

THE CITY OF FOLLANSBEE

Water Revenue Bonds, Series 2002 A
(West Virginia Water Development Authority)

Date of Closing: August 16, 2002

BOND TRANSCRIPT

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BOND TRANSCRIPT

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THE CITY OF FOLLANSBEE
WATER REVENUE BONDS, SERIES 2002 A
(WEST VIRGINIA WATER DEVELOPMENT AUTHORITY)

BOND ORDINANCE

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THE CITY OF FOLLANSBEE

ORDINANCE AUTHORIZING THE REFUNDING OF THE OUTSTANDING WATERWORKS SYSTEM BOND ANTICIPATION NOTES, SERIES 1996, WATER REVENUE BONDS, SERIES 1992 A, WATER REVENUE BONDS, SERIES 1992 B, AND WATER REVENUE BONDS, SERIES 1992 C OF THE CITY OF FOLLANSBEE AND AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC WATERWORKS SYSTEM OF THE CITY OF FOLLANSBEE AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN \$8,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2002 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 AND RATIFYING 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 CITY OF FOLLANSBEE:

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 19, Chapter 13, Article 2E, and Chapter 22C, Article 1 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 Follansbee (the "Issuer") is a municipal corporation and political subdivision of the State of West Virginia in Brooke County of said State.

B. The Issuer presently owns and operates a public waterworks 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 additions, betterments, and improvements to the existing public waterworks facilities of the Issuer, consisting of installation of 12,166 linear feet of 12 inch, 2,475 linear feet of 8 inch and 9,300 linear feet of 6 inch water mains, replacement of a 112,000 gallon tank with a 696,000 gallon tank, replacement of a 90,000 gallon tank with an 827,000 gallon tank, installation of a new SCADA telemetry system, upgrade of the Eldersville Booster Station, painting of three existing tanks, and all necessary valves, controls and appurtenances, together with all appurtenant facilities (collectively, the "Project") (the existing public waterworks facilities of the Issuer, the Project and any further improvements or extensions 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 Issuer has heretofore financed the acquisition and construction of the System and certain additions, extensions and improvements thereto by the issuance or assumption of several series of bonds or notes, of which there are presently outstanding the following:

(i) Waterworks System Bond Anticipation Notes, Series 1996, dated October 15, 1996, issued in the original aggregate principal amount of \$575,000 (the "Notes");

(ii) Water Revenue Bonds, Series 1992 A, dated October 13, 1992, issued in the original principal amount of \$250,000 (the "Series 1992 A Bonds");

(iii) Water Revenue Bonds, Series 1992 B, dated October 13, 1992, issued in the original principal amount of \$1,750,000 (the "Series 1992 B Bonds"); and

(iv) Water Revenue Bonds, Series 1992 C, dated October 13, 1992, issued in the original principal amount of \$671,000 (the "Series 1992 C Bonds").

The Series 1992 A Bonds, the Series 1992 B Bonds and the Series 1992 C Bonds were assumed by the Issuer on October 15, 1996, as consideration for the Issuer's acquisition of the waterworks assets of Hooverson Heights Public Service District. The Notes, the Series 1992 A Bonds, the Series 1992 B Bonds and the Series 1992 C Bonds, collectively, are hereinafter referred to as the "Prior Bonds."

D. The Prior Bonds were issued or assumed pursuant to ordinances of the Issuer previously enacted for such purpose (such ordinances, as so amended and supplemented, are collectively herein called the "Prior Ordinances").

E. It is deemed necessary and desirable for the Issuer to refund the Prior Bonds to effect the release and termination of certain restrictions, conditions and limitations imposed in the Prior Ordinances.

F. The estimated revenues to be derived in each year after completion of the Project and the refunding of the Prior Bonds 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 Series 2002 A Bonds, and to make payments into all funds and accounts and other payments provided for herein.

G. It is deemed necessary for the Issuer to issue its Water Revenue Bonds, Series 2002 A (West Virginia Water Development Authority), in the total aggregate principal amount of not more than \$8,000,000 (the "Series 2002 A Bonds"), to refund the Prior Bonds and to permanently finance the costs of acquisition and construction of the Project. Said costs shall be deemed to include the cost of all property rights, easements and franchises deemed necessary or convenient therefor; interest upon the Series 2002 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 2002 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 Authority (as hereinafter defined), discount, initial fees for the services of registrars, paying agents, depositories or trustees or other costs in connection with the sale of the Series 2002 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 2002 A Bonds or the repayment of indebtedness incurred by the Issuer for such purposes shall be deemed Costs of the Project, as hereinafter defined.

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

I. It is in the best interests of the Issuer that its Series 2002 A Bonds be sold to the Authority pursuant to the terms and provisions of a loan agreement to be entered into between the Issuer and the Authority, in form satisfactory to the Issuer and the Authority, as shall be approved by supplemental resolution of the Issuer.

J. Upon the refunding of the Prior Bonds on the Closing Date, there will be no outstanding bonds or obligations of the Issuer which are secured by revenues or assets of the System on a parity with the Series 2002 A Bonds.

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, refunding of the Prior Bonds and issuance of the Series 2002 A Bonds, or will have so complied prior to issuance of any thereof, including, among other things and without limitation, the obtaining of a certificate of public convenience and necessity and approval of this financing and necessary user rates and charges described herein from the Public Service Commission of West Virginia by final order, the time for rehearing and appeal of which will either have expired prior to the issuance of the Series 2002 A Bonds or such final order will not be subject to appeal or rehearing.

I. The Project has been reviewed and determined to be technically and financially feasible by the West Virginia Infrastructure and Jobs Development Council as required under Chapter 31, Article 15A of the West Virginia Code of 1931, as amended.

Section 1.03. Bond Legislation Constitutes Contract. In consideration of the acceptance of the Series 2002 A 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 2002 A 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 19, Chapter 13, Article 2E and Chapter 22C, Article 1 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 2002 A Bonds, or any other agency of the State of West Virginia that succeeds to the functions of the Authority.

"Authorized Officer" means the Mayor or City Manager 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 orders and resolutions supplemental hereto or amendatory hereof.

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

"Bonds" means, collectively, the Series 2002 A Bonds and any bonds on a parity therewith subsequently authorized to be issued hereunder or by another resolution 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.

"City Manager" means the City Manager of the Issuer.

"Closing Date" means the date upon which there is an exchange of the Series 2002 A Bonds for the proceeds representing the purchase price of the Series 2002 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 Ghosh Engineers, Inc., Charleston, 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 1.02D 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, which shall be a member of FDIC.

"District" means Hooverson Heights Public Service District, a public service district which was formerly located in Brooke County, West Virginia, the assets of which were purchased by the Issuer on October 15, 1996.

"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 the aggregate gross operating and non-operating revenues of the System, as hereinafter defined, determined in accordance with generally accepted accounting principles, after deduction of prompt payment discounts, if any, and reasonable provision for uncollectible accounts; provided, that "Gross Revenues" does not include any gains from the sale or other disposition of, or from any increase in the value of, capital assets (including Qualified Investments, as hereinafter defined, purchased pursuant to Article 8.01 hereof) or any Tap Fees, as hereinafter defined.

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

"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

(A) any security (within the meaning of Section 165(g)(2)(A) or (B) of the Code),

(B) any obligation,

(C) any annuity contract,

(D) any investment-type property, or

(E) in the case of a bond other than a private activity bond, 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.

Except as provided in the following sentence, the term "Investment Property" does not include any tax-exempt bond. With respect to an issue other than an issue a part of which is a specified private activity bond (as defined in section 57(a)(5)(C) of the Code), the term "Investment Property" includes a specified private activity bond (as so defined).

"Issuer" means The City of Follansbee, a municipal corporation and political subdivision of the State of West Virginia in Brooke 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 2002 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 Governing Body of the Issuer.

"Net Proceeds" means the face amount of the Series 2002 A Bonds, plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds, if any, deposited in the Series 2002 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 2002 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.

"Notes" means the Waterworks System Bond Anticipation Notes, Series 1996, dated October 15, 1996, issued in the original principal amount of \$575,000.

"Nonpurpose Investment" means any Investment Property as defined in Section 148(b) of the Code, that is not a purpose investment.

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

"Outstanding," when used with reference to Bonds 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 monies, 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 designated as such for the Series 2002 A Bonds in the Supplemental Resolution.

"Prior Bonds" means, collectively, the Notes, the Series 1992 A Bonds, the Series 1992 B Bonds and the Series 1992 C Bonds.

"Prior Ordinances" means, collectively, the ordinance of the Issuer duly enacted on August 12, 1996, regarding the Notes, the resolution of the District adopted October 5, 1992, authorizing the issuance of the Series 1992 A Bonds, the Series 1992 B Bonds and the Series 1992 C Bonds, and the Ordinance of the Issuer enacted August 12, 1996 authorizing the acquisition of the waterworks assets of the District by the Issuer, the assumption by the Issuer of the Series 1992 A Bonds, the Series 1992 B Bonds and the Series

1992 C Bonds and the assumption by the Issuer of the obligations of the District under the aforementioned resolution.

"Private Business Use" means use (directly or indirectly) in a trade or business carried on by any person other than a governmental unit; provided that, use as a member of the general public shall not be taken into account.

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

"Project" means the 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 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 Investment Management Board 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 excluded 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.

"Registrar" means the Bond Registrar.

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

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

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

"Series 1992 Bonds" means, collectively, the Series 1992 A Bonds, the Series 1992 B Bonds and the Series 1992 C Bonds.

"Series 1992 A Bonds" means, the Water Revenue Bonds, Series 1992 A, of the Issuer as described in Section 1.02G hereof.

"Series 1992 B Bonds" means the Water Revenue Bonds, Series 1992 B, of the Issuer as described in Section 1.02G hereof.

"Series 1992 C Bonds" means the Water Revenue Bonds, Series 1992 C, of the Issuer as described in Section 1.02G hereof.

"Series 2002 A Bonds" means the Water Revenue Bonds, Series 2002 A (West Virginia Water Development Authority), of the Issuer, authorized by this Ordinance.

"Series 2002 A Bonds Construction Trust Fund" means the Series 2002 A Bonds Construction Trust Fund established by Section 5.01 hereof.

"Series 2002 A Bonds Reserve Account" means the Series 2002 A Bonds Reserve Account established by Section 5.02 hereof.

"Series 2002 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 2002 A Bonds in the then current or any succeeding year.

"Series 2002 A Bonds Sinking Fund" means the Series 2002 A Bonds Sinking Fund established by Section 5.02 hereof.

"State" means the State of West Virginia.

"Supplemental Resolution" means any resolution or order of the Issuer supplementing or amending this Resolution and, when preceded by the article "the," refers specifically to the supplemental resolution or resolutions authorizing the sale of the Series 2002 A Bonds; provided, that any matter intended by this Resolution to be included in the Supplemental Resolution with respect to the Series 2002 A 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 Series 2002 A Bonds or any other obligations of the Issuer, including, without limitation, the Renewal and Replacement Fund, the Series 2002 A Bonds Sinking Fund and the Series 2002 A Bonds Reserve Account.

"System" means the complete public waterworks system of the Issuer, as presently existing in its entirety or any integral part thereof, and all waterworks facilities owned by the Issuer and all facilities and other property of every nature, real or personal, now or hereafter owned, held or used in connection with the waterworks system, and shall include the Project and any additions, improvements and extensions thereto hereafter constructed or acquired for said 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 ACQUISITION AND CONSTRUCTION OF THE PROJECT AND REFUNDING OF PRIOR BONDS

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 \$5,096,442, in accordance with the plans and specifications which have been prepared by the Consulting Engineers, heretofore filed in the office of the Governing Body. The proceeds of the Series 2002 A Bonds hereby authorized shall be applied as provided in Article VI hereof. The Issuer has received bids and will enter into contracts for the acquisition and construction of the Project, in an amount and otherwise compatible with the financing plan submitted to the Authority.

The cost of the Project is estimated to be \$5,096,442, of which \$4,780,624 will be obtained from proceeds of the Series 2002 A Bonds and \$315,818 will be obtained from funds of the Issuer.

Section 2.02. Authorization of Refunding of the Prior Bonds. There is hereby authorized and ordered the payment in full of the entire outstanding principal of and all accrued interest on the Notes, the Series 1992 A Bonds, the Series 1992 B Bonds and the Series 1992 C Bonds on the Closing Date. The cost of the refunding is estimated to be \$3,009,376, which will be obtained from the proceeds of the Series 2002 A Bonds. Upon payment in full of the Notes, the Series 1992 A Bonds, the Series 1992 B Bonds and the Series 1992 C Bonds, the pledge of revenues in favor of the holders of the Prior Bonds imposed by the Prior Ordinances and the monies in the funds and accounts created by the Prior Ordinances pledged to the payment of the Prior Bonds are hereby ordered terminated, discharged and released.

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 refunding the Prior Bonds, capitalizing interest on the Series 2002 A Bonds, funding a reserve account for the Series 2002 A Bonds, paying Costs of the Project not otherwise provided for and paying certain costs of issuance of the Series 2002 A Bonds and related costs, or any or all of such purposes, as determined by the Supplemental Resolution, there shall be and hereby are authorized to be issued negotiable Series 2002 A Bonds of the Issuer. The Series 2002 A Bonds shall be issued as a single bond, designated as "Water Revenue Bonds, Series 2002 A (West Virginia Water Development Authority)," in the principal amount of not more than \$8,000,000, and shall have such terms as set forth hereinafter and in the Supplemental Resolution. The proceeds of the Series 2002 A Bonds, remaining after refunding the Prior Bonds, funding of the Series 2002 A Bonds Reserve Account (if funded from Bond proceeds), and capitalizing interest on the Series 2002 A Bonds, shall be deposited in or credited to the Series 2002 A Bonds Construction Trust Fund established by Section 5.01 hereof and applied as set forth in Article VI hereof.

Section 3.02. Terms of Bonds. The Series 2002 A Bonds shall be issued in such principal amounts; 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 Series 2002 A Bonds shall be payable as to principal at the office of the Paying Agent, in any coin or currency which, on the dates of payment of principal is legal tender for the payment of public or private debts under the laws of the United States of America. Interest on the Series 2002 A Bonds shall be paid by check or draft of the Paying Agent mailed to the Registered Owner thereof at the address as it appears on the books of the Bond Registrar, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner thereof.

Unless otherwise provided by the Supplemental Resolution, the Series 2002 A Bonds shall 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 2002 A Bonds, and shall mature in principal installments, all as provided in the Supplemental Resolution. The Series 2002 A Bonds shall be exchangeable at the option and expense of the Holder 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. Such Bonds shall be dated and shall bear interest, if any, as set forth in a Supplemental Resolution.

Section 3.03. Execution of Bonds. The Series 2002 A Bonds shall be executed in the name of the Issuer by the Mayor and City Manager, 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 2002 A Bonds shall cease to be such officer of the Issuer before the Series 2002 A Bonds so signed and sealed have been actually sold and delivered, such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Any Series 2002 A Bonds may be signed and sealed on behalf of the Issuer by such person as at the actual time of the execution of such Bonds shall hold the proper office in the Issuer, although at the date of such Bonds such person may not have held such office or may not have been so authorized.

Section 3.04. Authentication and Registration. No Series 2002 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 shall have been manually executed by the Bond Registrar. Any such executed Certificate of Authentication and Registration upon any such Bond shall be conclusive evidence that such Bond has been authenticated, registered and delivered under this Bond Legislation. The Certificate of Authentication and Registration on any Series 2002 A Bond shall be deemed to have been executed by the Bond Registrar if manually signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of the Bonds issued hereunder.

Section 3.05. Negotiability, Transfer and Registration. Subject to the provisions for transfer of registration set forth below, the Series 2002 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 the Series 2002 A 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 2002 A Bonds remain outstanding, the Issuer, through the Bond Registrar as its agent, shall keep and maintain books for the registration and transfer of the Bonds.

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

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

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

Section 3.07. Bonds not to be Indebtedness of the Issuer. The Series 2002 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 Gross Revenues derived from the operation of the System as herein provided. No holder or holders of the Series 2002 A Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 2002 A Bonds or the interest thereon.

Section 3.08. Bonds Secured by Pledge of Gross Revenues. The payment of the debt service of the Series 2002 A Bonds shall be secured by a first lien on the Gross Revenues derived from the System. Such Gross Revenues in an amount sufficient to pay the principal of and interest on and other payments for the Series 2002 A Bonds and to make 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 2002 A Bonds to the Bond Registrar, and the Bond Registrar shall authenticate, register and deliver the Series 2002 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 2002 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 2002 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 2002 A Bonds.

Section 3.10. Form of Bonds. The text of the Series 2002 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 BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF FOLLANSBEE
WATER REVENUE BOND, SERIES 2002 A
(WEST VIRGINIA WATER DEVELOPMENT AUTHORITY)

No. AR-_____

\$ _____

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF FOLLANSBEE, a municipal corporation and political subdivision of the State of West Virginia in Brooke County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the West Virginia Water Development Authority (the "Authority") or registered assigns the sum of _____ DOLLARS (\$ _____), in annual installments on October 1 of each year, commencing October 1, _____, as set forth on the "Debt Service Schedule" 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, such interest shall be payable semiannually on April 1 and October 1 in each year, commencing _____ 1, _____. 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 Branch Banking and Trust Company, Charleston, West Virginia, as registrar (the "Registrar"), on the 15th day of the month next preceding an interest payment date, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner hereof.

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority, and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement between the Issuer and the Authority, dated _____, 2002.

This Bond is issued (i) to pay in full the entire outstanding principal of and all accrued interest on the Issuer's Notes, the Series 1992 A Bonds, the Series 1992 B Bonds and the Series 1992 C Bonds (all as described in the hereinafter defined Bond Legislation); (ii) to pay the costs of acquisition and construction of certain additions, betterments, and improvements to the existing public waterworks facilities of the Issuer (the "Project"); and (iii) to pay certain costs of issuance of the Bonds of this Series (the "Bonds") and related costs. The existing public waterworks facilities of the Issuer, the Project and any further improvements or extensions 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 19, Chapter 13, Article 2E and Chapter 22C, Article 1 of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Ordinance duly enacted by the Issuer on _____, 2002, and a Supplemental Resolution duly adopted by the Issuer on _____, 2002 (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 payable only from and secured by a pledge of the Gross Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, and from monies in the reserve account created under the Bond Legislation for the Bonds (the "Series 2002 A Bonds Reserve Account") and unexpended proceeds of the Bonds. Such Gross 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 shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest hereon except from said special fund provided from the Gross Revenues, the monies in the Series 2002 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 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 there exists in the Series 2002 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

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 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 monies, 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 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 Gross 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 FOLLANSBEE has caused this Bond to be signed by its Mayor and City Manager and its corporate seal to be hereunto affixed and attested by its City Clerk, and has caused this Bond to be dated _____, 2002.

[SEAL]

Mayor

City Manager

ATTEST:

City Clerk

(Form of)

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2002 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: _____, 2002.

BRANCH BANKING AND TRUST COMPANY,
as Registrar

By: _____
Its: Authorized Officer

EXHIBIT A
DEBT SERVICE SCHEDULE

(Form of)

ASSIGNMENT

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

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

Dated: _____, _____.

In the presence of:

Section 3.11. Sale of Bonds; Approval and Ratification of Execution of Loan Agreement. The Series 2002 A Bonds shall be sold to the Authority, pursuant to the terms and conditions of the Loan Agreement. If not so authorized by previous resolution, the 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. The Loan Agreement, including all schedules and exhibits attached thereto, are hereby approved and incorporated into this Bond Legislation.

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, the form of which will be provided by the Authority, 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 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;
- (2) Renewal and Replacement Fund;
- (3) Series 2002 A Bonds Construction Trust Fund; and
- (4) Rebate Fund.

Section 5.02. Establishment of Funds and Accounts with Commission. The following special funds or accounts are hereby created 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 2002 A Bonds Sinking Fund; and
- (2) Series 2002 A Bonds Reserve Account.

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

- (1) The Issuer shall first, on the first day of each month, transfer from the Revenue Fund and remit to the Commission, commencing 7 months prior to the first date of payment of interest on the Series 2002 A Bonds for which interest has not been capitalized or as required in the Loan Agreement, for deposit in the Series 2002 A Bonds Sinking Fund, an amount equal to 1/6th of the amount of interest which will become due on the Series 2002 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 2002 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, 1 month prior to the next semiannual interest payment date, the required amount of interest coming due on such date.

(2) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and remit to the Commission, commencing 13 months prior to the first date of payment of principal of the Series 2002 A Bonds, for deposit in the Series 2002 A Bonds Sinking Fund, an amount equal to 1/12th of the amount of principal which will mature and become due on the Series 2002 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 2002 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, 1 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, transfer from the Revenue Fund and remit to the Commission, commencing 13 months prior to the first date of payment of principal of the Series 2002 A Bonds, if not fully funded upon issuance of the Series 2002 A Bonds, for deposit in the Series 2002 A Bonds Reserve Account, an amount equal to 1/120th of the Series 2002 A Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 2002 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 2002 A Bonds Reserve Requirement.

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

(5) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and remit to the Depository Bank for deposit in the Renewal and Replacement Fund, a sum equal to 2 1/2% of the Gross Revenues each month, exclusive of any payments for account of any Reserve Account. All funds in the Renewal and Replacement Fund shall be kept apart from all other funds of the Issuer or of the Depository Bank and shall be invested and reinvested in accordance with Article VIII hereof. Withdrawals and disbursements may be made from the Renewal and Replacement Fund for replacements, emergency repairs, improvements or extensions to the System; provided, that any deficiencies in 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 monies from the Renewal and Replacement Fund.

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

All investment earnings on monies in the Series 2002 A Bonds Sinking Fund and the Series 2002 A Bonds Reserve Account shall be returned, not less than once each year, by the Commission to the Issuer, and such amounts shall, during construction of the Project, be deposited in the Series 2002 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 2002 A Bonds, and then to the next ensuing principal payment due thereon.

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

As and when additional Bonds ranking on a parity with the Series 2002 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 respective reserve accounts in an amount equal to the requirement therefor.

The Issuer shall not be required to make any further payments into the Series 2002 A Bonds Sinking Fund or the Series 2002 A Bonds Reserve Account therein when the aggregate amount of funds therein are at least equal to the aggregate principal amount of the Series 2002 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 2002 A Bonds Sinking Fund and the Series 2002 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. If required by the Authority at anytime, the Issuer shall make the necessary arrangements whereby required payments into said accounts shall be automatically debited from the Revenue Fund and electronically transferred to the Commission on the dates required hereunder.

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

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

B. The Issuer shall on the first day of each month (if the first day is not a business day, then the first business day of each month) deposit with the Commission the required principal, interest and reserve account payments with respect to the Series 2002 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. The Issuer shall complete the "Monthly Payment Form", a form of which is attached to the Loan Agreement and submit a copy of said form, together with a copy of its payment check to the Authority by the 5th day of such calendar month.

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 and fees then due. In the case of payments to the Commission under this paragraph, the Issuer shall, if required by the Authority at anytime, make the necessary arrangements whereby such required payments shall be automatically debited from the Revenue Fund and electronically transferred to the Commission on the dates required.

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

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 Gross 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 Series 2002 A Bonds 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 monies received from the sale of the Series 2002 A Bonds, the following amounts shall be first deducted and deposited in the order set forth below:

A. From the proceeds of the Series 2002 A Bonds, there shall first be paid the amounts required to fully refund said Prior Bonds.

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

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

D. The remaining monies derived from the sale of the Series 2002 A Bonds shall be deposited with the Depository Bank in the Series 2002 A Bonds Construction Trust Fund and applied solely to payment of Costs of the Project in the manner set forth in Section 6.02.

