer to perform its duties under the Act and the Bond Legislation relating thereto, including, but not limited to, the making and collection of sufficient rates or charges for services rendered by the System, (iii) bring suit upon the Bonds; (iv) by action at law or bill in equity require the Issuer to account as if it were the trustee of an express trust for the Registered Owners of the Bonds, and (v) by action or bill in equity enjoin any acts in violation of the Bond Legislation with respect to the Bonds, or the rights of such Registered Owners; provided that, all rights and remedies of the Holders of the Series 1997 A Bonds shall be on a parity with the Holders of the Prior Bonds.

Section 9.03. Appointment of Receiver. Any Registered Owner of a Bond may, by proper legal action, compel the performance of the duties of the Issuer under the Bond Legislation and the Act, including, the completion of the Project and, after commencement of operation of the System, the making and collection of sufficient rates and charges for services rendered by the System and segregation of the revenues therefrom and the application thereof. If there be any Event of Default with respect to such Bonds, any Registered Owner of a Bond shall, in addition to all other remedies or rights, have the right, by appropriate legal proceedings, to obtain the appointment of a receiver to administer the System or to complete the acquisition and construction of the Project on behalf of the Issuer,

with power to charge rates, rentals, fees and other charges sufficient to provide for the payment of Operating Expenses of the System, the payment of the Bonds and interest and the deposits into the funds and accounts hereby established, and to apply such rates, rentals, fees, charges or other revenues in conformity with the provisions of this Bond Legislation and the Act.

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

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

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

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

ARTICLE X

DEFEASANCE

Section 10.01. Defeasance of Bonds. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the respective Holders of all of the Series 1997 A Bonds, the principal of and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Bond Legislation, then the pledge of Net Revenues and other moneys and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owners of the Series 1997 A Bonds shall thereupon cease, terminate and become void and be discharged and satisfied, except as may otherwise be necessary to assure the exclusion of interest on the Series 1997 A Bonds from gross income for federal income tax purposes.

Series 1997 A Bonds for the payment of which either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with the moneys, if any, deposited with the Paying Agent at the same or earlier time, shall be sufficient, to pay as and when due either at maturity or at the next redemption date, the principal installments of and interest on such Series 1997 A Bonds shall be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section. All Series 1997 A Bonds shall, prior to the maturity thereof, be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section if there shall have been deposited with the Commission or its agent, either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with other moneys, if any, deposited with the Commission at the same time, shall be sufficient to pay when due the principal installments of and interest due and to become due on said Series 1997 A Bonds on and prior to the next redemption date or the maturity dates thereof. Neither securities nor moneys deposited with the Commission pursuant to this section nor principal or interest payments on any such securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal installments of and interest on said Series 1997 A Bonds; provided, that any cash received from such principal or interest payments on such securities deposited with the Commission or its agent, if not then needed for such purpose, shall, to the extent practicable, be reinvested in securities maturing at times and in amounts sufficient to pay when due the principal installments of and interest to become due on said Bonds on and prior to the next redemption date or the maturity dates thereof, and interest earned from such reinvestments shall be paid over to the Issuer as received by the Commission or its agent, free and clear of any trust, lien or pledge. For the purpose of this section, securities shall mean and include only Government Obligations.

ARTICLE XI

MISCELLANEOUS

Section 11.01. Amendment or Modification of Bond Legislation. Prior to issuance of the Series 1997 A Bonds, this Ordinance may be amended or supplemented in any way by Supplemental Resolution. Following issuance of the Series 1997 A Bonds, no material modification or amendment of this Ordinance, or of any ordinance, resolution or order amendatory or supplemental hereto, that would materially and adversely affect the rights of Registered Owners of the Bonds shall be made without the consent in writing of the Registered Owners of 66-2/3% or more in principal amount of the Bonds so affected and then Outstanding; provided, that no change shall be made in the maturity of any Bond or Bonds or the rate of interest thereon, or in the principal amount thereof, or affecting the unconditional promise of the Issuer to pay such principal and interest out of the funds herein pledged therefor without the consent of the Registered Owner thereof. No amendment or modification shall be made that would reduce the percentage of the principal amount of Bonds required for consent to the above-permitted amendments or modifications. Notwithstanding the foregoing, this Bond Legislation may be amended without the consent of any Bondholder as may be necessary to assure compliance with Section 148(f) of the Code relating to rebate requirements or otherwise as may be necessary to assure the exclusion of interest on the Series 1997 A Bonds from gross income of the Holders thereof.

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

Section 11.03. Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Ordinance should be held invalid by any court of competent jurisdiction, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Ordinance, the Supplemental Resolution thereto, or the Series 1997 A Bonds.

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

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

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

Section 11.07. Effective Date. This Ordinance shall take effect immediately following the public hearing and third reading hereof.