E. The Depository Bank shall act as a trustee and fiduciary for the Bondholder with respect to the Series 2002 A Bonds Construction Trust Fund and shall comply with all requirements with respect to the disposition of the Series 2002 A Bonds Construction Trust Fund set forth in the Bond Legislation. Monies in the Series 2002 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 2002 A Bonds.

Section 6.02. Disbursements From the Series 2002 A Bonds 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 2002 A Bonds Construction Trust Fund shall be made only after submission to the Depository Bank of a certificate, signed by an Authorized Officer and the Consulting Engineers, stating that:

- (A) None of the items for which the payment is proposed to be made has formed the basis for any disbursement theretofore made;
- (B) 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) Each of such costs has been otherwise properly incurred; and
- (D) 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 2002 A Bonds Construction Trust Fund only the net amount remaining after deduction of any such portion. All payments made from the Series 2002 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 2002 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, monies in the Series 2002 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 of the Project have been paid, the Depository Bank shall transfer any monies remaining in the Series 2002 A Bonds Construction Trust Fund to the Series 2002 A Bonds Reserve Account, provided that, in no event shall more than 10% of the proceeds from the sale of the Series 2002 A Bonds be deposited in the Series 2002 A Bonds Reserve Account, and when such Reserve Account is fully funded, shall return such remaining monies to the Issuer for deposit in the Revenue Fund. The Issuer shall thereafter, apply such monies in full, first to the next ensuing interest payment due on the Series 2002 A Bonds and thereafter to the next ensuing principal payment due thereon. The Issuer shall expend all proceeds of the Series 2002 A Bonds within 3 years of the date of issuance of the Authority's Bonds, the proceeds of which were used to make the loans to the Issuer.

ARTICLE VII

ADDITIONAL COVENANTS OF THE ISSUER

Section 7.01. General Covenants of the Issuer. All the covenants, agreements and provisions of this Bond Legislation shall be and constitute valid and legally binding covenants of the Issuer and shall be enforceable in any court of competent jurisdiction by any Holder or Holders of the Series 2002 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 2002 A 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 2002 A Bonds or the interest thereon is Outstanding and unpaid.

Section 7.02. Bonds not to be Indebtedness of the Issuer. The Series 2002 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 2002 A Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 2002 A Bonds or the interest thereon.

Section 7.03. Bonds Secured by Pledge of Gross Revenues. The payment of the debt service of the Series 2002 A Bonds shall be secured by a first lien on the Gross Revenues derived from the System. The Gross Revenues in an amount sufficient to pay the principal of and interest on the Series 2002 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, 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. Initial Schedule of Rates and Charges. The Issuer has obtained any and all approvals of rates and charges required by State law and has taken any other action required to establish and impose such rates and charges, with all requisite appeal periods having expired without successful appeal. Such rates and charges shall be sufficient to comply with the requirements of the Loan Agreement. The initial schedule of rates and charges for the services and facilities of the System shall be as set forth in the water rate ordinance of the Issuer enacted August 14, 2000, which rates are incorporated herein by reference as a part hereof.

So long as the Series 2002 A Bonds are outstanding, the Issuer covenants and agrees to fix and collect rates, fees and other charges for the use of the System and to take all such actions necessary to provide funds sufficient to produce the required sums set forth in the Bond Legislation and in compliance with the Loan Agreement. In the event the schedule of rates, fees and charges initially established for the System in connection with the

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

Section 7.05. Sale of the System. So long as the Series 2002 A Bonds are outstanding and 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 the Bonds Outstanding, or to effectively defease this Bond Legislation in accordance with Article X hereof. The proceeds from any such sale, mortgage, lease or other disposition of the System shall, with respect to the Series 2002 A Bonds, immediately be remitted to the Commission for deposit in the Series 2002 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 of and interest on the Series 2002 A Bonds. Any balance remaining after the payment of the Series 2002 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, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, is not in excess of \$10,000, the Issuer shall, by resolution, determine that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then provide for the sale of such property. The proceeds of any such sale shall be deposited in the Renewal and Replacement Fund. If the amount to be received from such sale, lease or other disposition of said property, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, shall be in excess of \$10,000 but not in excess of \$50,000, the Issuer shall first, determine upon consultation with the Consulting Engineers that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then, if it be so advised, by resolution duly adopted, authorize such sale, lease or other disposition of such property in accordance with the laws of the State. The proceeds derived from any such sale, lease or other disposition of such property, aggregating during such Fiscal Year in excess of \$10,000 and not in excess of \$50,000, shall be deposited in the Renewal and Replacement Fund. Such payment of such proceeds into the Renewal and Replacement Fund shall not reduce the amounts required to be paid into said fund by other

provisions of this Bond Legislation. No sale, lease or other disposition of the properties of the System shall be made by the Issuer if the proceeds to be derived therefrom, together with all other amounts received during the same Fiscal Year for such sales, leases, or other dispositions of such properties, shall be in excess of \$50,000 and insufficient to pay all Bonds then Outstanding without the prior approval and consent in writing of the Holders of the Bonds then Outstanding. The Issuer shall prepare the form of such approval and consent for execution by the then Holders of the Bonds for the disposition of the proceeds of the sale, lease or other disposition of such properties of the System.

Section 7.06. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances. Except as provided in this Section 7.06 and Section 7.07 hereof, the Issuer shall not issue any obligations whatsoever payable from the revenues of the System which rank prior to, or equally, as to lien on and source of and security for payment from such revenues with the Series 2002 A Bonds. All obligations issued by the Issuer after the issuance of the Series 2002 A 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, pledge and source of and security for payment from such revenues and in all other respects, to the Series 2002 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 2002 A Bonds, and the interest thereon, upon any or all of the income and revenues of the System pledged for payment of the Series 2002 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. No Parity Bonds, payable out of the revenues of the System, shall be issued after the issuance of the Series 2002 A Bonds pursuant to this Bond Legislation, except under the conditions and in the manner herein provided and with the prior written consent of the Authority.

All Parity Bonds issued hereunder shall be on a parity in all respects with the Series 2002 A Bonds.

No such Parity Bonds shall be issued except for the purpose of financing the costs of the acquisition or construction of extensions and improvements to the System or refunding the Series 2002 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, reciting the conclusion that the Net Revenues actually derived, subject to the adjustments hereinafter provided for, from the System during any 12 consecutive months, within the 18 months immediately preceding the date of the actual issuance of such Parity Bonds, plus the estimated average increased annual Net Revenues to be received in each of the 3 succeeding years after the completion of the improvements to be financed by such Parity Bonds, if any, shall not be less than 115% of the largest aggregate amount that will mature and become due in any succeeding Fiscal Year for principal of and interest on the following:

- (1) The Bonds then Outstanding;
- (2) Any Parity Bonds theretofore issued pursuant to the provisions contained in this Ordinance then Outstanding; and
- (3) The Parity Bonds then proposed to be issued.

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

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

All covenants and other provisions of this Bond Legislation (except as to details of such Parity Bonds inconsistent herewith) shall be for the equal benefit, protection and security of the Holders of the Bonds and the Holders of any Parity Bonds subsequently issued from time to time within the limitations of and in compliance with this section. Bonds issued on a parity, regardless of the time or times of their issuance, shall rank equally with respect

to their lien on the revenues of the System and their source of and security for payment from said revenues, without preference of any Bond of one series over any other Bond of the same series. The Issuer shall comply fully with all the increased payments into the various funds and accounts created in this Bond Legislation required for and on account of such Parity Bonds, in addition to the payments required for Bonds theretofore issued pursuant to this Bond Legislation.

Parity Bonds shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien of which on revenues of the System is subject to the prior and superior liens of the Series 2002 A 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 2002 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 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 Audit. 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 and maintenance 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 shall 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 Authority, or any other original purchaser of the Series 2002 A Bonds, and shall mail in each year to any Holder or Holders of the Series 2002 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 outstanding.

The Issuer shall also, at least once a year, cause the books, records and accounts of the System to be audited by Independent Certified Public Accountants in compliance with the applicable OMB Circular, or any successor thereto, and the Single Audit Act, or any successor thereto, to the extent legally required, and shall mail upon request, and make available generally, the report of the Independent Certified Public Accountants, or a summary thereof, to any Holder or Holders of the Series 2002 A Bonds, and shall submit said report to the Authority, or any other original purchaser of the Series 2002 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 Act, 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 and reserve requirements.

Subject to the terms, conditions and provisions of the Loan Agreement and the Act, the Issuer has acquired, or shall do all things necessary to acquire, the proposed site of the Project and shall do, is doing or has done all things necessary to construct the Project in accordance with the plans, specifications and designs prepared by the Consulting Engineers. All real estate and interests in real estate and all personal property constituting the Project and the Project site heretofore and hereafter acquired shall at all times be and remain the property of the Issuer.

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 and commencement of operation 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. Prior to the issuance of the Series 2002 A Bonds, equitable rates or charges for the use of and service rendered by the System shall be 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 the System sufficient to pay Operating Expenses and to make the prescribed payments into the funds created hereunder. Such schedule of rates and charges shall be changed and readjusted whenever necessary so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant, with a margin for contingencies and temporary unanticipated reduction in income and revenues, the Issuer hereby covenants and agrees that the schedule of rates or charges from time to time in effect shall be sufficient, together with other revenues of the System (i) to provide for all Operating Expenses of the System; and (ii) to leave a balance each year equal to at least 115% of the maximum amount required in any year for payment of principal of and interest on the Series 2002 A Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2002 A Bonds; provided that, in the event that an amount equal to or in excess of the reserve requirement is on deposit respectively in the Series 2002 A Bonds Reserve Account and any reserve accounts for obligations on a parity with the Series 2002 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 2002 A Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2002 A 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 Ordinance described in Section 7.04 hereof.

Section 7.10. Operating Budget and Monthly Financial Report. The Issuer shall annually, at least 45 days preceding the beginning of each Fiscal Year, prepare

and adopt by resolution a detailed, balanced budget of the estimated revenues and expenditures for operation and maintenance of the System during the succeeding Fiscal Year and shall submit a copy of such budget to the Authority 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 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 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, 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 the Authority and to any Holder of any Bonds, or anyone acting for and in behalf of such Holder of any Bonds.

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

Section 7.11. Engineering Services and Operating Personnel. The Issuer shall 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 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 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 shall employ qualified operating personnel properly certified by the State to operate the System during the entire term of the Loan Agreement.

Section 7.12. No Competing Franchise. To the extent legally allowable, the Issuer shall 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 shall 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 of the System until all delinquent charges for the services of the System, plus reasonable interest and penalty charges for the restoration of service, have been fully paid and shall take all further actions to enforce collections to the maximum extent permitted by law.

Section 7.14. No Free Services. The Issuer shall not render or cause to be rendered any free services of any nature by the System, nor shall any preferential rates be established for users of the same class; and in the event the Issuer, or any department, agency, instrumentality, officer or employee of the Issuer shall avail itself or themselves of the facilities or services provided by the System, or any part thereof, the same rates, fees or charges applicable to other customers receiving like services under similar circumstances shall be charged the Issuer and any such department, agency, instrumentality, officer or employee. The revenues so received shall be deemed to be revenues derived from the operation of the System, and shall be deposited and accounted for in the same manner as other revenues derived from such operation of the System.

Section 7.15. Insurance and Construction Bonds. A. The Issuer hereby covenants and agrees that so long as the Series 2002 A Bonds remain Outstanding, the Issuer shall, as an Operating Expense, procure, carry and maintain insurance with a reputable insurance carrier or carriers as is customarily covered with respect to works and properties similar to the System. Such insurance shall initially cover the following risks and be in the following amounts:

(1) FIRE, LIGHTNING, VANDALISM, MALICIOUS MISCHIEF AND EXTENDED COVERAGE INSURANCE, on all above-ground insurable portions of the System in an amount equal to the actual cost thereof. In time of war the Issuer will also carry and maintain insurance to the extent available against the risks and hazards of war. The proceeds of all such insurance policies shall be placed in the Renewal and Replacement Fund and used only for the repairs and restoration of the damaged or destroyed properties or for the other purposes provided herein for the Renewal and Replacement Fund. The Issuer will itself, or will require each contractor and subcontractor to, obtain and maintain builder's risk insurance (fire and extended coverage) to protect the interests of the Issuer, the Authority, the prime contractor and all subcontractors as their respective interests may appear, in accordance with the Loan Agreement, during construction of the Project on a 100% basis (completed value form) on the insurable portion of the Project, such insurance to be made payable to the order of the Authority, the Issuer, the contractors and subcontractors, as their interests may appear.

(2) PUBLIC LIABILITY INSURANCE, with limits of not less than \$1,000,000 per occurrence to protect the Issuer from claims for bodily injury and/or death and not less than \$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, Article 2, Section 39.

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

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

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

B. The Issuer shall require all contractors engaged in the construction of the Project to furnish a performance bond and a payment bond, each in an amount equal to 100% of the contract price of the portion of the Project covered by the particular contract as security for the faithful performance of such contract. The Issuer shall verify such bonds prior to commencement of construction.

The Issuer shall also require all contractors and subcontractors engaged in the construction of the Project to carry such 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; provided that the amounts and terms of such coverage are satisfactory to the Authority and the Issuer shall verify such insurance prior to commencement of construction. In the event the Loan Agreement so requires, such insurance shall be made payable to the order of the Authority, the Issuer, the prime contractor and all subcontractors, as their interests may appear.

Section 7.16. 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 and Operation of Project; Permits and Orders. The Issuer shall complete the Project as promptly as possible and operate and maintain the System as a revenue-producing utility in good condition and in compliance with all federal and State requirements and standards.

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

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 2002 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 2002 A Bonds during the term thereof is, under the terms of the Series 2002 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 2002 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 2002 A Bonds during the term thereof is, under the terms of the Series 2002 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 2002 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 2002 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 the 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 the lesser of 5% or \$5,000,000 of the Net Proceeds of the Series 2002 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 2002 A Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code.

D. **INFORMATION RETURN.** The Issuer shall timely file all statements, instruments and returns necessary to assure the tax-exempt status of the Series 2002 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 shall 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 2002 A Bonds will be and remain excluded 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. Statutory Mortgage Lien. For the further protection of the Holders of the Series 2002 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 2002 A Bonds.

Section 7.20. Compliance with Loan Agreement and Law. The Issuer shall perform, satisfy and comply with all the terms and conditions of the Act, 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 7.21. Securities Laws Compliance. The Issuer shall 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 7.22. Contracts; Public Releases. A. The Issuer shall, simultaneously with the delivery of the Series 2002 A Bonds or immediately thereafter, enter into written contracts for the immediate acquisition or construction of the Project.

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

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

ARTICLE VIII

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

The Depository Bank shall keep complete and accurate records of all funds, accounts and investments, and shall distribute to the Issuer, at least once each year, or more often 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 2002 A Bonds are Outstanding and as long thereafter as necessary to assure the exclusion of interest on the Series 2002 A 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 2002 A Bonds which would cause the Series 2002 A 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 2002 A Bonds) so that the interest on the Series 2002 A Bonds will be and remain excluded from gross income for

federal income tax purposes, and will not take any actions which would adversely affect such exclusion.

Section 8.03. Tax Certificate and Rebate. The Issuer shall deliver a certificate of arbitrage, a tax certificate or other similar certificate to be prepared by nationally recognized bond counsel or tax counsel relating to payment of arbitrage rebate and other tax matters as a condition to issuance of the Series 2002 A Bonds. In addition, the Issuer covenants to comply with all Regulations from time to time in effect and applicable to the Series 2002 A Bonds as may be necessary in order to fully comply with Section 148(f) of the Code, and covenants to take such actions, and refrain from taking such actions, as may be necessary to fully comply with such Section 148(f) of the Code and such Regulations, regardless of whether such actions may be contrary to any of the provisions of this Bond Legislation.

The Issuer shall calculate, annually, the rebatable arbitrage, determined in accordance with Section 148(f) of the Code. Upon completion of each such annual calculation, unless otherwise agreed by the Authority, the Issuer shall deposit, or cause to be deposited, in the Rebate Fund such sums as are necessary to cause the aggregate amount on deposit in the Rebate Fund to equal the sum determined to be subject to rebate to the United States, which, notwithstanding anything herein to the contrary, shall be paid from investment earnings on the underlying fund or account established hereunder and on which such rebatable arbitrage was earned or from other lawfully available sources. Notwithstanding anything herein to the contrary, the Rebate Fund shall be held free and clear of any lien or pledge hereunder and shall be used only for payment of rebatable arbitrage to the United States. The Issuer shall pay, or cause to be paid, to the United States, from the Rebate Fund, the rebatable arbitrage in accordance with Section 148(f) of the Code and such Regulations. In the event that there are any amounts remaining in the Rebate Fund following all such payments required by the preceding sentence, the Depository Bank shall pay said amounts to the Issuer to be used for any lawful purpose of the System. The Issuer shall remit payments to the United States in the time and at the address prescribed by the Regulations as the same may be from time to time in effect with such reports and statements as may be prescribed by such Regulations. In the event that, for any reason, amounts in the Rebate Fund are insufficient to make the payments to the United States which are required, the Issuer shall assure that such payments are made by the Issuer to the United States, on a timely basis, from any funds lawfully available therefor. In addition, the Issuer shall cooperate with the Authority in preparing rebate calculations and in all other respects in connection with rebates and hereby consents to the performance of all matters in connection with such rebates by the Authority at the expense of the Issuer. The Issuer may provide for the employment of independent attorneys, accountants or consultants compensated on such reasonable basis as the Issuer may deem appropriate in order to assure compliance with this Section 8.03. The Issuer shall keep and retain, or cause to be kept and retained, records of the determinations made pursuant to this Section 8.03 in accordance with the requirements of Section 148(f) of the Code and such Regulations. In the event the Issuer fails to make such rebates as required,

the Issuer shall pay the required rebate amount, any and all interest, penalties and other amounts, from lawfully available sources, and obtain a waiver from the Internal Revenue Service, if necessary, and take any other actions necessary, in order to maintain the exclusion of interest on the Series 2002 A Bonds from gross income for federal income tax purposes.

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 and certificate with respect thereto or, if the Issuer qualifies for the small governmental issue exception to rebate, or any other exception thereto, then the Issuer shall submit to the Authority a certificate stating that it is exempt from such rebate provisions and that no event has occurred to its knowledge during the Bond Year which would make the Series 2002 A 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 Series 2002 A 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 2002 A Bonds:

(1) If default occurs in the due and punctual payment of the principal of or interest on the Series 2002 A 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 2002 A Bonds set forth in this Bond Legislation, any supplemental resolution or in the Series 2002 A Bonds, and such default shall have continued for a period of 30 days after the Issuer shall have been given written notice of such default by the Commission, the Depository Bank, Registrar or any other Paying Agent or a Holder of a Bond; or

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

Section 9.02. Remedies. Upon the happening and continuance of any Event of Default, any Registered Owner of a 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.

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 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 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 2002 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 Gross Revenues and other monies and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owners of the Series 2002 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 2002 A Bonds from gross income for federal income tax purposes.

Series 2002 A Bonds for the payment of which either monies in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide monies which, together with the monies, if any, deposited with the Commission 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 2002 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 2002 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 monies in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide monies which, together with other monies, 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 2002 A Bonds on and prior to the next redemption date or the maturity dates thereof. Neither securities nor monies 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 2002 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 2002 A Bonds, this Ordinance may be amended or supplemented in any way by the Supplemental Resolution. Following issuance of the Series 2002 A Bonds, no material modification or amendment of this Bond Legislation, 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 2002 A Bonds shall be made without the consent in writing of the Registered Owners of the Series 2002 A 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 2002 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 Series 2002 A Bonds, and no change, variation or alteration of any kind of the provisions of the Bond Legislation shall be made in any manner, except as in this Bond Legislation provided.

Section 11.03. Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Ordinance should be held invalid by any court of competent jurisdiction, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Ordinance, the Supplemental Resolution, or the Series 2002 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, or parts thereof, in conflict with the provisions of this Ordinance are, to the extent of such conflict, hereby repealed.

Section 11.06. Covenant of Due Procedure, Etc. The Issuer covenants that all acts, conditions, things and procedures required to exist, to happen, to be performed or to be taken precedent to and in the 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, 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 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 six full days intervening between each publication, in The Brooke County Review, a newspaper of general circulation in The City of Follansbee, together with a notice to all persons concerned, stating that this Ordinance has been adopted and that the Issuer contemplates the issuance of the Bonds described in this Ordinance, and that any person interested may appear before the Council at 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 City Clerk for review by interested parties during the office hours of the City Clerk. At such hearing all protests and suggestions shall be heard by the Council and it shall then take such action as it shall deem proper in the premises.

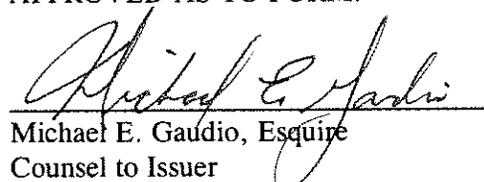
Passed on First Reading: - July 8, 2002

Passed on Second Reading: - July 29, 2003

Passed on Final Reading
Following Public Hearing: - August 12, 2002


Mayor

APPROVED AS TO FORM:


Michael E. Gaudio, Esquire
Counsel to Issuer

CERTIFICATION

Certified a true copy of an Ordinance duly enacted by the Council of THE CITY OF FOLLANSBEE on the 12th day of August, 2002.

Dated: August 16, 2002.

[SEAL]


City Clerk

08/12/02
298060.96002

EXHIBIT A

Loan Agreement (Transcript No. 3)

THE CITY OF FOLLANSBEE

Water Revenue Bonds, Series 2002 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 WATER REVENUE BONDS, SERIES 2002 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), OF THE CITY OF FOLLANSBEE; 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 City Council (the "Governing Body") of The City of Follansbee (the "Issuer") has duly and officially enacted a bond ordinance, effective August 12, 2002 (the "Bond Ordinance" or the "Ordinance"), entitled:

ORDINANCE AUTHORIZING THE REFUNDING OF THE OUTSTANDING WATERWORKS SYSTEM BOND ANTICIPATION NOTES, SERIES 1996, WATER REVENUE BONDS, SERIES 1992 A, WATER REVENUE BONDS, SERIES 1992 B, AND WATER REVENUE BONDS, SERIES 1992 C OF THE CITY OF FOLLANSBEE AND AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC WATERWORKS SYSTEM OF THE CITY OF FOLLANSBEE AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN \$8,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2002 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 AND RATIFYING 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 Water Revenue Bonds, Series 2002 A (West Virginia Water Development Authority), of the Issuer, in an aggregate principal amount not to exceed \$8,000,000 (the "Bonds" or "Series 2002 A Bonds"), and has authorized the execution and delivery of a loan agreement relating to 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 19, Chapter 13, Article 2E and Chapter 22C, Article 1 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 refunding of the Prior Bonds will enable the Issuer to effect the release and termination of lien restrictions, conditions and limitations imposed by the Prior Bonds Ordinances; and

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;

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 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 FOLLANSBEE:

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 Water Revenue Bonds, Series 2002 A (West Virginia Water Development Authority), of the Issuer, originally represented by a single Bond, numbered AR-1, in the principal amount of \$7,790,000. The Bonds shall be dated the date of delivery thereof, shall finally mature October 1, 2039, and shall bear interest at the rate of 5.8% per annum, payable semiannually on April 1 and October 1 of each year, commencing October 1, 2002. The principal of the Bonds shall be payable in annual installments on October 1 of each year, commencing October 1, 2003, and maturing October 1, 2039, and in the amounts as set forth in the "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 upon payment of the interest and redemption premium on the Bonds and otherwise in compliance with the Loan Agreement, as 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 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/or the City Manager, 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 Authority. 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 Branch Banking and Trust Company, Charleston, West Virginia, to serve as Registrar (the "Registrar") for the Bonds under the Bond Ordinance 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 designate 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 designate WesBanco Bank, Incorporated, Follansbee, West Virginia, to serve as Depository Bank under the Bond Ordinance.

Section 7. Series 2002 A Bonds proceeds in the amount of \$2,446,764.44 will be wired by the Authority to Rural Utilities Service to pay in full the entire principal amount of and all interest accrued on the Series 1992 A Bonds, the Series 1992 B Bonds and the Series 1992 C Bonds on the date hereof.

Section 8. Series 2002 A Bonds proceeds in the amount of \$562,611.16 will be wired by the Authority to WesBanco Bank, Inc. to pay in full the entire principal amount of and all interest accrued on the Notes on the date hereof.

Section 9. Series 2002 A Bonds proceeds in the amount of -0- shall be deposited in the Series 2002 A Bonds Sinking Fund as capitalized interest.

Section 10. Series 2002 A Bonds proceeds in the amount of \$-0- shall be deposited in the Series 2002 A Bonds Reserve Account.

Section 11. The balance of the proceeds of the Series 2002 A Bonds shall be deposited in the Series 2002 A Bonds Construction Trust Fund for payment of Costs of the Project, including, without limitation, costs of issuance of the Series 2002 A Bonds and related costs.

Section 12. The Mayor, City Manager and 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 to the Authority pursuant to the Loan Agreement on or about August 16, 2002.

Section 13. It is deemed necessary and desirable for the Issuer to refund the Prior Bonds to effect the release and termination of certain restrictions, conditions and limitations imposed in the Prior Ordinances.

Section 14. The acquisition and construction of the Project and the financing thereof with proceeds of the Bonds are in the public interest, serve a public purpose of the Issuer and will promote the health, welfare and safety of the residents of the Issuer.

Section 15. The Issuer hereby determines that it is in the best interest of the Issuer to invest all monies in the funds and accounts established by the Bond Ordinance held by the Depository Bank until expended, in repurchase agreements or in 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 monies to be

invested in such repurchase agreements and/or time accounts, until further directed in writing by the Issuer. Monies in the Series 2002 A Bonds Sinking Fund and the Series 2002 A Bonds Reserve Account shall be invested by the West Virginia Municipal Bond Commission in the West Virginia Consolidated Fund.

Section 16. 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 promulgated or to be promulgated thereunder.

Section 17. The Issuer hereby approves, ratifies and accepts all contracts relating to the financing, acquisition and construction of the Project.

Section 18. This Supplemental Resolution shall be effective immediately following adoption hereof.

Adopted this 12th day of August, 2002.


Mayor

CERTIFICATION

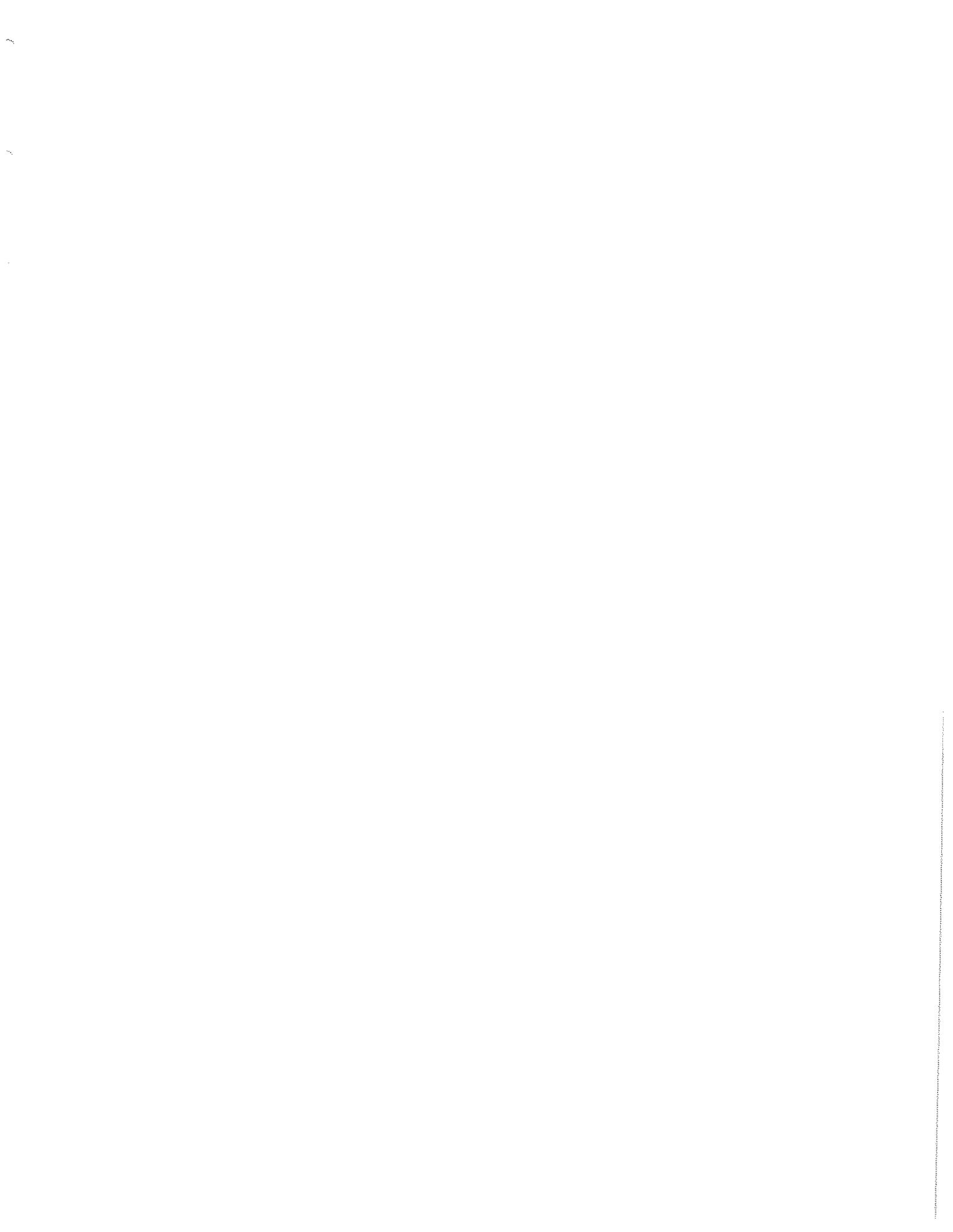
Certified a true copy of a Supplemental Resolution duly adopted by the Council of The City of Follansbee on the 12th day of August, 2002.

Dated: August 16, 2002.

[SEAL]



City Clerk



WDA-LP II
(03/26/02)

LOAN AGREEMENT

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

CITY OF FOLLANSBEE
(Governmental Agency)

WITNESSETH:

WHEREAS, pursuant to the provisions of Chapter 22C, Article 1 of the Code of West Virginia, 1931, as amended (the "Act"), the Authority is empowered to make loans to governmental agencies for the acquisition or construction of water development projects by such governmental agencies and to issue water development revenue bonds of the State of West Virginia (the "State") to finance, in whole or in part, by loans to governmental agencies, one or more water development projects, all subject to such provisions and limitations as are contained in the Act;

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

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

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

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

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

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

ARTICLE I

Definitions

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

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

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

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

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

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

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

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

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

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

ARTICLE II

The Project and the System

2.1 The Project shall generally consist of the construction and acquisition of the facilities described in the Application, to be, being or having been constructed in accordance with plans, specifications and designs prepared for the Governmental Agency by the Consulting Engineers, the Authority having found, to the extent applicable, that the Project is consistent with the Act.

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

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

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

2.5 The Governmental Agency shall keep complete and accurate records of the cost of acquiring the Project site and the costs of constructing, acquiring and installing the Project. The Governmental Agency shall permit the Authority, acting by and through its Director or his duly authorized agents and representatives, to inspect all books, documents, papers and records relating to the Project and the System at any and all reasonable times for the purpose of audit and examination, and the Governmental Agency shall submit to the Authority 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 Governmental Agency agrees that it will permit the Authority and its agents and representatives to have access to the records of the Governmental Agency pertaining to the operation and maintenance of the System at any reasonable time following completion of construction of the Project and commencement of operation thereof or if the Project is an improvement to an existing system at any reasonable time following commencement of construction.

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

the particular contract as security for the faithful performance of such contract and shall verify or shall have verified such bonds prior to commencement of construction.

2.8 The Governmental Agency shall require that each of its contractors and all subcontractors maintain, during the life of the construction contract, workers' compensation coverage, public liability insurance, property damage insurance and vehicle liability insurance in amounts and on terms satisfactory to the Authority and shall verify or shall have verified such insurance prior to commencement of construction. Until the Project facilities are completed and accepted by the Governmental Agency, the Governmental Agency or (at the option of the Governmental Agency) the contractor shall maintain builder's risk insurance (fire and extended coverage) on a one hundred percent (100%) basis (completed value form) on the insurable portion of the Project, such insurance to be made payable to the order of the Authority, the Governmental Agency, the prime contractor and all subcontractors, as their interests may appear. If facilities of the System which are detrimentally affected by flooding are or will be located in designated special flood or mudslide-prone areas and if flood insurance is available at a reasonable cost, a flood insurance policy must be obtained by the Governmental Agency on or before the Date of Loan Closing, as hereinafter defined, and maintained so long as any of the Local Bonds is outstanding. Prior to commencing operation of the Project, the Governmental Agency must also obtain, and maintain so long as any of the Local Bonds is outstanding, business interruption insurance if available at a reasonable cost.

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

2.10 The Governmental Agency shall at all times provide operation and maintenance of the System in compliance with any and all State and federal standards. The Governmental Agency shall employ qualified operating personnel properly certified by the State to operate the System during the entire term of this Loan Agreement.

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

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

ARTICLE III

Conditions to Loan; Issuance of Local Bonds

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

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

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

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

(d) No Loan shall be made for the purpose of refinancing any outstanding long-term indebtedness of a Governmental Agency unless an opinion of counsel is received by the Authority to the effect that such refinancing is permitted by the Act and the General Resolution, and that such refinancing will not cause a violation of any covenant, representation or agreement of the Authority contained in the General Resolution or any tax

or arbitrage certificate with respect to the exclusion of the interest on the Authority's water development revenue bonds from gross income of the holders thereof for federal income tax purposes;

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

(f) The Governmental Agency shall have obtained all requisite orders of and approvals from the Public Service Commission of West Virginia (the "PSC") and the West Virginia Infrastructure and Jobs Development Council necessary for the construction of the Project and operation of the System, with all requisite appeal periods having expired without successful appeal, and the Authority shall have received an opinion of counsel to the Governmental Agency, which may be local counsel to the Governmental Agency, bond counsel or special PSC counsel but must be satisfactory to the Authority, to such effect;

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

(h) The Governmental Agency shall have obtained any and all approvals of rates and charges required by State law and shall have taken any other action required to establish and impose such rates and charges (imposition of such rates and charges is not, however, required to be effective until completion of construction of the Project), with all requisite appeal periods having expired without successful appeal, and the Authority shall have received an opinion of counsel to the Governmental Agency, which may be local counsel to the Governmental Agency, bond counsel or special PSC counsel but must be satisfactory to the Authority, to such effect;

(i) Such rates and charges for the System shall be sufficient to comply with the provisions of Subsections 4.1(a) and 4.1(b)(ii) hereof, and the Authority shall have received a certificate of the accountant for the Governmental Agency, or such other person or firm experienced in the finances of governmental agencies and satisfactory to the Authority, 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 shall have received a certificate of the Consulting Engineers, or such other person or firm experienced in the financing of water development projects and satisfactory to the Authority, to such effect, such certificate to be in form and substance satisfactory to the Authority, and evidence satisfactory to the Authority of such irrevocably committed grants.

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

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

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

3.5 The Governmental Agency understands and acknowledges that it is one of several governmental agencies which have applied to the Authority for loans from the Program to finance water development projects and that the obligation of the Authority to make any such loan is subject to the Governmental Agency's fulfilling all of the terms and conditions of this Loan Agreement on or prior to the Date of Loan Closing and to the right of the Authority to make such loans to other governmental agencies as in the aggregate will permit the fullest and most timely utilization of such proceeds to enable the Authority to pay debt service on the water development revenue bonds issued by it. The Governmental Agency specifically recognizes that the Authority will not purchase the Local Bonds unless

and until it has available funds sufficient to purchase all the Local Bonds and that, prior to execution of this Loan Agreement, the Authority may commit to and purchase the revenue bonds of other governmental agencies for which it has sufficient funds available. The Governmental Agency further specifically recognizes that during the last 90 days of a period to originate Loans from its water development revenue bond proceeds, the Authority may execute Loan Agreements, commit moneys and close Local Bond sales in such order and manner as it deems in the best interest of the Program. Additionally, the Governmental Agency recognizes that the Authority will purchase the Local Bonds only with funds from the Program and not with funds from any other loan programs of the Authority.

ARTICLE IV

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

4.1 The Governmental Agency shall, as one of the conditions of the Authority to make the Loan, authorize the issuance of and issue the Local Bonds pursuant to an official action of the Governmental Agency in accordance with the Local Statute, which shall, as adopted or enacted, contain provisions and covenants in substantially the form as follows, unless the specific provision or covenant is modified or waived by the Authority:

(a) That the gross revenues of the System shall always be used for purposes of the System. Such gross revenues 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, as reflected on the Schedule X attached hereto, and beginning seven (7) months prior to the first date of payment of interest on the Local Bonds and thirteen (13) months prior to the first date of payment of principal of the Local Bonds, respectively, to provide debt service on the Local Bonds by depositing in a sinking fund one-sixth (1/6) of the interest payment next coming due on the Local Bonds and one-twelfth (1/12) of the principal payment next coming due on the Local Bonds and, beginning thirteen (13) months prior to the first date of payment of principal of the Local Bonds, if the reserve account for the Local Bonds (the "Reserve Account") was not funded from proceeds of the Local Bonds or otherwise concurrently with the issuance thereof

(which, with an approving opinion of bond counsel to the Governmental Agency, may be with a letter of credit or surety or other security instrument) in an amount equal to the maximum amount of principal and interest which will come due on the Local Bonds in the then current or any succeeding year (the "Reserve Requirement"), by depositing in the Reserve Account an amount not less than one-twelfth (1/12) of one-tenth (1/10) (or such other amount as shall be acceptable to the Authority and as shall fund the Reserve Account over not more than ten (10) years) of the Reserve Requirement or, if the Reserve Account has been so funded (whether by Local Bond proceeds, monthly deposits or otherwise), any amount necessary to maintain the Reserve Account at the Reserve Requirement;

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

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

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

(b) Covenants substantially as follows:

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

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

(iii) That the Governmental Agency shall complete the Project, shall operate and maintain the System in good condition and, to the extent applicable, in compliance with, among other state and federal standards, the water quality standards established by the West Virginia Bureau for Public Health (the "BPH"), the West Virginia Department of Environmental Protection (the "DEP") and the United States Environmental Protection Agency (the "EPA"), shall permit the BPH, the DEP and EPA to have access to the records of the Governmental Agency pertaining to the operation and maintenance of the System at any reasonable time following completion of construction of the Project and commencement of operation thereof, and shall, as a condition precedent to the Authority's making the Loan, have obtained, among other permits required, permits from the BPH, the DEP and the EPA, if required;

(iv) That, except as otherwise required by State 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 the Local Bonds outstanding, with further restrictions on the disposition of portions of the System as are normally contained in such covenants;

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

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

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

(viii) That the Authority may, by proper legal action, compel the performance of the duties of the Governmental Agency under the Local Act, including the making and collection of sufficient rates or charges for services rendered by the System, and shall also have, in the event of a default in payment of principal of or interest on the Local

Bonds, the right to obtain the appointment of a receiver to administer the System or construction of the Project, or both, as provided by law;

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

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

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

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

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

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

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

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

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

(xviii) That the Governmental Agency shall provide the Authority with annual financial information and such other information as is necessary for the Authority to meet its ongoing disclosure requirements;

(xix) That the Governmental Agency shall have obtained the certificate of the Consulting Engineer in the form attached hereto as Exhibit A, to the effect that the Project has been or will be constructed in accordance with the approved plans, specifications and design as submitted to the Authority, 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;

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

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

(xxii) That, unless it qualifies for an exception to the provisions of Section 148 of the Internal Revenue Code of 1986, as amended, which exception shall be set forth in an opinion of bond counsel, the Governmental Agency will furnish to the Authority, annually, at such time as it is required to perform its rebate calculations under the Internal Revenue Code of 1986, as amended, a certificate with respect to its rebate calculations and, at any time, any additional information requested by the Authority;

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

(xxiv) That the Governmental Agency shall obtain the written approval of the Authority before expending any proceeds of the Local Bonds available due to bid/construction/project underruns, including the "contingency" as set forth in the final Schedule A attached to the certificate of the Consulting Engineer;

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

(xxvi) That, to the extent required by law, the Governmental Agency shall secure the approval of the Authority and all other state agencies having jurisdiction before applying for federal assistance for pollution abatement in order to maximize the amounts of such federal financial assistance received or to be received for all water development projects in the State of West Virginia;

(xxvii) That, as a condition precedent to the Authority's making the Loan, the Governmental Agency shall deliver to the Authority a tax or arbitrage certificate satisfactory to the Authority; and

(xxviii) That, unless it qualifies for an exception, the Governmental Agency shall comply with all the requirements of Chapter 21, Article 1C of the Code of West Virginia, 1931, as amended (the "West Virginia Jobs Act") and shall require its contractors and subcontractors to comply with the West Virginia Jobs Act. The Governmental Agency shall provide the Authority with a certificate stating that (I) the Governmental Agency will comply with all the requirements of the West Virginia Jobs Act; (II) the Governmental Agency has included the provisions of the West Virginia Jobs Act in each contract and subcontract for the Project; (III) the Governmental Agency has received

or will receive, prior to entering into contracts or subcontracts, from each contractor or subcontractor a certificate demonstrating compliance with Section 4 of the West Virginia Jobs Act or waiver certificates from the West Virginia Division of Labor ("DOL"); and (IV) the Governmental Agency will file with the DOL and the Authority copies of the waiver certificates and certified payrolls or comparable documents that include the number of employees, the county and state wherein the employees reside and their occupation, following the procedures established by the DOL.

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

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

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

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

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

4.6 The Governmental Agency agrees to pay from time to time, as required by the Authority, the Governmental Agency's allocable share of the reasonable administrative expenses of the Authority relating to the Program. Such administrative expenses shall be as determined by the Authority and shall include, without limitation, Program expenses, legal

fees paid by the Authority and fees paid to the trustee and paying agents for the water development revenue bonds. The Authority shall provide both the Governmental Agency and the trustee for the water development revenue bonds with a schedule of such fees and charges, and the Governmental Agency shall pay such fees and charges on the dates indicated directly to the trustee. The Governmental Agency hereby specifically authorizes the Authority to exercise the powers granted it by Section 9.06 of the General Resolution.

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

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

ARTICLE V

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

5.1 The Governmental Agency hereby irrevocably covenants and agrees to comply with all of the terms, conditions and requirements of this Loan Agreement and the Local Act. The Governmental Agency hereby further irrevocably covenants and agrees that, as one of the conditions of the Authority to make the Loan, it has fixed and collected, or will fix and collect, the rates, fees and other charges for the use of the System and will take all such actions necessary to provide funds sufficient to produce the required sums set forth in the Local Act and in compliance with the provisions of Subsections 4.1(a) and 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 required sums set forth in the Local Act and this Loan Agreement, the Governmental Agency hereby covenants and agrees that it will, to the extent or in the manner authorized by law, immediately adjust and increase such schedule of rates, fees and charges (or where applicable, immediately file with the PSC for a rate increase) and take all such actions necessary to provide funds sufficient to produce the required sums set forth in the Local Act and this Loan Agreement.

5.3 In the event the Governmental Agency defaults in any payment due to the Authority pursuant to this Loan Agreement, the amount of such default shall bear interest at the interest rate of the installment of the Loan next due, from the date of the default until the date of the payment thereof.

5.4 The Governmental Agency hereby irrevocably covenants and agrees with the Authority that, in the event of any default hereunder by the Governmental Agency, the Authority may exercise any or all of the rights and powers granted under Section 7 of the Act, including, without limitation, the right to impose, enforce and collect charges of the System.

ARTICLE VI

Other Agreements of the Governmental Agency

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

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

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

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

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

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

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

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

ARTICLE VII

Miscellaneous

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

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

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

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

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

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

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

7.8 This Loan Agreement shall terminate upon the earlier of:

(i) the end of ninety (90) days after the date of execution hereof by the Authority or such later date as is agreed to in writing by the Authority if the Governmental Agency has failed to deliver the Local Bonds to the Authority;

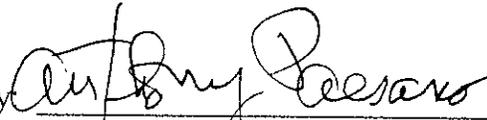
(ii) termination by the Authority pursuant to Section 6.3 hereof; or

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

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

CITY OF FOLLANSBEE
[Name of Governmental Agency]

(SEAL)

By: 
Its: Mayor

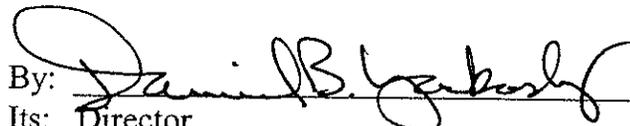
Attest:

Date: August 16, 2002


Its: City Clerk

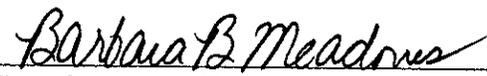
WEST VIRGINIA WATER DEVELOPMENT
AUTHORITY

(SEAL)

By: 
Its: Director

Attest:

Date: August 16, 2002


Its: Secretary-Treasurer

00832/00302
03/26/02

EXHIBIT A

FORM OF CERTIFICATE OF CONSULTING ENGINEER

(Issuer)

(Name of Bonds)

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

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

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

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

Schedule A attached hereto as Exhibit A and my firm¹ has ascertained that all successful bidders have made required provisions for all insurance and payment and performance bonds and that such insurance policies or binders and such bonds have been verified for accuracy; (iv) the successful bidders received any and all addenda to the original bid documents; (v) the bid documents relating to the Project reflect the Project as approved by the [DEP/BPH/PSC] and the bid forms provided to the bidders contain all critical operational components of the Project; (vi) the successful bids include prices for every item on such bid forms; (vii) the uniform bid procedures were followed; (viii) the Issuer has obtained all permits required by the laws of the State of West Virginia and the United States necessary for the acquisition and construction of the Project and operation of the System; (ix) as of the effective date thereof,² the rates and charges for the System as adopted by the Issuer will be sufficient to comply with the provisions of the Loan Agreement; (x) the net proceeds of the Bonds, together with all other moneys on deposit or to be simultaneously deposited and irrevocably pledged thereto and the proceeds of grants, if any, irrevocably committed therefor, are sufficient to pay the costs of acquisition and construction of the Project set forth in the Schedule A attached hereto; and (xi) attached hereto as Exhibit A is the final amended "Schedule A - Final Total Cost of Project, Sources of Funds and Costs of Financing" for the Project.