Section 11.08. Statutory Notice and Public Hearing. Upon adoption hereof, an abstract of this Ordinance determined by the Governing Body to contain sufficient information as to give notice of the contents hereof shall be published once a week for 2 successive weeks within a period of fourteen consecutive days, with at least 6 full days intervening between each publication, in the Barbour Democrat, a newspaper of general circulation in The City of Belington, no newspaper being published therein, together with a notice stating that this Ordinance has been adopted and that the Issuer contemplates the issuance of the Bonds, and that any person interested may appear before the Council upon a date certain, not less than ten days subsequent to the date of the first publication of such abstract of this Ordinance and notice, and present protests, and that a certified copy of this Ordinance is on file with the Governing Body for review by interested persons during office hours of the Governing Body. At such hearing, all objections and suggestions shall be heard and the Governing Body shall take such action as it shall deem proper in the premises.

Passed on First Reading:	-	January 16, 1997
Passed on Second Reading:	-	January 23, 1997
Passed on Final Reading Following Public Hearing:	-	February 20, 1997

Mayor

CERTIFICATION

Certified a true copy of an Ordinance duly enacted by the Council of THE CITY OF BELINGTON on the 20th day of February, 1997.

Dated: March 3, 1997.

[SEAL]

Irene Ross

City Clerk

02/24/97
TOBJ.A5
062490/95001

EXHIBIT A

[Loan Agreement attached to bond transcript as Document 3.]

THE CITY OF BELINGTON

Combined Waterworks and Sewerage System Revenue Bonds, Series 1997 A
(West Virginia Water Development Authority)

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNT, DATE, MATURITY DATE, REDEMPTION PROVISION, INTEREST RATE, INTEREST AND PRINCIPAL PAYMENT DATES, SALE PRICE AND OTHER TERMS OF THE COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1997 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), OF THE CITY OF BELINGTON; AUTHORIZING AND APPROVING A LOAN AGREEMENT RELATING TO SUCH BONDS AND THE SALE AND DELIVERY OF SUCH BONDS TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

WHEREAS, the council (the "Governing Body") of The City of Belington (the "Issuer") has duly and officially adopted and enacted a bond ordinance, effective February 20, 1997 (the "Bond Ordinance"), entitled:

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE WATERWORKS PORTION OF THE EXISTING PUBLIC COMBINED WATERWORKS AND SEWERAGE SYSTEM OF THE CITY OF BELINGTON AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN $500,000 IN AGGREGATE PRINCIPAL AMOUNT OF COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1997 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A

LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

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

WHEREAS, the Bond Ordinance provides for the issuance of Combined Waterworks and Sewerage System Revenue Bonds, Series 1997 A (West Virginia Water Development Authority), of the Issuer (the "Bonds" or the "Series 1997 A Bonds"), in the aggregate principal amount not to exceed $500,000, and has authorized the execution and delivery of a loan agreement relating to the Bonds to be dated the date of delivery of the Bonds (the "Loan Agreement"), by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), all in accordance with Chapter 8, Article 20 of the West Virginia Code of 1931, as amended (the "Act"); and in the Bond Ordinance it is provided that the form of the Loan Agreement and the exact principal amount, date, maturity date, redemption provision, interest rate, interest and principal payment dates, sale price and other terms of the Bonds should be established by a supplemental resolution pertaining to the Bonds; and that other matters relating to the Bonds be herein provided for;

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

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

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

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

Section 1. Pursuant to the Bond Ordinance and the Act, this Supplemental Resolution is adopted and there are hereby authorized and ordered to be issued the Combined Waterworks and Sewerage System Revenue Bonds, Series 1997 A (West Virginia Water Development Authority), of the Issuer, originally represented by a single Bond, numbered AR-1, in the principal amount of $475,000. The Series 1997 A Bonds shall be dated the date of delivery thereof, shall finally mature October 1, 2035, shall bear interest at the rate of 6.25% per annum, payable semiannually on April 1 and October 1 of each year, commencing October 1, 1997. The Series 1997 A Bonds shall be payable in annual installments of principal on October 1 of each year, commencing October 1, 1997, and ending October 1, 2035, all as set forth in "Schedule X" attached to the Loan Agreement and incorporated in and made a part of the Series 1997 A Bonds. The Series 1997 A Bonds shall be subject to redemption upon the written consent of the Authority, and upon payment of the interest and redemption premium, if any, and otherwise in compliance with the Loan Agreement, as long as the Authority shall be the registered owner of the Series 1997 A Bonds.

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

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

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

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

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

Section 7. Series 1997 A Bonds proceeds in the amount of $8,790 shall be deposited in the Series 1997 A Bonds Sinking Fund, as capitalized interest.