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

[SEAL]

By: _____
West Virginia License No. _____

¹If another responsible party, such as the Issuer's attorney, reviews the insurance and payment bonds, then insert the following: [and in reliance upon the opinion of _____, Esq.] and delete "my firm has ascertained that".

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

EXHIBIT B

OPINION OF BOND COUNSEL FOR GOVERNMENTAL AGENCY

[To Be Dated as of Date of Loan Closing]

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

Ladies and Gentlemen:

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

We have examined a certified copy of proceedings and other papers relating to the authorization of (i) a loan agreement dated _____, _____, including all schedules and exhibits attached thereto (the "Loan Agreement"), between the Governmental Agency and the West Virginia Water Development Authority (the "Authority") and (ii) the issue of a series of revenue bonds of the Governmental Agency, dated _____, _____ (the "Local Bonds"), to be purchased by the Authority in accordance with the provisions of the Loan Agreement. The Local Bonds are issued in the principal amount of \$_____, in the form of one bond, registered as to principal and interest to the Authority, with interest payable semiannually on April 1 and October 1 of each year, commencing _____ 1, _____, at the rate of ___% per annum, and with principal payable annually on October 1 of each year, commencing _____ 1, _____, all as set forth in the "Schedule Y" attached to the Loan Agreement and incorporated in and made a part of the Local Bonds.

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

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

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

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

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

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

4. The Local Act and all other necessary orders and resolutions have been legally and effectively adopted or enacted by the Governmental Agency and constitute valid and binding obligations of the Governmental Agency, enforceable against the Governmental Agency in accordance with their terms. The Local Act contains provisions and covenants substantially in the form of those set forth in Section 4.1 of the Loan Agreement.

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

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

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

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

Very truly yours,

EXHIBIT C

MONTHLY FINANCIAL REPORT

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

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

 Name of Person Completing Form

 Address

 Telephone

INSTRUCTIONS FOR COMPLETING MONTHLY FINANCIAL REPORT

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

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

EXHIBIT D

MONTHLY PAYMENT FORM

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

Re: [Name of bond issue]

Ladies and Gentlemen:

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

Sinking Fund:

Interest \$ _____

Principal \$ _____

Total: \$ _____

Reserve Account: \$ _____

Witness my signature this ____ day of _____.

[Name of Governmental Agency]

By: _____
Authorized Officer

Enclosure: copy of check(s)

SCHEDULE X

DESCRIPTION OF LOCAL BONDS

Principal Amount of Local Bonds \$7,790,000

Purchase Price of Local Bonds \$7,790,000

Interest on the Local Bonds is payable on April 1 and October 1 in each year, beginning with the first semiannual interest payment date after delivery of the Local Bonds to the Authority, until the Local Bonds are paid in full, at the rate of 5.8% per annum. Principal of the Local Bonds is payable on October 1 in each year as set forth on the Schedule Y attached hereto and incorporated herein by reference.

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

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

None.

SCHEDULE Y

City of Follansbee

WDA (Loan Program II, 1999 Series A) Loan of \$7,790,000, 5.8% Interest Rate
Closing Date: August 16, 2002

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Interest	Total Pmt
10/01/2002	-	-	56,477.50	56,477.50
4/01/2003	-	-	225,910.00	225,910.00
10/01/2003	64,059.00	5.800%	225,910.00	289,969.00
4/01/2004	-	-	224,052.29	224,052.29
10/01/2004	67,774.00	5.800%	224,052.29	291,826.29
4/01/2005	-	-	222,086.84	222,086.84
10/01/2005	71,705.00	5.800%	222,086.84	293,791.84
4/01/2006	-	-	220,007.40	220,007.40
10/01/2006	75,864.00	5.800%	220,007.40	295,871.40
4/01/2007	-	-	217,807.34	217,807.34
10/01/2007	80,264.00	5.800%	217,807.34	298,071.34
4/01/2008	-	-	215,479.69	215,479.69
10/01/2008	84,919.00	5.800%	215,479.69	300,398.69
4/01/2009	-	-	213,017.04	213,017.04
10/01/2009	89,845.00	5.800%	213,017.04	302,862.04
4/01/2010	-	-	210,411.53	210,411.53
10/01/2010	95,056.00	5.800%	210,411.53	305,467.53
4/01/2011	-	-	207,654.91	207,654.91
10/01/2011	100,569.00	5.800%	207,654.91	308,223.91
4/01/2012	-	-	204,738.41	204,738.41
10/01/2012	106,402.00	5.800%	204,738.41	311,140.41
4/01/2013	-	-	201,652.75	201,652.75
10/01/2013	112,573.00	5.800%	201,652.75	314,225.75
4/01/2014	-	-	198,388.13	198,388.13
10/01/2014	119,102.00	5.800%	198,388.13	317,490.13
4/01/2015	-	-	194,934.17	194,934.17
10/01/2015	126,010.00	5.800%	194,934.17	320,944.17
4/01/2016	-	-	191,279.88	191,279.88
10/01/2016	133,319.00	5.800%	191,279.88	324,598.88
4/01/2017	-	-	187,413.63	187,413.63
10/01/2017	141,051.00	5.800%	187,413.63	328,464.63
4/01/2018	-	-	183,323.15	183,323.15
10/01/2018	149,232.00	5.800%	183,323.15	332,555.15
4/01/2019	-	-	178,995.42	178,995.42
10/01/2019	157,888.00	5.800%	178,995.42	336,883.42
4/01/2020	-	-	174,416.67	174,416.67
10/01/2020	167,045.00	5.800%	174,416.67	341,461.67
4/01/2021	-	-	169,572.37	169,572.37
10/01/2021	176,734.00	5.800%	169,572.37	346,306.37
4/01/2022	-	-	164,447.08	164,447.08
10/01/2022	186,984.00	5.800%	164,447.08	351,431.08
4/01/2023	-	-	159,024.55	159,024.55
10/01/2023	197,830.00	5.800%	159,024.55	356,854.55
4/01/2024	-	-	153,287.48	153,287.48
10/01/2024	209,304.00	5.800%	153,287.48	362,591.48
4/01/2025	-	-	147,217.66	147,217.66
10/01/2025	221,443.00	5.800%	147,217.66	368,660.66

City of Follansbee

WDA (Loan Program II, 1999 Series A) Loan of \$7,790,000, 5.8% Interest Rate
Closing Date: August 16, 2002

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Interest	Total Pmt
4/01/2026	-	-	140,795.81	140,795.81
10/01/2026	234,287.00	5.800%	140,795.81	375,082.81
4/01/2027	-	-	134,001.49	134,001.49
10/01/2027	247,876.00	5.800%	134,001.49	381,877.49
4/01/2028	-	-	126,813.09	126,813.09
10/01/2028	262,252.00	5.800%	126,813.09	389,065.09
4/01/2029	-	-	119,207.78	119,207.78
10/01/2029	277,463.00	5.800%	119,207.78	396,670.78
4/01/2030	-	-	111,161.35	111,161.35
10/01/2030	293,556.00	5.800%	111,161.35	404,717.35
4/01/2031	-	-	102,648.23	102,648.23
10/01/2031	310,582.00	5.800%	102,648.23	413,230.23
4/01/2032	-	-	93,641.35	93,641.35
10/01/2032	328,596.00	5.800%	93,641.35	422,237.35
4/01/2033	-	-	84,112.06	84,112.06
10/01/2033	347,654.00	5.800%	84,112.06	431,766.06
4/01/2034	-	-	74,030.10	74,030.10
10/01/2034	367,818.00	5.800%	74,030.10	441,848.10
4/01/2035	-	-	63,363.38	63,363.38
10/01/2035	389,152.00	5.800%	63,363.38	452,515.38
4/01/2036	-	-	52,077.97	52,077.97
10/01/2036	411,723.00	5.800%	52,077.97	463,800.97
4/01/2037	-	-	40,138.00	40,138.00
10/01/2037	435,603.00	5.800%	40,138.00	475,741.00
4/01/2038	-	-	27,505.51	27,505.51
10/01/2038	460,868.00	5.800%	27,505.51	488,373.51
4/01/2039	-	-	14,140.34	14,140.34
10/01/2039	487,598.00	5.800%	14,140.34	501,738.34
Total	7,790,000.00	-	11,353,987.20	19,143,987.20

YIELD STATISTICS

Bond Year Dollars.....	\$195,758.40
Average Life.....	25.129 Years
Average Coupon.....	5.8000000%
Net Interest Cost (NIC).....	5.8000000%
True Interest Cost (TIC).....	5.8006214%
Bond Yield for Arbitrage Purposes.....	5.8006214%
All Inclusive Cost (AIC).....	5.8006214%

IRS FORM 8038

Net Interest Cost.....	5.8000000%
Weighted Average Maturity.....	25.129 Years

Ferris, Baker Watts
West Virginia Public Finance Office

File = wdains99.sf-Follansbee
8/12/2002 10:02 AM

SCHEDULE Z

None.

15 days

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

FINAL
05-16-01

Issued: April 26, 2001

CASE NO. 00-1580-W-CN

FOLLANSBEE WATER DEPARTMENT,
a municipal corporation.

Application for a certificate of convenience and necessity to upgrade the existing Hooverson Heights and Follansbee water treatment plants, to construct two water storage tanks and to install waterlines and other appurtenances at Follansbee, Hooverson Heights, Eldersville Road and environs in Brooke County.

RECOMMENDED DECISION

On October 20, 2000, Follansbee Water Department (Follansbee), a municipal corporation, filed an application for a certificate of convenience and necessity to rehabilitate and upgrade its existing water treatment plant and distribution system to include the installation of 12,166 LF of 12-inch, 2,475 LF of 8-inch and 9,300 L.F. of 6-inch water mains; replacement of a 112,000 gallon tank with a 696,000 gallon tank; replacement of a 90,000 gallons tank with an 827,000 gallon tank; new SCADA telemetry system; upgrade of Eldersville Booster Station; painting of three existing tanks; and all necessary valves, controls and appurtenances. The project includes improvements and upgrades to both the Follansbee and Hooverson Heights water treatment facilities. Improvements to the Follansbee plant include a new 300 BPM greensand pressure filter, relocation of the potassium permanganate and fluoride chemical feed systems, a new 31,500 gallon filter backwash tank, renovation of existing well buildings, cleaning of water wells and modification and renovation of the existing buildings and grounds, at an estimated construction cost of \$7,150,000.

By Order dated October 20, 2000, the Follansbee Water Department was ordered to give notice of the filing of its application by publishing a copy of the Notice of Filing Order, once, in a newspaper, duly qualified by the Secretary of State, published and of general circulation in Brooke County, making due return to the Commission of a proper certification of publication immediately after publication.

By Order dated December 5, 2000, this matter was referred to the Division of Administrative Law Judges for a decision to be rendered on or before May 17, 2001.

MBA

On February 9, 2001, Staff Attorney Cassius H. Toon filed the Final Joint Staff Memorandum, to which was attached the Final Internal Memorandum prepared by Mr. J. W. Flenner, Utilities Analyst, Utilities Division. Staff recommended approval of the application for a certificate of convenience and necessity.

According to Staff, the estimated project cost of \$7,150,000 includes \$3,509,148 for construction and \$352,852 for project contingency. The overall estimated costs for the project are reasonable as follows:

Construction	\$3,509,148
Engineering (Construction)	160,000
Land & Rights-of-Way	30,000
Legal & Administrative	28,000
Accounting	15,000
Bond Counsel	30,000
Interim Financing	50,000
Refinance Existing Loan (merger)	575,000
Refinance Existing USDA Loan	2,400,000
Project Contingencies	<u>352,852</u>
Total Project Cost	\$7,150,000

The plans and specifications for this project have been approved by the West Virginia Office of Environmental Health Service. Permit No. 14,118 has been issued to allow for construction of the project. Staff's review of the plans and specifications did not reveal any conflict with Commission's Rules and Regulations for the Government of Water Utilities concerning engineering requirements. The Utility does not compete with any other utility. The original facilities plan dated December 1996 has been reviewed and approved by the West Virginia Infrastructure and Jobs Development Council (Council). The project is necessary to improve the existing Follansbee water treatment plant, which was built in the 1910s and is in relatively poor condition, and to increase the capacity at the Hooverson Heights water treatment plant to serve expected future demands in the Hooverson Heights area. Additionally, several improvements are needed to physically connect and upgrade the two systems to ensure the safe, continuous and most cost-effective supply of potable water to the existing Follansbee and Hooverson Heights customers. Operation and maintenance expenses are projected to increase by approximately \$69,749 as a result of the project, due mostly to personnel changes in the office.

Financing of the project will be a loan from the Water Development Authority (WDA) for \$7,150,000 at 5.8% for 40 years. The additional money being financed is to refinance an existing WDA loan for \$2,400,000 and a private loan for \$575,000.

Staff recommended approval of the City of Follansbee's application for a certificate of convenience and necessity, provided, however, that, should bids exceed the estimated construction costs approved, the City of Follansbee shall request approval for any necessary project revisions and submit necessary engineering and financial data in support thereof.

By Order dated March 21, 2001, Follansbee Water Department was ordered to file with the Commission within seven (7) days of the date of said Order proper affidavits of publication reflecting publication of the Notice of Filing, as required by the Order of October 20, 2000.

On March 26, 2001, Follansbee City Attorney, Michael E. Gaudio, Esquire, filed a status report indicating that publication was being made and that proper affidavits of publication would be forwarded to the Commission upon completion of the publication.

On April 2, 2001, Follansbee filed a proper affidavit of publication reflecting that publication had been made in accordance with the Commission's requirements, on March 29, 2001.

In a letter filed April 9, 2001, a protest was filed by Ms. Victoria Suppa to the proposed water rates of Follansbee Water Department to support the project.

By Order dated April 10, 2001, this matter was set for a hearing to be held in Follansbee on April 23, 2001. The Order also required Follansbee to publish a notice of hearing once in Brooke County. No publication was made of the notice of hearing.

On April 12, 2001, Follansbee filed a motion requesting a 30-day extension of the ALJ decision due date. Follansbee also filed a motion to dismiss the protest and cancel the hearing set in this case. The motion cited that the protest did not address the convenience and/or necessity of the project, but only the rates which were established by City ordinance, which are not at issue in this case. Also in the motion to dismiss the protest, Follansbee cited that the protest to the water and sewer rates is moot since Follansbee's current water and sewer rates were established after the proper passage of a rate ordinance, after proper notice; proper time for public comment; and proper public hearing. Further, any protest to sewage rates is improper since this is a water case and does not involve sewage service.

By Commission Order dated April 13, 2001, the ALJ decision due date was extended until June 17, 2001.

On April 16, 2001, Staff Attorney Toon filed a Further Joint Staff Memorandum in which Staff joined in the motions of Follansbee for an extension of the ALJ decision due date and to dismiss the protest and cancel the hearing.

On April 20, 2001, the hearing was cancelled by verbal communications.

The issue raised by the City of Follansbee's motion to dismiss the protest and cancel the hearing is whether the protest of Ms. Victoria Suppa is a protest that would generate a hearing under West Virginia Code §24-2-11. Pursuant to West Virginia Code §24-2-11, the Public Service Commission may waive formal hearing on an application for a certificate of convenience and necessity if, after publication, no protest is received within thirty days after the notice is given. In her letter of protest, Ms. Suppa made no protest to the upgrade of the Follansbee water

treatment plant or any other of the water improvements to be constructed under this certificate. Her protest to the rates is, in fact, a moot issue since these rates have been previously approved by city ordinance and are the same rates to be charged if this certificate is approved. Therefore, rates are not an issue in this application and the ALJ is of the opinion and finds that the protest in this case is not sufficient for the purposes of West Virginia Code §24-2-11 to generate a hearing. Therefore, the letter of Ms. Victoria Suppa dated April 9, 2001, does not constitute a legitimate protest to the project under review in this proceeding and this case should be considered unprotested.

FINDINGS OF FACT

1. On October 20, 2000, Follansbee Water Department, a municipal corporation, filed an application for a certificate of convenience and necessity to upgrade the existing Hooverson Heights and Follansbee water treatment plants, to construct two water storage tanks and to install waterlines and other appurtenances at Follansbee, Hooverson Heights, Eldersville Road and environs in Brooke County. (See application).

2. The estimated project cost, included current loan refinancing, is \$7,150,000 and is to be financed by a loan from the WDA for \$7,150,000 at 5.8% interest for 40 years. (See Final Joint Staff Memorandum filed February 9, 2001).

3. Follansbee filed a proper affidavit of publication as required by the Commission. (See affidavit of publication filed April 2, 2001).

4. On April 9, 2001, Ms. Victoria Suppa filed a protest letter which only protests Follansbee's water and sewer rates. (See letter filed April 9, 2001).

5. Follansbee's current water rates were adopted by the Follansbee City Council on August 14, 2000, and became effective on October 1, 2000. Those are the same rates that will be charged pursuant to this application. Commission Staff reviewed Follansbee's ordinance and adoption procedure, and concluded that they complied with all appropriate provisions of the West Virginia Code. (See Follansbee Water Ordinance file).

6. Commission Staff recommended approval of the application for a certificate of convenience and necessity. (See, Final Joint Staff Memorandum filed February 9, 2001).

CONCLUSIONS OF LAW

1. The public convenience and necessity require the proposed project.

2. The proposed project will provide adequate service.

3. The project is adequately financed and is economically feasible.

4. Good cause has been shown to waive formal hearing in this matter, pursuant to West Virginia Code §24-2-11, since no protests have been received to the project.

5. Any changes in the scope of this project and/or its funding shall require further approval of the Public Service Commission.

6. Since the one protest letter received in this matter protested only the current water and sewer rates of Follansbee, neither of which are at issue in this case, the letter does not constitute a legitimate protest under West Virginia Code §24-2-11.

ORDER

IT IS, THEREFORE, ORDERED that a certificate of convenience and necessity be, and it hereby is, granted to the City of Follansbee to rehabilitate and upgrade its existing water treatment plant and distribution system, including the Hooverson Heights system which was made a part of the Town's system in 1996, all as set forth in the application filed October 20, 2000.

IT IS FURTHER ORDERED that the financing, consisting of a loan from WDA for \$7,150,000 at 5.8% interest for 40 years, be, and the same hereby is, approved.

IT IS FURTHER ORDERED that the City of Follansbee shall file a notice of the actual in-service date of the project within ten (10) days of the date that this project become operational.

IT IS FURTHER ORDERED that, if there are changes to the cost, scope, financing or design of the project, as certificated herein, the City of Follansbee shall petition the Commission for approval of such changes prior to commencing construction.

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

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

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

Any party may request waiver of the right to file exceptions to an Administrative Law Judge's Order by filing an appropriate petition in

writing with the Secretary. No such waiver will be effective until approved by order of the Commission, nor shall any such waiver operate to make any Administrative Law Judge's Order or Decision the order of the Commission sooner than five (5) days after approval of such waiver by the Commission.


Robert W. Glass
Administrative Law Judge

RWG:mal
001580ab.wpd

**PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON**

At a session of the Public Service Commission of West Virginia, in the City of Charleston, on the 13th day of August, 2002.

CASE NO. 00-1580-W-CN (REOPENED)

FOLLANSBEE WATER DEPARTMENT, a
municipal corporation.

Application for a certificate of convenience and necessity to upgrade the existing Hooverson Heights and Follansbee water treatment plants, to construct two water storage tanks and to install waterlines and other appurtenances at Follansbee, Hooverson Heights, Eldersville Road and environs in Brooke County.

COMMISSION ORDER

Bids have come in higher than expected, and the utility petitions to reopen a certificate case for approval of a revised budget and financing. The Commission shall approve the revisions.

BACKGROUND

On May 16, 2001, the Commission granted the City of Follansbee a certificate of convenience and necessity to rehabilitate and upgrade its water treatment plant and distribution system, including the Hooverson Heights system which Follansbee acquired in 1996. Rec. Dec. p. 5 (Apr. 26, 200, final May 16, 2001). Financing for the project was approved as a \$7,150,000 loan from the Water Development Authority at 5.8% interest for 40 years. Id. If there were changes to the cost, scope, financing or project design, Follansbee was required to petition the Commission for approval of those changes. Id.

On July 23, 2002, Follansbee advised that bids for the project came in higher than expected, and the project budget was increased by \$955,818 to \$8,105,818. Petition to reopen p. 1. The increased costs will be covered by a \$255,818 contribution by Follansbee, along with a \$700,000 increase in the WDA loan. Id. Follansbee provided a commitment letter from WDA for the \$7,850,000 loan. Id. & Ex. B. There will be no change in rates. Id.

Bids expire on August 28, and a closing on the WDA loan is set for August 16, 2002. Id. Accordingly, Follansbee requested expedited treatment of its petition. Id.

On August 7, 2002, Commission Staff recommended that the case be reopened and that Follansbee's request be approved. Initial & Final Joint Staff Memorandum p. 1. Technical Staff advised that the increased costs are attributable to:

1. The replacement of an existing water booster pump station due to multiple piping failures in the station.
2. Variable frequency drives were added to the raw water, high service and booster pumps to allow the operator more flexibility in operating the plants during different flow conditions.
3. The SCADA system was expanded to give the operator full monitoring and control of the Hooverson Heights and Downtown plants.
4. Inflation accounted for some of the increase since the project estimates were prepared in 1996 and revised in 2000 with the original Certificate Filing.

Initial & Final Internal Memorandum p. 2, attached to Initial & Final Joint Staff Memorandum.

DISCUSSION

This case should be reopened to consider Follansbee's petition.

The revised budget and financing are reasonable, considering the changes explained by Technical Staff and Follansbee. Accordingly, Follansbee's petition to reopen should be granted.

As bids will soon expire and the loan closing date is approaching, the request for expedited treatment is reasonable and should be granted.

FINDINGS OF FACT

1. On May 16, 2001, the Commission granted Follansbee a certificate to upgrade its water treatment plant and distribution system. Rec. Dec. p. 5 (Apr. 26, 2000, final May 16, 2001). Approved financing was a \$7,150,000 loan from the Water Development Authority at 5.8% interest for 40 years. Id.

2. On July 23, 2002, Follansbee advised that bids came in higher than expected, and the project budget was increased by \$955,818 to \$8,105,818. Petition to reopen p. 1. The increased costs will be covered by a \$255,818 contribution by Follansbee, along with a \$700,000 increase in the WDA loan. Id. & Ex. B.

3. On August 7, 2002, Commission Staff recommended that the case be reopened and that Follansbee's request be approved. Initial & Final Joint Staff Memorandum p. 1.

CONCLUSIONS OF LAW

1. This case should be reopened to consider Follansbee's petition.
2. The revised budget and financing are reasonable, considering the changes explained by Technical Staff and Follansbee. Accordingly, Follansbee's petition to reopen should be granted.
3. As bids will soon expire and the loan closing date is approaching, the request for expedited treatment is reasonable and should be granted.

ORDER

IT IS THEREFORE ORDERED that Follansbee's petition to reopen is granted. The project revisions described by Follansbee and Staff are approved, including the following revised funding:

City of Follansbee	255,818
WDA loan	<u>\$7,850,000</u>
Total	\$8,105,818

IT IS FURTHER ORDERED that if there are further changes to the cost, scope, financing or project design, Follansbee must petition the Commission for approval of those changes.

IT IS FURTHER ORDERED that the motion for expedited treatment is granted.

IT IS FURTHER ORDERED that this proceeding be removed from the Commission's docket of active cases.

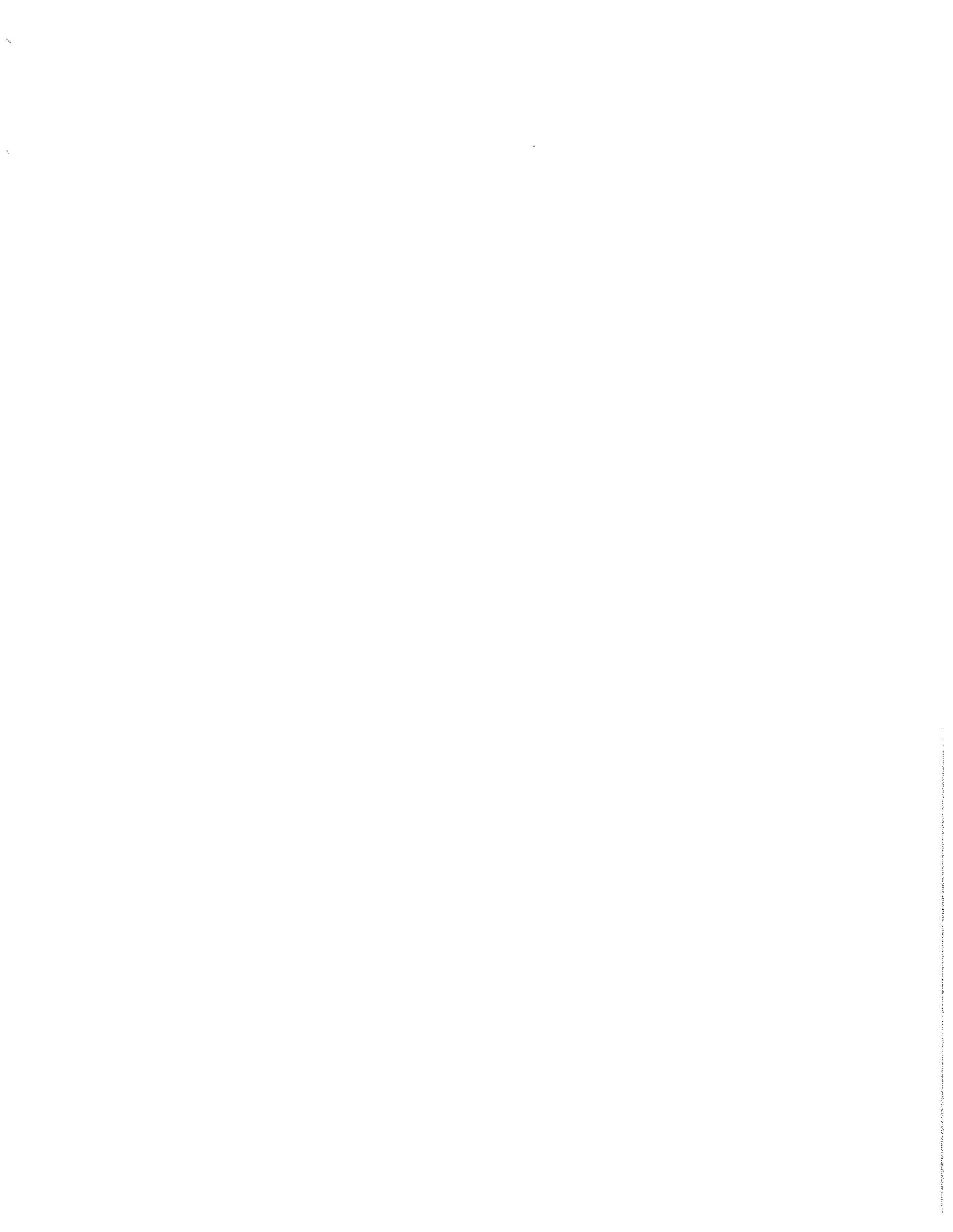
IT IS FURTHER ORDERED that the Commission's Executive Secretary serve a copy of this order upon all parties of record by United States First Class Mail and upon Commission Staff by hand delivery.

CLW/sek
001580ca.wpd

A True Copy, Teste:



Sandra Squire
Executive Secretary



West Virginia Infrastructure & Jobs Development Council

Public Members:

Russell L. Isaacs, Chairman
Cottageville
Henry Harmon, Vice Chairman
Hurricane
Dwight Calhoun
Petersburg
C. R. "Rennie" Hill, III
Beckley

300 Summers Street, Suite 980
Charleston, West Virginia 25301
Telephone: (304) 558-4607
Facsimile: (304) 558-4609

Katy Mallory, PE
Executive Secretary

KMallory@verizon.com

August 14, 2002

Kevin Diserio, City Manager
City of Follansbee
P.O. Box 606
Follansbee, West Virginia 26037

Re: City of Follansbee
Water Upgrade Project 96W-284

Dear Mr. Diserio:

The West Virginia Infrastructure and Jobs Development Council (the "Infrastructure Council") has reviewed the City of Follansbee's (the "City") revised preliminary application regarding its proposed project to upgrade the existing two water treatment plants and complete the system improvements necessary to finalize the system merger of Hooverson Heights and the City (the "Project").

Upon consideration of the revised preliminary application, the Infrastructure Council recommends that the City utilize the \$7,790,000 WDA loan and the \$315,818 City funds to finance this \$8,105,818 Project. Please contact the Water Development Authority office at 558-3612 for specific information on the steps the City needs to follow. **Please note that this letter does not constitute funding approval from this agency.**

If you have any questions regarding this matter, please contact Katy Mallory at 558-4607.

Sincerely,



Russell L. Isaacs

RLI/km

cc: Walt Ivey, BPH
Bernie Yonkosky, WDA
Region XI Planning & Development Council
Ghosh Engineers, Inc.

THE CITY OF FOLLANSBEE

Water Revenue Bonds, Series 2002 A
(West Virginia Water Development Authority)

CROSS-RECEIPT FOR BONDS AND BOND PROCEEDS

On the 16th day of August, 2002, 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 Follansbee (the "Issuer"), for and on behalf of the Issuer, hereby certify as follows:

1. On the date hereof, the Authority received The City of Follansbee Water Revenue Bonds, Series 2002 A (West Virginia Water Development Authority), issued in the original aggregate principal amount of \$7,790,000, as a single, fully registered Bond, numbered AR-1 and dated August 16, 2002 (the "Bonds").
2. At the time of such receipt, the Bonds had been executed by the Mayor, City Manager 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 the sum of \$7,790,000, being the entire principal amount of the Bonds (100% of par value), there being no interest accrued thereon.

Dated as of the day and year first written above.

WEST VIRGINIA WATER DEVELOPMENT
AUTHORITY

By: 
Its: Authorized Representative

THE CITY OF FOLLANSBEE

By: 
Its: Mayor

08/12/02
298060.96002

CH541791.1

THE CITY OF FOLLANSBEE

Water Revenue Bonds, Series 2002 A
(West Virginia Water Development Authority)

DIRECTION TO AUTHENTICATE AND DELIVER BOND

Branch Banking and Trust Company,
as Bond Registrar
Charleston, West Virginia

Ladies and Gentlemen:

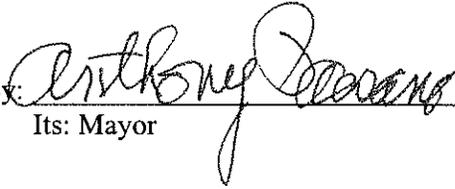
There are delivered to you herewith on this 16th day of August, 2002:

- (1) Bond No. AR-1, constituting the entire original issue of The City of Follansbee Water Revenue Bonds, Series 2002 A (West Virginia Water Development Authority), in the original aggregate principal amount of \$7,790,000, dated August 16, 2002 (the "Bonds"), executed by the Mayor, City Manager and City Clerk of The City of Follansbee (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 12, 2002, and a Supplemental Resolution duly adopted by the Issuer on August 12, 2002 (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 a loan agreement for the Bonds dated August 16, 2002, by and between the West Virginia Water Development Authority (the "Authority") 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 account of the Issuer of the sum of \$7,790,000, representing the agreed purchase price of the Bonds, there being no accrued interest thereon. Prior to such delivery of the Bonds, you will please cause the Bonds to be authenticated and registered by an authorized officer, as Bond Registrar, in accordance with the form of Certificate of Authentication and Registration thereon.

Dated as of the day and year first above written.

THE CITY OF FOLLANSBEE

By: 
Its: Mayor

08/07/02
298060.96002

CH541806.1

SPECIMEN

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF FOLLANSBEE
WATER REVENUE BOND, SERIES 2002 A
(WEST VIRGINIA WATER DEVELOPMENT AUTHORITY)

No. AR-1

\$7,790,000

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF FOLLANSBEE, a municipal corporation and political subdivision of the State of West Virginia in Brooke 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 SEVEN MILLION SEVEN HUNDRED NINETY THOUSAND DOLLARS (\$7,790,000), in annual installments on October 1 of each year, commencing October 1, 2003, as set forth on the "Debt Service Schedule" 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, such interest shall be payable semiannually on April 1 and October 1 in each year, commencing October 1, 2002. 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 Branch Banking and Trust Company, Charleston, West Virginia, as registrar (the "Registrar"), on the 15th day of the month next preceding an interest payment date, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner hereof.

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority, and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement between the Issuer and the Authority, dated August 16, 2002.

This Bond is issued (i) to pay in full the entire outstanding principal of and all accrued interest on the Issuer's Notes, the Series 1992 A Bonds, the Series 1992 B Bonds and the Series 1992 C Bonds (all as described in the hereinafter defined Bond Legislation); (ii) to pay the costs of acquisition and construction of certain additions, betterments, and improvements to the existing public waterworks facilities of the Issuer (the "Project"); and (iii) to pay certain costs of issuance of the Bonds of this Series (the "Bonds") and related costs. The existing public waterworks facilities of the Issuer, the Project and any further improvements or extensions 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 19, Chapter 13, Article 2E and Chapter 22C, Article 1 of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Ordinance duly enacted by the Issuer on August 12, 2002, and a Supplemental Resolution duly adopted by the Issuer on August 12, 2002 (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 payable only from and secured by a pledge of the Gross Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, and from monies in the reserve account created under the Bond Legislation for the Bonds (the "Series 2002 A Bonds Reserve Account") and unexpended proceeds of the Bonds. Such Gross 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 shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest hereon except from said special fund provided from the Gross Revenues, the monies in the Series 2002 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 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 there exists in the Series 2002 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 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 monies, 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 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 Gross 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 FOLLANSBEE has caused this Bond to be signed by its Mayor and City Manager and its corporate seal to be hereunto affixed and attested by its City Clerk, and has caused this Bond to be dated August 16, 2002.

[SEAL]

Anthony [unclear]

Mayor

J. S. [unclear]

City Manager

SPECIMEN

ATTEST:

[Signature]

City Clerk

SPECIMEN

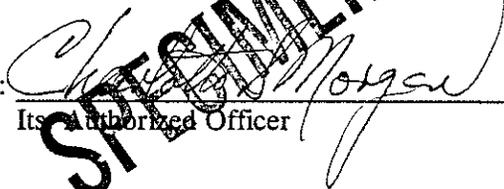
(Form of)

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2002 A Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: August 16, 2002.

BRANCH BANKING AND TRUST COMPANY,
as Registrar

By: 

Its Authorized Officer

SPECIMEN

EXHIBIT A

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Interest	Total Pmt
10/01/2002	-	-	56,477.50	56,477.50
4/01/2003	-	-	225,910.00	225,910.00
10/01/2003	64,059.00	5.800%	225,910.00	289,969.00
4/01/2004	-	-	224,052.29	224,052.29
10/01/2004	67,774.00	5.800%	224,052.29	291,826.29
4/01/2005	-	-	222,086.84	222,086.84
10/01/2005	71,705.00	5.800%	222,086.84	293,791.84
4/01/2006	-	-	220,007.40	220,007.40
10/01/2006	75,864.00	5.800%	220,007.40	295,871.40
4/01/2007	-	-	217,807.34	217,807.34
10/01/2007	80,264.00	5.800%	217,807.34	298,071.34
4/01/2008	-	-	215,479.69	215,479.69
10/01/2008	84,919.00	5.800%	215,479.69	300,398.69
4/01/2009	-	-	213,017.04	213,017.04
10/01/2009	89,845.00	5.800%	213,017.04	302,862.04
4/01/2010	-	-	210,411.53	210,411.53
10/01/2010	95,056.00	5.800%	210,411.53	305,467.53
4/01/2011	-	-	207,654.91	207,654.91
10/01/2011	100,569.00	5.800%	207,654.91	308,223.91
4/01/2012	-	-	204,738.41	204,738.41
10/01/2012	106,402.00	5.800%	204,738.41	311,140.41
4/01/2013	-	-	201,652.75	201,652.75
10/01/2013	112,573.00	5.800%	201,652.75	314,225.75
4/01/2014	-	-	198,388.13	198,388.13
10/01/2014	119,102.00	5.800%	198,388.13	317,490.13
4/01/2015	-	-	194,934.17	194,934.17
10/01/2015	126,010.00	5.800%	194,934.17	320,944.17
4/01/2016	-	-	191,279.88	191,279.88
10/01/2016	133,319.00	5.800%	191,279.88	324,598.88
4/01/2017	-	-	187,413.63	187,413.63
10/01/2017	141,051.00	5.800%	187,413.63	328,464.63
4/01/2018	-	-	183,323.15	183,323.15
10/01/2018	149,232.00	5.800%	183,323.15	332,555.15
4/01/2019	-	-	178,995.42	178,995.42
10/01/2019	157,888.00	5.800%	178,995.42	336,883.42
4/01/2020	-	-	174,416.67	174,416.67
10/01/2020	167,045.00	5.800%	174,416.67	341,461.67
4/01/2021	-	-	169,572.37	169,572.37
10/01/2021	176,734.00	5.800%	169,572.37	346,306.37
4/01/2022	-	-	164,447.08	164,447.08
10/01/2022	186,984.00	5.800%	164,447.08	351,431.08
4/01/2023	-	-	159,024.55	159,024.55
10/01/2023	197,830.00	5.800%	159,024.55	356,854.55
4/01/2024	-	-	153,287.48	153,287.48
10/01/2024	209,304.00	5.800%	153,287.48	362,591.48
4/01/2025	-	-	147,217.66	147,217.66
10/01/2025	221,443.00	5.800%	147,217.66	368,660.66

CH592484.1

Date	Principal	Coupon	Interest	Total F41
4/01/2026	-	-	140,795.81	140,795.81
10/01/2026	234,287.00	5.800%	140,795.81	375,082.81
4/01/2027	-	-	134,001.49	134,001.49
10/01/2027	247,876.00	5.800%	134,001.49	381,877.49
4/01/2028	-	-	126,813.09	126,813.09
10/01/2028	262,252.00	5.800%	126,813.09	389,065.09
4/01/2029	-	-	119,207.78	119,207.78
10/01/2029	277,463.00	5.800%	119,207.78	396,670.78
4/01/2030	-	-	111,161.35	111,161.35
10/01/2030	293,556.00	5.800%	111,161.35	404,717.35
4/01/2031	-	-	102,648.23	102,648.23
10/01/2031	310,582.00	5.800%	102,648.23	413,230.23
4/01/2032	-	-	93,641.35	93,641.35
10/01/2032	328,596.00	5.800%	93,641.35	422,237.35
4/01/2033	-	-	84,112.06	84,112.06
10/01/2033	347,654.00	5.800%	84,112.06	431,766.06
4/01/2034	-	-	74,030.10	74,030.10
10/01/2034	367,818.00	5.800%	74,030.10	441,848.10
4/01/2035	-	-	63,363.38	63,363.38
10/01/2035	389,152.00	5.800%	63,363.38	452,515.38
4/01/2036	-	-	52,077.97	52,077.97
10/01/2036	411,723.00	5.800%	52,077.97	463,800.97
4/01/2037	-	-	40,138.00	40,138.00
10/01/2037	435,603.00	5.800%	40,138.00	475,741.00
4/01/2038	-	-	27,505.51	27,505.51
10/01/2038	460,868.00	5.800%	27,505.51	488,373.51
4/01/2039	-	-	14,140.34	14,140.34
10/01/2039	487,598.00	5.800%	14,140.34	501,738.34
Total	7,790,000.00	-	11,353,987.20	19,143,987.20

ASSIGNMENT

FOR VALUE RECEIVED the undersigned sells, assigns, and transfers unto _____ the within Bond and does hereby irrevocably constitute and appoint _____, Attorney to transfer 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:

298060.96002

August 16, 2002

The City of Follansbee
Water Revenue Bonds, Series 2002 A
(West Virginia Water Development Authority)

The City of Follansbee
Follansbee, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

Ladies and Gentlemen:

We have served as bond counsel in connection with the issuance by The City of Follansbee (the "Issuer"), a municipal corporation and political subdivision organized and existing under the laws of the State of West Virginia, of its \$7,790,000 Water Revenue Bonds, Series 2002 A (West Virginia Water Development Authority), 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 August 16, 2002, including all schedules and exhibits attached thereto (the "Loan Agreement"), between the Issuer and the West Virginia Water Development Authority (the "Authority") 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 payable April 1 and October 1 of each year, commencing October 1, 2002, at the rate of 5.8% per annum, and with principal installments payable on October 1 of each year, commencing October 1, 2003, and maturing October 1, 2039, all as set forth in the "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 19, Chapter 13, Article 2E and Chapter 22C, Article 1 of the West Virginia Code of 1931, as amended (collectively, the "Act"), for the purposes of (i) paying in full the entire outstanding principal of and all interest accrued on the Prior Bonds; (ii) paying the costs of acquisition and construction of certain additions, betterments and improvements to the existing public waterworks system of the Issuer (the "Project"); and (iii) 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 12, 2002, as supplemented by a Supplemental Resolution duly adopted by the Issuer on August 12, 2002 (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

The City of Follansbee, et al
August 16, 2002

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. All capitalized terms used herein and not otherwise defined herein shall have the same meanings set forth in the Bond Legislation and the Loan Agreement when used herein.

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 acquire and construct the Project, to operate and maintain the System, to enact the Bond Legislation 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 cannot be amended by the Issuer so as to affect adversely the rights of the Authority or diminish the obligations of the Issuer without the written consent of the Authority.

3. The Bond Legislation and all other necessary ordinances and resolutions have been duly and effectively enacted and adopted by the Issuer in connection with the issuance and sale of the Bonds 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 Gross Revenues of the System referred to in the Bond Legislation and secured by a first lien on and pledge of the Gross Revenues of the System, 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

The City of Follansbee, et al
August 16, 2002

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. We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

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

7. The Issuer's Waterworks System Bond Anticipation Notes, Series 1996, Water Revenue Bonds, Series 1992 A, Water Revenue Bonds, Series 1992 B and Water Revenue Bonds, Series 1992 C (collectively, the "Prior Bonds") have been paid within the meaning and with the effect expressed in the respective Prior Ordinances, and the covenants, agreements and other obligations of the Issuer to the holders and owners of the Prior Bonds have been satisfied and discharged. In rendering the opinion set forth in this paragraph, we have relied upon the respective Receipts for Payment from the Prior Bondholders.

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 AR-1, and in our opinion the form of said Bond and its execution and authentication are regular and proper.

Very truly yours,


STEPTOE & JOHNSON PLLC

08/07/02
298060.96002

CH500233.1



CITY OF
FOLLANSBEE
WEST VIRGINIA

OFFICE OF THE CITY ATTORNEY

MICHAEL E. GAUDIO
P.O. Box 516
Follansbee, WV 26037
(304) 527-1400

August 16, 2002

The City of Follansbee
Follansbee, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

Steptoe & Johnson PLLC
Clarksburg, West Virginia

RE: The City of Follansbee
Water Revenue Bonds, 2002 A
(West Virginia Water Development Authority)

Ladies and Gentlemen:

I am counsel to The City of Follansbee, a municipal corporation in Brooke County, West Virginia (the "Issuer"). As such counsel, I have examined copies of the approving opinion of Steptoe & Johnson PLLC, as bond counsel, relating to the above-captioned bonds of the Issuer (the "Bonds"), a loan agreement dated August 16, 2002, including all schedules and exhibits attached thereto, by and between the West Virginia Water Development Authority (the "Authority") and the Issuer (the "Loan Agreement"), a Bond Ordinance duly enacted by the Issuer on August 12, 2002, as supplemented by a Supplemental Resolution duly adopted by the Issuer on August 12, 2002 (collectively, the "Bond Legislation"), and other documents relating to the Bonds and the Issuer. Capitalized terms used herein and not otherwise defined herein shall have the same meaning set forth in the Bond Legislation and the Loan Agreement when used herein.

I am 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, City Manager, City Clerk, and members of the Council of the Issuer have been duly and properly elected or appointed, as applicable, have taken the requisite oaths, and are authorized to act on behalf of the Issuer in their respective capacities.

FOLLANSBEE NEVER FAILS

The City of Follansbee, et al
August 16, 2002
Page Two

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

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

4. The execution and delivery of the Bonds and the Loan Agreement and the consummation of the transactions contemplated by the Bonds, the Loan Agreement, and the 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 by which the Issuer or its properties are bound 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, consents, exemptions, orders, certificates, and authorizations necessary for the issuance of the Bonds, the acquisition and construction of the Project, the operation of the System, and the imposition of rates and charges for use of the System including, without limitation, the receipt of all requisite orders and approvals from the West Virginia Bureau for Public Health, the West Virginia Infrastructure and Jobs Development Council, and the Public Service Commission of West Virginia, and has taken all required actions for the imposition of such rates and charges including, without limitation, the enactment of an ordinance prescribing such rates and charges. The Issuer has received the Final Order of the Public Service Commission of West Virginia entered May 16, 2001 and the Commission Order entered August 13, 2002, in Case No. 00-1580-W-CN, among other things, granting to the Issuer a certificate of public convenience and necessity for the Project and approving the financing for the Project. The time for appeal of such Final Order has expired prior to the date hereof. The time for appeal of the Commission Order has not expired prior to the date hereof. However, the parties thereto have stated that they will not appeal such Order.

The City of Follansbee, et al
August 16, 2002
Page Three

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

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

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

Sincerely,



MICHAEL E. GAUDIO

MEG/cam



CITY OF
FOLLANSBEE
WEST VIRGINIA

OFFICE OF THE CITY ATTORNEY

MICHAEL E. GAUDIO
P.O. Box 516
Follansbee, WV 26037
(304) 527-1400

August 16, 2002

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

Re: City of Follansbee, WV

Ladies and Gentlemen:

I am the City Attorney for the City of Follansbee, West Virginia (the "Issuer") and I represent the Issuer in regard to a proposed project to upgrade the Issuer's water treatment plant and the construction and/or upgrade of various water storage tanks and transmission lines (the "Project"). I hereby provide this final title opinion on behalf of the Issuer to satisfy the requirements of the West Virginia Water Development Authority (the "Authority") for the Project. Please be advised of the following:

1. I am of the opinion that the Issuer is a duly created and validly existing municipal corporation possessed with all of the power and authority granted to municipalities under the laws of the State of West Virginia to construct, operate, and maintain the Project as approved by the Bureau for Public Health.

2. The Issuer has obtained all necessary permits and approvals for the construction of the Project.

3. I have investigated and ascertained the location of, and am familiar with, the legal description and the necessary sites, including easements and/or rights of way, required for the Project as set forth in the plans for the Project prepared by Ghosh Engineers, the consulting engineers for the Project.

4. I have examined the records on file in the Office of the Clerk of the County Commission of Brooke County, West Virginia, the county in which the Project is to be located and, in my opinion, the Issuer has acquired legal title or such other estate or interest in all of the necessary site components for the Project, including all easements and/or rights of way, with the exception of those listed in Paragraph 5, sufficient to assure the undisturbed use and possession of the same for the purpose of construction,

FOLLANSBEE NEVER FAILS

West Virginia Water Development Authority
August 16, 2002
Page 2

operation, and maintenance for the estimated life of the Project.