Section 8. Series 1997 A Bonds proceeds in the amount of $32,855 shall be deposited in the Series 1997 A Bonds Reserve Account.

Section 9. The balance of the proceeds of the Series 1997 A Bonds shall be deposited in or credited to the Series 1997 A Bond Construction Trust Fund as received from time to time for payment of Costs of the Project, including costs of issuance of the Series 1997 A Bonds.

Section 10. The Issuer hereby determines to pay, on the date of delivery of the Bonds and receipt of proceeds thereof, all borrowings of the Issuer heretofore incurred for the purpose of temporarily financing a portion of the Costs of the Project, if any, including, but not limited to, all borrowings from the Issuer's general fund or from the Authority.

Section 11. The Mayor and the City Clerk are hereby authorized and directed to execute and deliver such other documents and certificates required or desirable in connection with the issuance of the Bonds hereby and by the Bond Ordinance approved and provided for, to the end that the Bonds may be delivered on or about March 3, 1997, to the Authority pursuant to the Loan Agreement.

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

Section 13. The Issuer hereby determines that it is in the best interest of the Issuer to invest all moneys in the funds and accounts established by the Bond Ordinance held by the Depository Bank until expended, in repurchase agreements or time accounts, secured by a pledge of Government Obligations, and therefore, the Issuer hereby directs the Depository Bank to take such actions as may be necessary to cause such moneys to be invested in such repurchase agreements or time accounts, until further directed in writing by the Issuer. Moneys in the Series 1997 A Bonds Sinking Fund, including the Series 1997 A Bonds Reserve Account therein, shall be invested by the West Virginia Municipal Bond Commission in the West Virginia Consolidated Fund.

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

Section 15. The Issuer is a governmental unit with general taxing powers to finance operations of or facilities of the nature of the Project and the System; no part of the Bonds are private activity bonds; 95% or more of the net proceeds of the Bonds are to be used for local governmental activities of the Issuer; and the Issuer reasonably expects to

issue less than $5,000,000 aggregate principal face amount of tax-exempt obligations (other than private activity bonds) during the calendar year 1997, being the calendar year in which the Bonds are to be issued. For purposes of this Section and for purposes of applying Section 148(f)(4)(D) of the Code, the Issuer and all entities which issue obligations on behalf of the Issuer shall be treated as one issuer; all obligations issued by a governmental unit to make loans to other governmental units with general taxing powers not subordinate to such unit shall, for purposes of applying this Section and Section 148(f)(4)(D) of the Code, be treated as not issued by such unit; all obligations issued by a subordinate entity shall, for purposes of applying this Section and Section 148(f)(4)(D) of the Code to each other entity to which such entity is subordinate, be treated as issued by such other entity; and an entity formed (or, to the extent provided by the Secretary, as set forth in the Code, availed of) to avoid the purposes of such Section 148(f)(4)(D) of the Code and all other entities benefiting thereby shall be treated as one issuer.

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

Adopted this 20th day of February, 1997.

THE CITY OF BELINGTON

Mayor

CERTIFICATION

Certified a true copy of a Supplemental Resolution duly adopted by the Council of THE CITY OF BELINGTON on the 20th day of February, 1997.

Dated: March 3, 1997.

[SEAL]

Irene Reas

City Clerk

02/13/97
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062490/95001

State of West Virginia

WATER DEVELOPMENT AUTHORITY

1201 Dunbar Avenue
Dunbar WV 25064-3017

Telephone (304) 558-3612
Telecopier (304) 558-0299

August 26, 1997

The City of Belington
Combined Waterworks and Sewerage System Design Revenue Bonds, Series 1997 B
(West Virginia SRF Program)

TO WHOM IT MAY CONCERN:

The undersigned duly authorized representative for the West Virginia Water Development Authority, the registered owner of the entire outstanding aggregate principal amount of the Series 1997 A Bonds, hereinafter defined and described, hereby consents to: (1) the issuance of the Combined Waterworks and Sewerage System Design Revenue Bonds, Series 1997 B (West Virginia SRF Program) (the "Bonds"), in the original aggregate principal amount of $350,000, by The City of Belington (the "Issuer"), under the terms of the bond ordinance authorizing the Bonds, on a parity, with respect to liens, pledge and source of and security for payment, with the Issuer's outstanding Combined Waterworks and Sewerage System Revenue Bonds, Series 1997 A (West Virginia Water Development Authority), dated March 3, 1997 (the "Series 1997 A Bonds"), and (2) the reduction of the rate coverage and parity requirements of the ordinance authorizing the Series 1997 A Bonds from 130% to 115%, in reliance on the consent of the holder of the Issuer's outstanding Water and Sewer Revenue Bonds of 1971, Series B, dated July 1, 1971.

Authorized Representative