5. The following listed properties are to be acquired by eminent domain and the necessary filings have been made in the Office of the Clerk of the Circuit Court of Brooke County, West Virginia to permit the Issuer a right-of-entry for the purpose of construction, operation, and maintenance of the Project on the subject properties. The Issuer's title thereto is defeasible in the event the Issuer does not satisfy any resulting judgment and/or award in the proceedings for acquisition of said properties, and my certification is subject to the pending litigation:

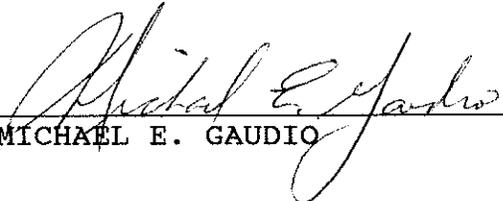
Name	Tax Map	Parcel
Sophia DiGiacinto Heirs	CC15	0019

6. All deeds, easements, and rights-of-way which have been acquired to date by the Issuer have been duly recorded in the Office of the Clerk of the County Commission of Brooke County, West Virginia to protect the legal title to and interest of the Issuer.

If you have any questions regarding any of the information contained in this final title opinion, or need anything further, please do not hesitate to contact my office.

With every best wish, I remain

Sincerely,


MICHAEL E. GAUDIO

MEG/jlw

pc: John C. Stump, Esquire

THE CITY OF FOLLANSBEE

Water Revenue Bonds, Series 2002 A
(West Virginia Water Development Authority)

GENERAL CERTIFICATE OF ISSUER AND ATTORNEY ON:

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

We, the undersigned MAYOR and CITY CLERK of The City of Follansbee in Brooke County, West Virginia (the "Issuer"), and the undersigned CITY ATTORNEY, hereby certify in connection with The City of Follansbee Water Revenue Bonds, Series 2002 A (West Virginia Water Development Authority), dated the date hereof (the "Bonds" or the "Series 2002 A 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 12, 2002, and the Supplemental Resolution duly adopted August 12, 2002 (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 acquisition and construction of the Project, the operation of the System, the receipt of the Gross Revenues, or in any way contesting or affecting the validity of the Bonds, or any proceedings of the Issuer taken with respect to the issuance or sale of the Bonds, the pledge or application of the Gross Revenues or any other moneys or security provided for the payment of the Bonds or the existence or the powers of the Issuer insofar as they relate to the authorization, sale and issuance of the Bonds, the acquisition and construction of the Project, the operation of the System, the pledge or application of moneys and security, the collection of the Gross Revenues or the pledge of Gross Revenues as security for the Bonds.

3. **GOVERNMENTAL APPROVALS AND BIDDING:** All applicable approvals, permits, exemptions, consents, authorizations, registrations and certificates required by law for the acquisition and construction of the Project, the operation of the System and the issuance of the Bonds have been obtained and remain in full force and effect. Competitive bids for the acquisition and construction of the Project have been solicited in accordance with Chapter 5, Article 22, Section 1 of the West Virginia Code of 1931, as amended, which bids remain in full force and effect.

4. **NO ADVERSE FINANCIAL CHANGE; INDEBTEDNESS:** There has been no adverse change in the financial condition of the Issuer since the approval, execution and delivery by the Issuer of the Loan Agreement, and the Issuer has met all conditions prescribed in the Loan Agreement entered into between the Issuer and the Authority.

Upon payment in full of the Prior Bonds on the date hereof, there will be no outstanding bonds or obligations of the Issuer which are secured by revenues or assets of the System on a parity with the Series 2002 A Bonds.

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

Bond Ordinance

Supplemental Resolution

WDA Loan Agreement

Public Service Commission Order

Infrastructure and Jobs Development Council Approval

Charter and Rules of Procedure

Oaths of Office of Officers and Councilmembers

Rate Ordinance

Minutes on Adoption of Rate Ordinance

Affidavit of Publication of Rate Ordinance and
Notice of Public Hearing

Minutes on Adoption of Bond Ordinance and Supplemental
Resolution

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

Environmental Health Services Permit

Agreement with The Cross Creek Public Service District

Receipt for Payment of Series 1996 Notes and Copy of the
Cancelled Note

Receipt for Payment of Series 1992 A Bonds, Series
1992 B Bonds and Series 1992 C Bonds and Copies of the
Cancelled Bonds

Evidence of Insurance

6. INCUMBENCY AND OFFICIAL NAME: The proper corporate title of the Issuer is "The City of Follansbee." The Issuer is a municipal corporation in Brooke 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, a City Clerk, and 6 Council members, all duly elected or appointed, as applicable, qualified and acting, whose names and dates of commencement and termination of current terms of office are as follows:

<u>Name</u>		<u>Date of Commencement of Office</u>	<u>Date of Termination of Office</u>
Anthony Paesano	- Mayor	07/01/01	06/30/03
David Kurcina	- City Clerk	07/01/01	06/30/03
Nina B. Meca	- 1st Ward Councilor	07/01/01	06/30/03
William Secrist	- 2nd Ward Councilor	07/01/01	06/30/03
Kathy Santoro	- 3rd Ward Councilor	07/01/01	06/30/03
Scott McMahan	- 4th Ward Councilor	07/01/01	06/30/03
John DeStefano	- 5th Ward Councilor	07/01/01	06/30/03
James Mirasola	- Council-at-Large	07/01/01	06/30/03

The duly appointed and acting City Manager of the Issuer is J. Kevin Diserio. The duly elected and acting City Attorney is Michael Gaudio, Esquire.

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

8. MEETINGS, ETC.: All actions, ordinances, resolutions, orders and agreements taken by and entered into by or on behalf of the Issuer in any way connected with the issuance of the Bonds, the refunding of the Prior Bonds, the acquisition, construction, operation and financing of the Project or the System were authorized or adopted at regular or special meetings of the Governing Body of the Issuer duly and regularly called and held pursuant to the Rules of Procedure of the Governing Body and all applicable statutes, including, 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.

9. **CONTRACTORS' INSURANCE, ETC.:** All contractors have been required to maintain Worker's Compensation, public liability and property damage insurance, and builder's risk insurance where applicable, in accordance with the Bond Legislation. All insurance for the System required by the Bond Legislation is in full force and effect.

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

11. **RATES:** The Issuer has duly enacted a water rate ordinance on August 14, 2000, setting rates and charges for the services of the System and such rates and charges are currently in effect.

12. **PUBLIC SERVICE COMMISSION ORDER:** The Issuer has received the Final Order of the Public Service Commission of West Virginia entered on May 16, 2001 and the Commission Order entered on August 13, 2002, in Case No. 00-1580-W-CN, granting to the Issuer a certificate of convenience and necessity for the Project and approving the financing for the Project. The time for appeal of such Final Order has expired prior to the date hereof. The time for appeal of the Commission Order has not expired prior to the date hereof. Such Commission Order may only be appealed by a party thereto. The Issuer hereby states that it will not appeal the Commission Order and all other parties thereto have stated that they will not appeal such Order.

13. **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 or her 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 his or 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 of the Issuer is also impressed above the signatures appearing on this certificate.

14. **BOND PROCEEDS:** On the date hereof, the Issuer received from the Authority the agreed purchase price of the Bonds, being \$7,790,000 (100% of par value), there being no interest accrued thereon.

15. **PUBLICATION AND PUBLIC HEARING ON BOND ORDINANCE:** Upon adoption of the Bond Ordinance, an abstract thereof, determined by the Governing Body to contain sufficient information as to give notice of the contents thereof, was published once each week for 2 successive weeks, with not less than 6 full days between each publication, the first such publication occurring not less than 10 days before the date stated below for the public hearing, in The Brooke County Review, being a qualified newspaper of general circulation in The City of Follansbee, no newspaper being published therein, together with a notice to all persons concerned, stating that the Bond Ordinance had been enacted and that the Issuer contemplated the issuance of the Bonds described in such Bond Ordinance, stating that any person interested may appear before the Governing Body at the public hearing held at a public meeting of Governing Body on the 12th day of August, 2002, at 7:00 p.m., at the Follansbee 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.

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

governmental unit or other than use as a member of the general public. All of the foregoing shall be determined in accordance with and within the meaning of the Internal Revenue Code of 1986, as amended, including any successor provisions and rules and regulations thereunder (the "Code").

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

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

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

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

21. **CONFLICT OF INTEREST:** No member, 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.

22. **EXECUTION OF COUNTERPARTS:** This document may be executed in one or more counterparts, each of which shall be deemed an original and all of which shall constitute but one and the same document.

WITNESS our signatures and the official seal of THE CITY OF FOLLANSBEE
on this 16th day of August, 2002.

[CORPORATE SEAL]

SIGNATURE

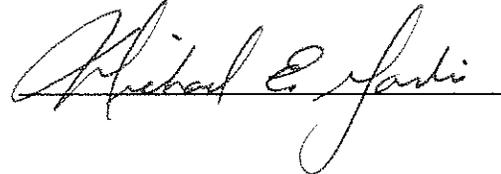
OFFICIAL TITLE



Mayor



City Clerk



City Attorney

THE CITY OF FOLLANSBEE

Water Revenue Bonds, Series 2002 A
(West Virginia Water Development Authority)

CERTIFICATE AS TO ARBITRAGE

The undersigned Mayor of The City of Follansbee in Brooke County, West Virginia (the "Issuer"), being the official of the Issuer duly charged with the responsibility for the issuance of the \$7,790,000 Water Revenue Bonds, Series 2002 A (West Virginia Water Development Authority), of the Issuer, dated the date hereof (the "Bonds"), hereby certifies as follows:

1. This certificate is being executed and delivered pursuant to Section 148 of the Internal Revenue Code of 1986, as amended, and the temporary and permanent regulations promulgated thereunder or under any predecessor thereto (the "Code"). I am 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 12, 2002, as supplemented (the "Bond Ordinance" or "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 12, 2002, the date on which the Bonds are to be physically delivered in exchange for the entire 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 16, 2002, to the West Virginia Water Development Authority (the "Authority"), pursuant to a loan agreement dated August 16, 2002, by and among the Issuer and the Authority for an aggregate purchase price of \$7,790,000 (100% of par). No accrued interest has been or will be paid on the Bonds.

6. In the Bond Ordinance pursuant to which the Bonds are issued, the Issuer has covenanted that (i) it shall not take, or permit or suffer to be taken, any action with respect to the gross or other proceeds of the Bonds which would cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code, and (ii) it will take all actions that may be required of it (including, without implied limitation, the timely filing of a federal information return with respect to the Bonds) so that the interest on the Bonds will be and remain excluded from gross income for federal income tax purposes, and will not take any actions which would adversely affect such exclusion. The Issuer has, therefore, covenanted to not 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 in full the entire outstanding principal of and all interest accrued on the Prior Bonds; (ii) paying the costs of acquisition and construction of certain additions, betterments and improvements to the existing public waterworks system of the Issuer (the "Project"); and (iii) paying costs of issuance and related costs thereof.

8. The Issuer shall, on the date hereof or immediately hereafter, enter into agreements which require the Issuer to expend at least 5% of the net sale proceeds of the Bonds on the Project, constituting a substantial binding commitment, or has already done so. Acquisition and construction of the Project and allocation of the net sale proceeds of the Bonds to expenditures of the Project shall commence immediately and shall proceed with due diligence to completion and, with the exception of proceeds constituting capitalized interest, if any, and proceeds deposited in the Series 2002 A 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 the Project on or before August 16, 2003, except as otherwise required for rebate to the United States under Section 148(f) of the Code. Acquisition and construction of the Project is expected to be completed by May 16, 2003.

9. The total cost of the Project (including all costs of issuance of the Bonds) is estimated at \$8,105,818. Sources and uses of funds for the Project are as follows:

SOURCES

Gross Proceeds of the Bonds	\$7,790,000.00
Issuer's Contribution	<u>315,818.00</u>
Total Sources	<u>\$8,105,818.00</u>

USES

Costs of Acquisition and Construction of the Project	\$5,066,442.40
Refunding Series 1996 Note	562,611.16
Refunding Series 1992 A, B and C Bonds	2,446,764.44
Costs of Issuance	<u>30,000.00</u>
Total Uses	<u>\$8,105,818.00</u>

The total amount of the costs of the Project is estimated to be at least equal to the gross proceeds of the Bonds and the Issuer's contribution stated above. Except for the proceeds of the Bonds and the Issuer's contribution, no other funds of the Issuer will be available to meet costs 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 reasonably 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 (or continued if previously established by the Prior Ordinances):

- (1) Revenue Fund;
- (2) Renewal and Replacement Fund;
- (3) Series 2002 A Bonds Construction Trust Fund;
- (4) Rebate Fund;

- (5) Series 2002 A Bonds Sinking Fund; and
- (6) Series 2002 A Bonds Reserve Account.

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

(A) Series 2002 A Bonds proceeds in the amount of \$2,446,764.44 will be wired by the Authority to Rural Utilities Service to pay in full the entire principal amount of and all interest accrued on the Series 1992 A Bonds, the Series 1992 B Bonds and the Series 1992 C Bonds on the date hereof.

(B) Series 2002 A Bonds proceeds in the amount of \$562,611.16 will be wired by the Authority to WesBanco Bank, Inc. to pay in full the entire principal amount of and all interest accrued on the Notes on the date hereof.

(C) Series 2002 A Bonds proceeds in the amount of -0- shall be deposited in the Series 2002 A Bonds Sinking Fund as capitalized interest.

(D) Series 2002 A Bonds proceeds in the amount of \$-0- shall be deposited in the Series 2002 A Bonds Reserve Account.

(E) The balance of the proceeds of the Series 2002 A Bonds shall be deposited in the Series 2002 A Bonds Construction Trust Fund for payment of Costs of the Project, including, without limitation, costs of issuance of the Series 2002 A Bonds and related costs.

Prior to expenditure, the proceeds of the Bonds in the Series 2002 A Bonds Construction Trust Fund, if invested, will be invested at a yield not to exceed the yield on the Authority's bonds, the proceeds of which were used to make the loan to the Issuer. The Issuer will expend all proceeds of the Bonds on the costs of the Project as expeditiously as possible.

Except for "preliminary expenditures" as defined in Treasury Regulation § 1.150 - 2(f)(2), none of the proceeds of the Series 2002 A Bonds will be used to reimburse the Issuer for costs of the Project previously incurred and paid by the Issuer with its own or other funds.

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

13. Except for the Series 2002 A Bonds Sinking Fund and the Series 2002 A 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 Renewal and Replacement Fund 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 housing 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 stated principal amount of the Bonds, if any, will be deposited in the Series 2002 A Bonds Reserve Account or any other reserve or replacement fund. The amounts deposited in the Series 2002 A 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 2002 A 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 2002 A 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 Renewal and Replacement Fund 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. Not later than simultaneously with the delivery of the Bonds, the Issuer shall enter into a contract for the construction of the Project, and the amount to be expended pursuant to such contract exceeds the lesser of 5% of the net sale proceeds of the Bonds.

15. Work with respect to the acquisition and construction of the Project will proceed with due diligence to completion. The acquisition and construction of the Project is expected to be completed within nine 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 2002 A Bonds Sinking Fund for payment of interest on the Bonds and the amount deposited in the Series 2002 A Bonds Reserve Account, if any, all of the proceeds of the Bonds will be expended on the Project within 12 months from the date of issuance thereof.

19. The Issuer does not expect to sell or otherwise dispose of the Project in whole or in part prior to the last maturity date of the Bonds.

20. The Series 2002 A Bonds Sinking Fund (other than the Series 2002 A Bonds Reserve Account therein) is intended primarily to achieve a proper matching of payments of debt service on the Bonds each year. The Series 2002 A Bonds Sinking Fund (other than the Series 2002 A 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 2002 A Bonds Sinking Fund (other than the Series 2002 A Bonds Reserve Account therein). Except as otherwise allowed, any money deposited in the Series 2002 A Bonds Sinking Fund for payment of the principal of or interest on the Bonds (other than the Series 2002 A 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 2002 A Bonds Sinking Fund (other than in the Series 2002 A Bonds Reserve Account therein) will be spent within a 1-year period beginning on the date of receipt.

21. 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.

22. 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.

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 or \$5,000,000 have been or will be used to make or finance loans to, any person who is not a governmental unit.

24. The original proceeds of the Bonds will not exceed the amount necessary for the purposes of the issues except, to the extent any such proceeds are required for rebate to the United States.

25. The Issuer shall use the Bond proceeds solely for refunding the Prior Bonds and the costs 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 has retained the right to amend the Bond Ordinance authorizing the issuance of the Bonds if such amendment is necessary to assure compliance with Section 148(f) of the Code or as may otherwise be necessary to assure the exclusion of interest on the Bonds from the gross income for federal income tax purposes.

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

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

31. 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.

32. 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.

33. 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 Bonds are a fixed yield issue. No interest or other amount payable on the Bonds (other than in the event of an unanticipated contingency) is determined by reference to (or by reference to an index that reflects) market interest rates or stock or commodity prices after the date of issue.

36. None of the Bonds has a yield-to-maturity more than one-fourth of one percent higher than the yield on the Bonds determined by assuming the Bonds are retired on the date that when used in computing the yield on the Bonds produces the lowest yield.

37. 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 the required rebate amount and any and all penalties and other amounts from lawfully available sources, and obtain a waiver from the Internal Revenue Service, if necessary, in order to maintain the exclusion of interest on the Bonds from gross income for federal income tax purposes.

38. 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.

39. The Issuer shall file Form 8038-G in a timely fashion with the Internal Revenue Service Center.

40. 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.

41. 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.

42. Steptoe & Johnson PLLC 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.

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

WITNESS my signature on this 16th day of August, 2002.

THE CITY OF FOLLANSBEE

By 
Its: Mayor

08/12/02
298060.96002

THE CITY OF FOLLANSBEE

Water Revenue Bonds, Series 2002 A
(West Virginia Water Development Authority)

CERTIFICATE OF ENGINEER

I, Paul Ghosh, Registered Professional Engineer, West Virginia License No. 7806, of Ghosh Engineers, Inc., Charleston, West Virginia, hereby certify as follows:

1. My firm is engineer for the acquisition and construction of certain additions, betterments and improvements (the "Project") to the existing public waterworks system (the "System") of The City of Follansbee (the "Issuer"), to be constructed primarily in Brooke County, West Virginia, which acquisition and construction are being financed 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 meaning set forth in the Bond Ordinance enacted by the Issuer on August 12, 2002, as supplemented by the Supplemental Resolution adopted by the Issuer on August 12, 2002, and the Loan Agreement dated August 16, 2002, by and between the Issuer and the West Virginia Water Development Authority (the "Authority") (the "Loan Agreement").

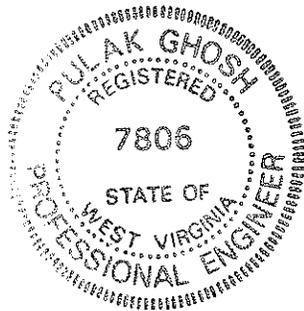
2. The Bonds are being issued for the purposes of (i) paying in full the entire outstanding principal of and all interest accrued on the Prior Bonds; (ii) paying the costs of acquisition and construction of the Project; and (iii) paying costs of issuance and related costs.

3. To the best of my knowledge, information and belief, (i) within the limits and in accordance with the applicable and governing contractual requirements relating to the Project, the Project will be constructed in general accordance with the approved plans, specifications and designs prepared by my firm and approved by the West Virginia Bureau for Public Health ("BPH") and any change orders approved by the Issuer and the Authority and all necessary governmental bodies; (ii) the Project, as designed, is adequate for its intended purpose and has a useful life of at least forty years, if properly constructed, operated and maintained, excepting anticipated replacements due to normal wear and tear; (iii) the Issuer has received bids for the acquisition and construction of the Project which are in an amount and otherwise compatible with the plan of financing set forth in the Schedule A attached hereto as Exhibit A, and in reliance upon the opinion of Issuer's counsel, Michael Gaudio, Esquire, of even date herewith, all successful bidders have made required provisions

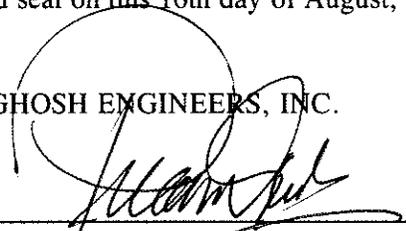
for all insurance and payment and performance bonds and such insurance policies and binders and such bonds have been verified for accuracy; (iv) the successful bidders received all addenda to the original bid documents; (v) the bid documents relating to the Project reflect the Project as approved by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

WITNESS my signature and seal on this 16th day of August, 2002.

(SEAL)



GHOSH ENGINEERS, INC.



Paul Ghosh, P.E.
West Virginia License No. 7806

08/07/02
298060.96002

SCHEDULE A

NAME OF GOVERNMENTAL AGENCY: City of Follansbee

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

A. Cost of Project

1	Construction	\$	<u>4,489,828.00</u>	
2	Technical Services	\$	<u>234,223.00</u>	
3	Legal and Fiscal - IJDC Bond Counsel Fees	\$	<u>43,000.00</u>	
4	Administrative	\$	<u>50,000.00</u>	
5	Site & R-O-W Activity	\$	<u>30,000.00</u>	
6	Step I and/or Step II or Other Loan Repayment (Specify Type:			
	6a. USDA-Loan	\$	<u>2,446,764.44</u>	
	6b. WesBanco Interim Loan	\$	<u>562,611.16</u>	
7	Interim Financing Costs	\$	<u>-</u>	
8	Contingency	\$	<u>219,391.40</u>	
9	Total of Lines 1 Through 8			\$ <u>8,075,818.00</u>

B. Source of Funds

10	Federal Grants (Specify Sources)	\$	<u>-</u>	
11	State Grants (Specify Sources)	\$	<u>-</u>	
12	Other Grants: (Specify Sources) City Revenue Funds	\$	<u>315,818.00</u>	
13	Any Other Source (Specify)	\$	<u>-</u>	
14	Total of Lines 10 Through 13			\$ <u>315,818.00</u>
15	Net Proceeds Required from Bond Issue (Line 9 less Line 14)			\$ <u>7,760,000.00</u>

C. Cost of Financing

16	Capitalized Interest (Construction period plus six months)	\$	<u>-</u>	
17	Funded Reserve Account	\$	<u>-</u>	
18	Bond Counsel	\$	<u>30,000.00</u>	
19	Other Costs	\$	<u>-</u>	
20	Total of Lines 16-19			\$ <u>30,000.00</u>
21	Size of Bond Issues (Line 15 plus Line 20)			\$ <u>7,790,000.00</u>

Contact Person: Kevin Diserio, City Manager
 Address: Post Office Box 606, Follansbee WV 26037
 Telephone: (304) 527-1330 Fax: (304) 527-2615 E-Mail: kdiserio@1st.net

Anthony Casano
 City of Follansbee
 Date 8/15/02

Paul Ghosh
 Signature of Consulting Engineer
 Paul Ghosh, P. E.
 Date August 14, 2002

DOBBS, ABRAHAM & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS
P.O. BOX 248
400 MORTON AVENUE
MOUNDSVILLE, WV 26041
304-845-7914
FAX 304-843-1905

August 12, 2002

The City of Follansbee
Water Revenue Bonds, Series 2002 A
(West Virginia Water Development Authority)

The City of Follansbee
Follansbee, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

Ladies and Gentlemen:

Based upon the rates and charges set forth in the water rate ordinance of The City of Follansbee (the "Issuer") enacted on August 14, 2000, and projected operation and maintenance expenses and anticipated customer usage as furnished to us by Ghosh Engineers, Inc., it is our opinion that such rates and charges will be sufficient to provide revenues which, together with other revenues of the waterworks system (the "System") of the Issuer, 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 payment of principal and of interest on the Issuer's Water Revenue Bonds, Series 2002 A (West Virginia Water Development Authority) (the "Bonds"), issued in the original principal amount of \$7,790,000 and sold to the West Virginia Water Development Authority on the date hereof.

Very truly yours,


Dobbs, Abraham & Company

AN ACT providing for a charter for the city of Follansbee, in the County of Brooke, and to nullify the certificate of incorporation heretofore granted by the circuit court of said county to the city of Follansbee.

(Passed February 16, 1915. In effect from passage. Became a law without the approval of the Governor.)

1. City of Follansbee
2. Corporate limits.
3. Ward boundaries; number of wards council has power to change.
4. Municipal authorities to consist of; compensations.
5. Corporate powers; authority.
6. Eligibility of officers; qualifications.
7. Elections; terms of office.
8. Officers
9. Council; election; term of office.
10. Election precincts.
11. Who are voters; qualifications.
12. Mode of voting; corporate authorities.
- 12-a Nominations, how made; statement to be made by candidates; form; petitions; verification; petition accompanying nominating statement; form of ballot; judges of election; duties; general election law to apply.
- 12-b Officers, how removed; petitions, signers to make oath; certificate may be amended; publication; form of ballot for special election; successors, how appointed.
13. Deciding tie vote.
14. Contested elections.
15. Vacancies in office; how filled.
- 15-a Appointment of officers; terms of office; duties of the chief of police and city collector and treasurer.
16. Appointment; council to provide by ordinance; term; may be removed from office; chief of police; power; rights; privileges; collector and treasurer; duties.
17. Qualifications of officers; oaths; certificate of oaths to be recorded.
18. Failure to qualify; vacancy; how filled.
19. Elective officers to qualify within limited time.
20. Duties of mayor; ex-officio justice of the peace; powers.
- 20-a Mayor to recommend needful measures; to pay over moneys; compensation.
21. Duties of the city clerk; conservator of the peace.
22. Solicitor; duties; compensation to be fixed by council.
23. Chief of police; duties; compensation to be fixed by council.
- 23-a Power of arrest; violation; how punished; to pay over all sums collected.
24. Quorum; majority of council.
25. Records of council; proceedings; oaths, bonds; ordinances under seal deemed prima facie correct.
27. Vote for mayor.
28. Meetings of council; power to compel attendance.
29. Money of the city to be paid to city collector and treasurer; paid out upon an order signed by mayor and city clerk.
30. Ward regulations; street expenditures.
31. When money of city can be appropriated; contracts authorized by a three-fifths vote.
32. Powers and duties of council.
- 32-b Additional powers.
33. Licenses; council may impose a tax thereon.
34. Authority of council.
35. Franchises; limitations; nature of franchise not to exceed period of thirty years; additional provisions; compensation for franchise; terms of the grant of franchise
36. Increase of corporate limits.
37. Result of vote to be certified to the circuit court of Brooke County.
38. Mayor's record of cases tried to be signed by mayor.
39. Board of health to consist of what; power of regulating matters pertaining to public health.
40. Liens upon real estate for city taxes; shall have priority; copy of delinquent property to be certified by the council to the auditor.
41. Duties of city collector and treasurer.
- 41-a Shall receive other moneys.
- 42-b Shall furnish complete statement of all receipts and disbursements.
- 41-c City clerk shall furnish permit to receive taxes.

- 41-d Compensation for collection.
- 41-e Expiration of term; account for all moneys.
- 42. Application for license and expiration of same.
- 43. State law relating to license.
- 44. Dog licenses. -
- 45. Condemnation of real estate.
- 46. Existing officers.
- 47. Existing rights; powers and responsibility of the city.
- 48. Continuation of general law; inconsistent acts repealed.

Change in Corporate Limits listed at end of Charter

- 1. Parkview Subdivision annexed 1959.
- 2. Blosser Subdivision annexed 1971.

Be it enacted by the Legislature of West Virginia:

CITY OF FOLLANSBEE,

SECTION 1. That the inhabitants of so much of the county of Brooke, as are within the bounds prescribed by section two of this act, and their successors, shall be and remain, and they are hereby made a body politic and corporate, and by the name of "The City of Follansbee," and as such shall have perpetual succession and a common seal, and by that name may sue and be sued, plead and be impleaded, purchase, lease and hold real estate and personal property, necessary to the purpose of said corporation.

CORPORATE LIMITS.

SEC. 2. The corporate limits of said city shall hereafter begin as follows: Beginning at a stake on the northeast corner of a tract of land, now, or late of the Follansbee Brothers Company, south 5 degrees 20 minutes east, 140.29 feet to a stake; thence through lands of Walker Brothers and McKim Brothers, south 6 degrees 34 minutes east, 968.47 feet to a point; thence through lands of McKim Brothers south 83 degrees 26 minutes west, 300.1 feet to a point in the line of the aforesaid Follansbee Brothers Company, thence south 6 degrees 26 minutes west, 1124.6 feet to a stake; thence south 9 degrees 47 minutes west, 992.3 feet to a stake; thence south 8 degrees 54 minutes west, 794.24 feet to a stake; thence south 9 degrees 17 minutes west, 420.18 feet to a stake; thence south 22 degrees 35 minutes west, 657.08 feet to a stake; thence north 72 degrees 30 minutes west, 119.48 feet to a stake; thence north 75 degrees 39 minutes west, 67.24 feet to a stake; thence leaving Follansbee Brothers Company's line, south 23 degrees 26 minutes west, 504.5 feet to a stake; thence south 25 degrees 38 minutes west, 348.66 feet to a stake; thence south 21 degrees 45 minutes west, 173.4 feet to a stake; thence south 19 degrees 25 minutes west, 124.35 feet to a stake; thence south 44 degrees 35 minutes west, 163.00 feet to a stake; thence south 78 degrees 10 minutes west, 206.65 feet to a stake; thence north 80 degrees 20 minutes west, 1425.00 feet, more or less, to the low water line on the west shore of the Ohio River, same being the Ohio and West Virginia boundary line; thence in a northwardly direction, with the said low water line, 6111 feet, more or less, to a point opposite a line through a 100 acre tract of land formerly owned by one William Mahon, now by LaBelle Iron Works Company and Cyrus Ferguson, said line being extended to its intersection with the said low water line; thence north 84 degrees 5 minutes east, 4661 feet, more or less, to a point in the line between said Cyrus Ferguson and Walker Brothers; thence by lands of said Cyrus Ferguson and Walker Brothers, south 11 degrees 40 minutes east, 850 feet to the beginning.

WARD BOUNDARIES.

SEC. 3 That the city of Follansbee shall be and it is hereby divided into three wards, designated as the first, second and third wards. The boundaries of the wards shall be as follows:

First ward shall include all that portion of the city within its limits bounded on the north by the center line of Broad street in said city; on the east by the corporate limits of said city; on the south by the corporate limits of said city; on the west by the corporate limits of said city, the same being the Ohio-West Virginia state line.

Second ward shall include all that portion of said city within its limits bounded on the north by the center line of Raymond street in said city; on the east by the corporate limits of said city; on the south by the center line of Broad street in said city, and on the west by the corporate limits of said city, the same being the Ohio-West Virginia state line.

Third ward shall include all that portion of said city within its limits bounded on the north by the corporate limits of said city; on the east by the corporate limits of said city; on the south by the center line of Raymond street in said city; and on the west by the corporate limits of said city, the same being the Ohio-West Virginia state line; provided, however, that the common council of said city shall have the right, by ordinance, to change, add to, diminish, increase, or make new the territory of said city.

MUNICIPAL AUTHORITIES.

SEC. 4 The municipal authorities of said city shall consist of a mayor and six councilmen, who together shall form a common council, and who shall receive such compensation as the council shall, from time to time, determine, and which shall not be increased or diminished during their term in office.

CORPORATE POWERS.

SEC. 5 All the corporate powers of said corporation shall be exercised by said council, or under its authority, except when otherwise provided.

ELIGIBILITY OF OFFICERS.

SEC. 6 The mayor and councilmen, city attorney, chief of the police, city clerk and city collector and treasurer, at the time of their election or appointment, shall be a legal voter of said city, and, for the preceding year, assessed with and paid taxes upon at least one hundred dollars worth of real or personal property in said city.

ELECTIONS

SEC. 7 The mayor, city attorney, chief of police, city clerk and city collector and treasurer, shall be elected to hold their respective offices for a term of two years from the first Monday in April, or until their successors shall have been duly elected and qualified, and all other officers shall be appointed by the common council.

OFFICERS

SEC. 8 On the Tuesday after the third Monday in March, one thousand nine hundred and fifteen, and every two years thereafter, there shall be elected by the qualified voters of said city, a mayor, city attorney, city clerk, chief of police and city collector and treasurer, who shall hold their respective offices for two years and until their successors shall be duly elected and qualified.

COUNCIL

SEC. 9. On the same day first mentioned in the preceding section, two members of the council shall be elected in each ward in said city, who shall reside in the ward for which they are elected; and the candidate receiving the highest number of votes shall be elected for four years from the first Monday in April succeeding his election, and the candidate receiving the next highest number of votes shall be elected for two years from the first Monday in April, succeeding his election; and on the same day of each alternate year one member of the council shall be elected in each ward of the said city, whose term of office shall be four years from the first Monday in April succeeding his election, and until his successor shall have been duly elected and qualified.

ELECTION PRECINCT

SEC. 10. Each ward of said city shall constitute an election precinct, and the council shall establish a voting place in each, and the election of councilmen shall be by wards. No voter shall be entitled to vote at any city election, except in the ward in which he resides.

WHO ARE VOTERS.

SEC. 11. Every male and female person residing in said city shall be entitled to vote for all officers to be elected under this act; but no person who is a minor, or of unsound mind, or a pauper, or who receives aid from the treasury of said city, or who is under conviction for treason, felony or bribery in an election, or who has not resided in this state for one year, and in this city for six months prior to the election, and is not a bonafide resident of the ward in which he offers to vote, shall be entitled to vote at any election.

MODE OF VOTING

SEC. 12. In all municipal elections the mode of voting shall be by ballot, but the voter shall be left free to vote by open, sealed or secret ballot, as he may elect. The corporate authorities of said city shall perform the duties in relation to such election required by general laws of county courts and officers, in force on the first day of March, eighteen hundred and ninety-one, concerning elections by the people, and such laws shall govern such elections and be applicable thereto, and the penalties therein prescribed for offenders relating to such elections shall be enforced against the offenders of such elections, and such laws shall have the same force and effect as if they were especially applicable to corporate elections.

In case this act shall not go into effect within time to permit said first election hereunder to be held on the Tuesday after the third Monday in March, one thousand nine hundred fifteen, then said first election hereunder shall be held on the Tuesday after the first Monday in the month in which this act goes into effect.

SEC. 12-a. Candidates to be voted for at all general municipal elections at which a mayor, city attorney, city clerk, chief of police, city collector and treasurer and councilmen from each ward are to be elected under the provisions of this act, shall be nominated by a primary election, (the said mayor, city attorney, city clerk, chief of police and city collector and treasurer shall be nominated and elected at large and the said councilmen shall be nominated and elected from their respective wards) and no other names shall be printed upon the general ballot, except those selected in the manner hereinafter prescribed.

The primary election for such nominations shall be held on the first Tuesday in March preceding the general municipal election. The judges of election shall be appointed by council for the general municipal election, who shall be the judges of primary election, but said election officers shall have first been recommended by a majority vote of all candidates at least ten days preceding the said primary election and all primary and general elections shall be held at the same place, so far as possible and the polls shall be opened and closed at the same hours.

Any person desiring to become a candidate for mayor, city attorney, city clerk, chief of police, city collector and treasurer or councilman, shall, at least ten days prior to said primary election, file with the city clerk (now recorder) a statement of such candidacy, in substantially the following form:

State of West Virginia, Brooke County, as.:

I, _____ being first duly sworn, say that I reside at _____ street city of Follansbee, county of Brooke, state of West Virginia; that I am a qualified voter therein; that I am a candidate for nomination to the office of (mayor, city attorney, city clerk, chief of police, city collector and treasurer, or councilman from first second or third ward) to be voted upon at the primary election to be held on the _____ Tuesday of _____ 19 ____, and I hereby request that my name be printed on the official primary ballot for nomination by such primary election for such office.

Signed _____

Subscribed and sworn to (or affirmed) before me by _____ on this _____ day of _____ 19 ____.

Signed _____

and shall at the same time file therewith the petition of at least ten qualified voters requesting such candidacy. Each petition shall be verified by one or more persons as to the qualifications and residence, with street number, of each person so signing the said petition, and the said petition shall be in substantially the following form:

PETITION ACCOMPANYING NOMINATING STATEMENT.

The undersigned, duly qualified electors of the city of Follansbee, and residing at the places set opposite our respective names hereon, do hereby request that the name of (name candidate) be placed on the ballot as a candidate for nomination for (name office) at the primary election to be held in said city on the _____ Tuesday of _____ 19 ____. We further state that we know him to be a qualified elector of said city and a man of good moral character, and qualified, in our judgment, for the duties of such office.

Names of Qualified Electors. Numbers. Street.

Immediately upon the expiration of the time of filing the statements and petitions for candidates, the said city clerk (now recorder) shall cause the primary ballots to be printed, authenticated with a facsimile of his signature. Upon the said ballot the names of the candidates for mayor arranged alphabetically, shall first be placed, with a square at the left of each name, immediately below the words "vote for one." Following these names, likewise arranged in alphabetical order, shall appear the names of the candidates for city attorney, city clerk, chief of police, city collector and treasurer, with a square at the left for each name, and below the names of such candidates shall appear the words "vote for one." Following, likewise arranged, shall appear the names of the candidates for councilmen in each ward, with a square at the left of each name, and below the names of such candidates shall appear the words "vote for one or two," according to the number of councilmen to be elected in said ward.

The ballots shall be printed upon plain, substantial white paper, and shall be headed:

"Candidates for Nomination for Mayor, City Attorney, City Clerk, Chief of Police, City Collector and Treasurer and Councilmen for the _____ ward of the City of Follansbee, at the Primary Election," but shall have no party designation or mark whatever. The ballots shall be in substantially the following form:

(Place a cross in the square preceding the names of the parties you favor as candidates for the respective offices.)

- For mayor.
- Name of candidates
- (Vote for one)
- For City attorney
- Name of candidates
- (Vote for one)
- For city clerk
- Name of candidates
- (Vote for one)

For chief of police.

Name of candidates
(Vote for one)

For city collector and treasurer

Name of candidates
(Vote for one)

For councilman

Name of candidates
(Vote for one or two, as the case may be)

Official ballot, attest:

Signature _____, City Clerk.

Judges of election shall, immediately upon the closing of the polls, count the ballots and ascertain the number of votes cast in such precinct for each candidate, and make return thereof to the city clerk before nine o'clock, A.M., of the following day. On the day following said primary election the council shall canvass said returns so received from all the polling precincts, and shall make and publish in all the newspapers of said city at least once, the result thereof. Said canvass shall be publicly made.

The two candidates receiving the highest number of votes for mayor, city attorney, city clerk, chief of police, city collector and treasurer, shall be the candidates and the only candidates, whose names shall be placed upon the ballot for the said offices at the next succeeding general election, and at the first election to be held under this charter, the four candidates receiving the highest number of votes for councilmen in each ward, shall be the candidates and the only candidates whose names shall be placed upon the ballot for councilmen at said first election, and at all other general elections at which said officers shall be elected, the two candidates receiving the highest number of votes for councilmen in each ward, shall be the candidates and the only candidates whose names shall be placed upon the ballot for councilmen at such municipal election, unless there should be two members of council to elect from any of said wards, then the four candidates receiving the highest number of votes shall be placed upon the ballot for councilmen at such election. In the event of the death or resignation of a nominee before the election, the candidate receiving the next highest number of votes at the primary shall be placed on the ticket in his stead.

The ballot at such general municipal election shall be in the same general form as for such primary election, so far as applicable, and all elections in said city, of whatsoever kind, held under this act, shall be conducted, returned and the results thereof ascertained and declared in the manner prescribed by the laws of the state relating to elections, in so far as they are not in conflict or inconsistent with the provisions of this act.

SEC. 12-b. The holder of any elective office may be removed at any time by the electors qualified to vote for a successor of such incumbent. The procedure to effect the removal of an incumbent of an elective office shall be as follows: A petition signed by electors entitled to vote for a successor to the incumbent sought to be removed equal in number to at least twenty per centum of the entire vote for all candidates for the office of mayor cast at the last preceding general municipal election, demanding the election of a successor of the person sought to be removed shall be filed with the city clerk, which petition shall contain a general statement of the grounds for which removal is sought. The signatures to the petition need not all be appended to one paper but each signer shall add to his signature his place of residence, giving the street and number. One of the signers of each such paper shall make oath before an officer competent to administer oaths, that the statements therein made are true as he believes, and that the signature to the paper appended is the genuine signature of the person whose name it purports to be. Within ten days from the date of filing such petition, the city clerk shall examine and from the voter's register ascertain whether or not said petition is signed by the requisite number of qualified electors, and if necessary, the council shall allow him extra help for that purpose, and he shall attach to said petition his certificate showing the result of said examination. If, by the clerk's certificate, the petition is shown to be insufficient, it may be amended within ten days from the date of said certificate. The clerk shall, within ten days after such amendment, make like examination of the amended petition and if his certificate shall show the same to be insufficient, shall be returned to the person filing the same; without prejudice, however, to the filing of a new petition to the same effect. If the petition shall be deemed to be sufficient the clerk shall submit the same to the council without delay. If the petition shall be found to be sufficient, the council shall order and fix a date for holding said election not less than twenty days nor more than thirty days from the date of the clerk's certificate to the council that a sufficient petition is filed.

The council shall make, or cause to be made, publication of notice and all arrangements for holding such election, and the same shall be conducted, returned and the results thereof declared in all respects as are other city elections. So far as applicable, e

cept as otherwise herein provided, nominations hereunder shall be made without the intervention of a primary election by filing with the clerk at least ten days prior to said special election, a statement of candidacy, accompanied by a petition signed by electors entitled to vote at said special election equal in number to at least ten per centum of the entire vote for all candidates for the office of mayor at the last preceding general municipal election, which said statement of candidacy and petition shall be substantially in the form set out in section 12-a of this act, so far as the same is applicable, substituting the word "special" for the word "primary", in such statement and petition and stating therein that such person is a candidate for election instead of nomination.

The ballot for such special election shall be in substantially the following form:

Official Ballot.

Special election for the balance of the unexpired term of _____ as

For _____

(Vote for one only)
Names of candidate.

.....

Name of present incumbent.

Official ballot - attest:

Signature _____
City Clerk.

The successor of any officer so removed shall hold office during the unexpired term of his predecessor. Any person sought to be removed may be a candidate to succeed himself, and unless he requests otherwise in writing, the clerk shall place his name on the official ballot without nomination. In any such removal election, the candidate receiving the highest number of votes shall be declared elected. At such election, if some other person than the incumbent receives the highest number of votes, the incumbent shall thereupon be deemed removed from the office upon qualification of his successor. In case the party who received the highest number of votes shall fail to qualify within ten days after receiving notification of election, the office shall be deemed vacant.

If the incumbent receives the highest number of votes, he shall continue in office. The said method of removal shall be cumulative and additional to the methods provided by general law, and statutes of West Virginia.

DECIDING TIE VOTE.

Sec. 13. When two or more persons shall receive an equal number votes for councilman, or any other city office, such tie shall be decided by the council then in being.

CONTESTED ELECTIONS.

Sec. 14. All contested elections shall be heard and determined by the common council for the time being; and the contest shall be made and concluded in the same manner as provided for in contests for county and district offices; and the common council shall conduct the proceedings in such cases as nearly as practicable in conform with the proceedings of the county court in such cases.

VACANCIES IN OFFICE.

Sec. 15. Whenever a vacancy shall occur from any cause in the office of mayor, councilman, city attorney, city clerk, chief of the police, or any other elective office, the council shall immediately fill such office by a majority vote of the council, and such appointment shall hold until the next election.

APPOINTMENT OF OFFICERS, TERMS OF OFFICE, DUTIES OF THE CHIEF OF THE POLICE AND CITY COLLECTOR AND TREASURER.

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, power or jurisdiction which is or shall be bested in the city, or in the council or mayor, or in any office or body of officers thereof, and to grant such officers so appointed the power necessary or proper to collect all taxes levied and assessed by the council of said city, and all other assessments and money due the said city; and for the purpose shall have the power to distrain and sell property for the enforcement of such payment. And the said council shall, by ordinance, define the duties of all officers so elected or appointed as aforesaid, and allow them a reasonable compensation, which

compensation shall not be increased or diminished during their term in office, and shall require and take from all such officers of said city whose duty it is to receive funds, assets or property, or to have charge of the same, any such bonds, obligations and other writings as they shall deem necessary or proper to insure the faithful performance of their said duties. All officers so elected or appointed by the council shall hold their said office or appointment during the will and pleasure of said council, but no appointee shall hold said office beyond the current or fiscal year for which he shall have been appointed, unless he shall have again been appointed by said council. All officers so appointed or elected may be removed from office by a majority vote of the council, for malfeasance, nonfeasance or misfeasance in office. The chief of the police shall have all power, rights and privileges within the corporate limits of said city in regard to the arrest of persons, and the execution and return of process, that can be legally exercised by a constable of the district within the same, and he and his surety upon his official bond shall be liable to all fines, penalties and forfeitures that a constable is legally liable to, for any failure or dereliction in his office, to be recovered in the same manner, and in the same courts that the same fines, penalties and forfeitures are now recoverable against such district constable. It shall be the duty of the city collector and treasurer to collect all city taxes, licenses, levies, assessments and such other claims as are properly placed in his hands for collection by the council and he may distrain and sell for such taxes and assessments, and have in all other respects the same power as a sheriff of a county to enforce the payment and collection thereof. All officers appointed by the council must be residents of the said city at the time of their appointment, and a removal from said city shall vacate their said office.

QUALIFICATIONS OF OFFICERS

SEC. 17. All officers elected and appointed under this act shall each, before entering upon the duties of his office, and within ten days from the time of his election or appointment, give bond as required by council, take and subscribe an oath faithfully and impartially to discharge the duties of his office, and the oath to support the constitution of the United States, and the constitution of the state of West Virginia. The mayor having taken such an oath, may administer the same to the other councilmen and other officers, and certificates of said oaths shall be recorded in the journal kept by the council.

FAILURE TO QUALIFY

SEC. 18. If any one who shall have been duly elected mayor, councilman, or to any other office herein provided for, shall not have been eligible as herein prescribed, or shall refuse or fail to take the oath required under this act, within the time prescribed, the council for the time being shall declare his office vacant and proceed to fill said vacancy by appointment as herein provided.

SEC. 19. The elective officers shall enter upon the duties of their office within two weeks after they shall have been elected and shall continue therein until their successors are duly elected or appointed and qualified.

DUTIES OF MAYOR

SEC. 20. The mayor shall be the chief executive officer of the said 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 that he shall have no jurisdiction in civil cases. 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 policeman for cause; and it shall be his duty to see that the peace and good order of the city are preserved; and that persons and property therein are protected; and to this end he may cause the arrest and detention of all riotous and disorderly persons in said city before issuing his warrant therefor. He shall have the power to issue executions for all fines, penalties and costs imposed by him or he may require the immediate payment thereof, and on default of such payment thereof, may commit the offending party to the jail of Brooke county or other place of imprisonment in such corporation, if there be one, until the fine or penalty and costs shall be paid, but the term of imprisonment in such case shall not exceed thirty days. In all cases where a person is sentenced to imprisonment, or to the payment of a fine of \$10.00 or more, (and in no case shall a judgment for a fine of less than \$10.00 be ordered or given by the mayor, if the defendant, his agent or attorney, object thereto,) such person shall be allowed an appeal from such decision to the circuit court of Brooke County, upon the execution of an appeal bond, with surety deemed sufficient by the mayor, in a penalty double the amount of the fine and costs imposed by the mayor, with condition that the person proposing to appeal will perform and satisfy any judgment which may be rendered against him by the circuit court of said county upon such appeal. If such appeal be taken, the warrant of arrest, (if there be any) the transcript of the judgment, the appeal bond and other papers of the case, shall be forthwith delivered by the mayor to the clerk of said circuit court; and the said court shall proceed to try such case in its order, and render such judgment, including that of costs, as the law and evidence may

require, but no judgment shall be rendered against said city for costs on such appeal.

SEC. 20a. The mayor from time to time recommend to the council such measures as he may deem needful for the welfare of the city. The expense of maintaining any person committed to the jail of the county, or to any place of imprisonment in said city, by him, except it be to answer an indictment, or be under provisions of section two hundred and twenty-seven and two hundred and twenty-eight of chapter fifty of the code of West Virginia, shall be paid by said city. Said mayor shall pay all moneys received by him for fines or by virtue of his office, belonging to said city collector and treasurer of the city within one week after he receives the same. He shall receive a compensation for his services, to be fixed by the council, exclusive of fees, and which shall not be increased or diminished during his term in office.

DUTIES OF THE CITY CLERK

SEC. 21. The city clerk shall keep a journal of the proceedings of the council, and have charge of an preserve, the records of the city, in the building safe or vault, if there be one. In the absence from the city of, or in the case of sickness or inability of the mayor, or during any vacancy in the office of the mayor, the city clerk shall perform the duties of the mayor which pertain to him as the chief executive of said city, and be vested with all powers necessary for the performance of such duties. He shall be conservator of the peace within the city.

SOLICITOR.

SEC. 22. It shall be the duty of the city attorney or solicitor, to prepare, when directed by council, all ordinances for the city, to represent the said city in all matters and proceedings in any court in which the said city is interested; and he shall receive a compensation for his services, to be fixed by the council.

CHIEF OF POLICE.

SEC. 23. It shall be the duty of the chief of the police to preserve order and quiet in said city and to see that all subordinate police officers faithfully perform their official duties, and he may for good cause appearing to him, for neglect of duty or insubordination, suspend any such officer from duty, and report his actions and his reasons therefor, to the next regular meeting of council for action thereon; he shall make a list of all dogs within said city to tax, collect the license tax thereon and pay the same to the clerk, as may be provided by ordinance of said city; he shall be present in the police court whenever the same shall be in session, and see that all its orders and requirements are properly executed; he shall, with the consent of the council entered of record but not otherwise, appoint one or more policemen as the council may determine; he shall, before entering upon the discharge of his duties, execute a bond conditioned for the faithful performance by him of the duties of his office, and for the accounting for and paying over, as required by law, of all money which may come into his hand by virtue of his office, with sureties to be approved by council, said bond to be in the penalty of not less than one thousand dollars, nor more than three thousand five hundred dollars, as the council may prescribe; he shall receive such compensation as may be fixed by council, which cannot be increased or diminished during his term in office.

SEC. 23a. In case a violation of any ordinance of said city is committed in the presence, or within view of the chief of police or other officer, the offender may be forthwith apprehended and taken before the mayor, and a complaint under oath, stating such violation, there lodged and filed; and thereupon such offender may be tried and dealt with according to law, without summons. The chief of police shall execute within the county of Brooke, when directed to him, any process properly issued by the mayor in proceedings for the enforcement of ordinances; and shall collect by levy of execution or otherwise, and duly account for all fines assessed and costs imposed in such proceedings. He shall also have the right and powers, within said city, in regard to the arrest of persons, the collection of claims and executions and the return of process, that are or may be lawfully exercised by a constable of a district within the same, and shall be entitled to the compensation therefor; and he and his sureties upon his official bond shall be liable to all fines, penalties and forfeitures for which a constable is liable, for any dereliction of duty in office, to be recovered in the same manner and in the same courts that such fines, penalties and forfeitures are recovered against constables. He shall pay over all fines or sums collected by him to the clerk forthwith.

QUORUM.

SEC. 24. The presence of a majority of the council shall be necessary to make a quorum for the transaction of business.

RECORDS OF COUNCIL.

SEC. 25. The council shall cause to be kept by the city clerk, in a well-bound book to be called the journal, an accurate record of all the proceedings, ordinances, acts, orders and resolutions, and in another book, to be called the book of ordinances, accurate copies of all general ordinances adopted by the council, both of which books shall be completely indexed and be open to the inspection of any citizen of the city of

rollansbee, or any one required to pay taxes therein, or who may otherwise be interested. All oaths of office and bonds of the officers of said city, and all papers of the council shall be endorsed, filed and securely kept by the said city clerk. The bonds of office shall be recorded in a well bound book to be called the record of bonds. Said city clerk shall perform all such duties as may be ordinance of the council be prescribed. Said council may bind and print in pamphlet form all the general ordinances of said city, and transcripts of such 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 before any court or before any justice.

VOTE OF MAYOR.

SEC. 27. The mayor shall have a vote on all questions and shall decide all ties.

MEETINGS OF COUNCIL.

SEC. 28. The meetings of the council shall be held at such place in said city and at such time as they shall from time to time ordain and appoint, but it shall be lawful for the council by ordinance, to vest in any officer of said city, or in any member or number of members of their own body, the authority to call special meetings; and it shall prescribe by ordinance the mode in which notice of such meetings shall be given, and no business shall be transacted at such special meeting unless a majority of all members of the council shall be present, except that a less number may compel the attendance of absent members under such reasonable penalties as they may think proper to impose.

MONEY OF THE CITY TO BE PAID TO CITY COLLECTOR AND TREASURER.

SEC. 29. All moneys belonging to the city shall be paid over to the city collector and treasurer; and 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.

WARD REGULATIONS.

SEC. 30. The Council shall adopt all needful and just ward regulations, whether general or special, for the good of the citizens thereof; and shall, also, authorize street expenditures in the several wards as equity and justice shall deem proper, and may authorize the collection of a special tax for a special purpose.

WHEN MONEY OF THE CITY CAN BE APPROPRIATED..

SEC. 31. No money shall be appropriated and no debt shall be contracted for any purpose whatever, except that the funds to meet the same shall have been first provided by levy, duly laid in accordance with the provisions of chapter nine of the one thousand nine hundred and eight acts of the legislature of West Virginia; and no contract shall be entered into involving or anticipating future levies, unless all questions connected with the same shall have been first submitted to a vote of the people and have received three-fifths of all the votes cast for and against the same.

POWERS AND DUTIES OF COUNCIL

SEC. 32. The council of said city shall have power to lay off, vacate, close, open, alter, grade and keep in good repair, the roads, streets, alleys, pavements, sidewalks, crossings, cross-walks, drains and gutters therein for the use of the citizens and the public, and to improve and light the same, and to keep them free from obstructions of every kind; to regulate the width of the pavements, sidewalks, foot-ways, drains and gutters to be kept in good order, free and clean, by the owners or occupants of the real property next adjacent thereto; to establish and regulate markets, prescribe the time for holding the same, provide suitable and convenient buildings therefor; and prevent the forestalling of such markets; to prevent injury and annoyance to the public or to individuals from anything dangerous, offensive or unwholesome; to regulate or prohibit slaughter houses, tan houses and factories within the corporate limits; and to prohibit or regulate the exercise of any offensive business, trade or employment; to abate all nuisance within the corporate limits, and to require or compel the abatement or removal thereof at the expense of the person causing the same, or by or at the expense of the owner of the ground at the place they are found; to cause to be filled up, raised or drained by or at the expense of the owner, any city lot or tract of land covered or subject to be covered by stagnant water; to prevent horses, hogs, cattle, sheep and other animals and fowls of all kinds from going or being at large in said city, and as a means of prevention, said council may provide for the impounding and confining of said animals and fowls, and, upon the failure to reclaim, for the sale thereof; to protect places of divine worship and preserve order in and about the premises where such worship is held; to protect places of public instruction and schools, and to preserve order in and about all the school buildings; to regulate the keeping of gunpowder and other dangerous explosives and substances; to protect places of lawful assemblies; to regulate the building of houses and other structures; for the maintaining and making of division fences by the owners of adjacent premises; for the

proper draining of the city lots and other parcels of land by or at the expense of the owner or occupant thereof, when such drainage shall be deemed necessary for the protection of the public health; to provide against danger or damage by fire; to punish assault and batteries, gaming resorts and gambling devices of every kind and character; including slot machines; to prohibit the keeping of or loitering in, or visiting houses of ill fame, or loitering by persons in a state of intoxication on the streets or congregating or loitering in saloons; to prevent lewd or lascivious conduct; the sale or exhibition of indecent pictures or other representations; the desecration of the Sabbath day, and to provide for its orderly and lawful observance; to protect the persons of those residing or being within the city; to appoint when necessary, a police force, permanent or temporary; to assist the police in the discharge of their duties; to prevent swearing, the illegal sale of intoxicating liquors, mixtures and other preparations, porter, beer, ale, wine or other drinks of like nature; to buy, purchase, lease, and to use a suitable place of imprisonment within the said city for safe keeping and punishment of persons charged with or convicted of the violations of ordinances; to erect, or authorize or prohibit the erection of gas or water works within the city limits; to prevent the injury of such works, or the pollution of any gas or water used or intended to be used by the people or by individuals; to provide for the cleanliness and healthfulness of all rivers or streams within the city limits; to provide for regulate the measuring and weighing of hay, coal, lumber, or any and all other articles sold or kept or offered for sale within said city, and to establish rates and charges for the use thereof; to create by ordinance such committees and boards and delegate thereto such authority as may be deemed necessary or advisable; to regulate the running speed of engines and cars, and vehicles of every kind and character within said city, and to prohibit any such vehicle from standing on street crossings; to provide for the annual assessment of taxable property within said city, including dogs kept therein, and to prevent their running at large; to provide for a revenue for the city for municipal purposes and appropriate such revenue to its expenses; and generally to make such measures as may be deemed necessary or advisable to protect the property, public and private, within said city; to preserve and maintain the peace, quiet and good order within said city; to preserve and promote the health, safety and well-being of the inhabitants thereof.

SEC. 32a. The said council shall have authority to pass all ordinances (not repugnant to the constitution of the United States or to the constitution and laws of the State of West Virginia, or to this act, which shall be necessary or proper to carry into full force and effect the authority and jurisdiction which is or shall be granted to or vested in said city, or in the council thereof, or in any officer or body of officers of said city, and to enforce any and all ordinances by reasonable fines and penalties, and by imprisonment; and upon failure to pay any fine or penalty imposed, by compelling the defaulting party to labor without compensation at any of the public works or improvements undertaken, or to be undertaken by said city, or to labor at any work which said city lawfully employ labor upon, at such rate per diem as the council may fix, but not at a less rate than is fixed by said council for like labor for other employees of said city until any fine or fines imposed upon any such offender or offenders, by said city, shall have been fully paid and discharged, after deducting charges of support while in the custody of the officers of said city; Provided however, that no fines shall be imposed exceeding one hundred dollars, and that no person shall be imprisoned or compelled to labor as aforesaid more than thirty days for any offense. The jurisdiction of said city for police and criminal purposes shall extend one mile beyond the corporate limits of said city in all directions.

SEC. 32-b. In addition to the powers already enumerated, the said city council shall have power to order elections for bonding the city as provided by chapter forty-seven of the code of West Virginia of one thousand nine hundred and thirteen, purchase, build, construct and maintain plants and erect buildings, or other necessary structures, with equipments for furnishing the city or its inhabitants, for public or private consumption at a reasonable cost to the latter, with gas or other material, for both fuel and illuminating purposes, and electric or other lights for the lighting of its streets and alleys, and public and private buildings, to construct, improve, extend and expand water works for said city, and to construct or contract for and to own an adequate supply of pure, healthful water for said city, and its inhabitants, for public and private consumption, and do all things necessary to secure to said city, and its inhabitants, an adequate supply of pure and wholesome water, and to provide, contract for and construct an adequate sewerage system for said city.

LICENSES.

SEC. 33. Whenever anything for which a state license is required is to be done within said city, the council may require a city license therefor, and may impose a tax thereon for the use of the said city.

SEC. 34. The council of said city shall have authority within said city to require and grant licenses to owners of horses, hacks, carts, wagons, drays, bicycles, automobiles, and every description of wheeled vehicles and carriages kept for hire and levy and collect taxes thereon, and subject the same to such regulations as the interests and convenience of the inhabitants of said city, or the protection of paved streets in the opinion of the council shall require; also to license and tax hawkers, auctioneers, junk dealers and peddlers within said city, and persons who temporarily station themselves upon a street to sell or exhibit articles, and all butchers and vendors of meats, fruits or vegetables on the streets of the city may be required by the council to take out a license therefor. But nothing herein contained shall be construed to require any inhabitant of the county of Brooke to obtain a city license for the purpose of selling to the inhabitants of said city any meat, fruit or vegetables raised or produced by such inhabitant with said county. No license to permit the permanent occupancy for private use of an open street, alley or public square, or any part thereof, or a use for private purposes that obstructs the free use of the streets, shall be given or granted. And said council shall have the authority, by city ordinance, to grant or refuse to grant a license to keepers of hotels, inns, taverns and boarding-houses, but no license shall be granted for anything prohibited by a state law.

FRANCHISES.

SEC. 35. Franchises shall be granted by the council, allowing to persons or corporations, for a limited time such occupancy of portions of the street as may be necessary for works of public utility and service, such as steam railway tracks, street railway tracks, poles and trolley wires, telephone and telegraph poles and subways, electric light and other electric poles, wires, and subways, and gas and steam pipe lines. But no such franchise shall hereinafter be granted except under the following restrictions:

FIRST. No ordinance granting any franchise for the use of the streets, alleys or public grounds for the city for any of the purposes of public utility above named, or for any other purpose of like nature, shall be passed unless it shall have been first proposed in the council and notice of the object, nature and extent of such franchise shall have been published at least thirty days, by the applicant, in some newspaper published in the city of Follansbee, Brooke County, before being acted upon, and shall have received a vote of the majority of the members of the council at a regular meeting after said publication. The votes thereon shall be taken by ayes and noes, and the same entered upon the journal. No such ordinance shall take effect until the expiration of twenty days after its passage, and if within the said twenty days a petition be filed with the city clerk signed by one-fifths of the qualified voters of the said city, based upon the number of votes cast at the last election, requesting it, the council shall submit such ordinance to the qualified voters of the city for ratification or rejection, at a special election to be held for that purpose within forty-five days after such petition is presented, and the votes for ratification and for rejection cast at such election shall be entered upon the journal. If a majority of the votes cast at such election shall be in favor of ratification, then such ordinance shall take effect from the time the vote is entered upon the journal.

SECOND. Every grant of any such franchise shall be for a limited period of time. If no limit be expressly provided in the grant, the franchise shall be valid for one year only. In no case shall the franchise extend for a period exceeding thirty years.

THIRD. No grant of any such franchise shall be made without, at the time of making it, provided that the grantee shall indemnify the city against all damages caused by the construction of such work. All reasonable additional provisions and conditions may be made for the protection of the public from unnecessary damage or inconvenience by reason of such works and the operation thereof.

FOURTH. No grant of any franchise shall be made without at the time of making it, providing that the city shall receive in consideration thereof a compensation, to be paid annually during the whole life of said franchise; provided, however, that the principal of competition shall be employed by the council, where it is offered, so that the franchise, with prescribed terms and conditions as to its extent, and as to the rates to be charged to the public by it for its service, will be given to the person or corporation bidding or agreeing to pay therefor to the city the highest compensation, or so that the

franchise, with prescribed conditions as to its extent, and the compensation that must be paid therefor, will be given to the person or corporation that will agree to render services to the public at the lowest rates.

FIFTH. No grant of a franchise or the extension of, or an addition to, any line such work, over any additional street or territory of the city, shall be made for a period extending beyond the time limited for the expiration of the franchise of the principal work of which it is an extension; and if the franchise of the principal company or work is one which was granted before this act goes into effect, and is not limited as to time, the franchise granted for the extension or addition shall never the less be made subject to the conditions hereof, including a time limit of not exceeding thirty years. If a franchise be secured from the city by an individual or by an independent or new company, and the work constructed thereunder afterwards becomes a part of it, or be operated as a part of a larger work of the same kind whose franchise was previously obtained and is limited to expire earlier, such later franchise shall, by reason of such annexation, merger, or single operation, expire simultaneously with such earlier franchise.

SIXTH. The council shall, in suitable, practicable terms, make it an express condition of the grant of any such franchise where it is for a work that is useful chiefly to the local public, that at the expiration of such franchise, the grantee shall, if required by council, sell to the city the physical plant, at what it is then worth, independent of any value based upon the earning power thereof, and may also provide a means by arbitration or otherwise for determining what such value of that plant may be.

INCREASE OF CORPORATE LIMITS

SEC. 36. Any twenty-five or more, free holders residing in said city, desiring to increase the corporate limits thereof, may file their petition in writing with the council thereof, setting forth the changes proposed in the metes and bounds of said city, and asking that a vote be taken upon the proposed change. The council shall thereupon order a vote of the qualified voters residing in said city to be taken upon the proposed change, at a time and place therein to be named in the order, not less than twenty nor more than thirty days from the date thereof. The said council shall at the same time order a vote of all such voters owning any part of such territory, whether they reside therein or not, to be taken upon question, on the same day and at some convenient place at or near said additional territory, which vote shall be taken, superintended and conducted, and the result thereof ascertained, certified, and returned, in the same manner and by the same persons that elections for city officers are held, superintended, conducted, ascertained, certified and returned. The ballots cast on such question shall have written or printed on them the words, "For Increase of Corporate Limits", or "Against Increase of Corporate Limits", as the voter may choose. If a majority of all votes so cast in said city, and a majority of all the votes cast by persons residing on or owning any part of the additional territory proposed to be included in said city limits, be in favor of the proposed change, the city limits shall be as proposed by such petition from the entry of the order provided for the following section.

SEC. 37. The council of said city shall enter the result of such vote upon its minutes and when the change proposed is adopted, as provided in the next preceding section, they shall certify the same to the circuit court of Brooke County, and said court shall enter an order in substance, as follows: "A certificate of the council of the City of Follansbee was this day filed, showing that the corporate limits of the said City of Follansbee have been increased in the manner required by law, and by such change the corporate limits are as follows: Beginning at (and here the said order shall recite the boundary as changed). It is therefore order that said increase in said corporate limits be, and same is hereby approved and confirmed, and the clerk of the court is directed to deliver to the said council a certified copy of this order as soon as practicable after the rising of this court," and, from and after the date of such order, the corporate limits of said city shall be as set forth therein.

MAYOR'S RECORD OF CASES TRIED.

SEC. 38. A book, well bound and indexed, to be denominated the "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 summons, the return, the fact of appearance or non-appearance, the defense, the hearing, the judgment, the costs, and in case the judgment be one of conviction, the action taken 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; and the mayor shall deliver to his successor the docket and all books and papers pertaining to his office.

BOARD OF HEALTH.

SEC. 39. The council shall have power to appoint and constitute a board of health, consisting of one reputable physician, and two of its own members, which said board of health under the supervision and with the approval of said council, shall have full power to make all needful rules and regulations for the keeping and maintain of the said city in proper and healthful condition; and when such board of health shall have been duly elected and organized, it shall have exclusive control of all matters relating to the public health within the city limits.

LIENS UPON REAL ESTATE FOR CITY TAXES.

SEC. 40. There shall be a lien upon real estate within said city for city taxes assessed thereon and for all fines and penalties assessed to or imposed upon the owners thereof by the authorities of said city from the time the same is so assessed or imposed which shall have priority over all other liens, except the lien for taxes due the state and county, and which 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 non-payment of the taxes thereon, a copy of such delinquent list may be certified by the council to the auditor, and the same may be sold for city taxes interest and commission thereon, in the same manner, at the same time, and by the same officers as real estate is sold for state taxes.

DUTIES OF CITY COLLECTOR AND TREASURER.

SEC. 41. It shall be the duty of the city collector and treasurer to receive one copy of the assessor's book, receipting the council for the same, and for the taxes therein extended, and it shall be his duty to collect from the parties the entire amount of taxes with which they are severally charged from and after the 1st day of October, in each year, until the first day of June, of the following year, and he shall in said book write the word "Paid" opposite the name of the person so paying, and shall also receipt to said tax payer for the taxes so paid.

SEC. 41-a. He shall also receive such other moneys of the city as he is authorized by this chapter to receive, and all moneys ordered paid to him by the council, giving receipts to the parties paying, and shall keep an accurate account of the same, and his books at all times shall be open for the inspection of any taxpayer or attorney of the city and he shall produce said books to said council for inspection at any meeting thereof upon order of said council.

SEC. 41b. He shall, on or before the first Monday in April of each year, furnish to the council, a full, complete and detailed statement of all moneys of which he is chargeable, or may have been received by him, up to the first day of April of that year, and shall, at any time in like manner, furnish a statement of all disbursements made by him during such previous year, with vouchers evidencing the same. He shall, upon the order of the council, at any time, submit a statement of amount of which he chargeable and his disbursements.

SEC. 41-c. He shall receive all taxes upon licenses and receipt to the party paying the same, by the endorsement upon the permit granted by order of council, which permit shall be furnished him by the city clerk, and charge himself with the amount so received, and report to the council at its next regular meeting the amount so received by him.

SEC. 41-d. He shall, upon all moneys coming into his hand as such city collector and treasurer, and on all moneys duly paid or turned over to him upon orders of the council, receive as compensation therefor a sum to be fixed by the council, not exceeding five per centum of the amount so collected.

SEC. 41-e. He shall, upon the expiration of his term of office, turn over to the council all moneys, books and other property in his possession belonging to the said city; and shall, before entering upon the duties of his office, execute a bond with good security, payable to the city of Follansbee, in the penalty of not less than five thousand dollars, conditioned for the faithful performance of the duties of his office, and for the accounting for and paying as required by law of all money which may come into his hands by virtue of his office, and the said city collector and treasurer shall be chargeable with all of the city taxes, levies and assessments, and all money of the city that may come into his hands, and shall account therefor.

APPLICATION FOR LICENSE AND EXPIRATION OF SAME.

SEC. 42. The council shall prescribe by ordinance therein stating what licenses of all kinds shall be applied for and which may be granted, the term of their extension, and shall require the payment of the taxes thereon before the delivery thereof to the applicant.

STATE LAW RELATING TO LICENSE.

SEC. 43. The general provisions of the state law, as embodied in the code of West Virginia, relating to state licenses, shall be deemed applicable to licenses of a similar character therein mentioned, when granted by or under the authority of the council of the City of Follansbee.

DOG LICENSES.

SEC. 44. Licenses for the keeping of dogs shall expire on the thirtieth day of April next after they are granted, and all other license may be for such time as the council may determine.

CONDEMNATION OF REAL ESTATE.

SEC. 45. The council shall have the right to institute proceedings in the name of the City of Follansbee for the condemnation of real estate for streets, alleys, drains, market grounds, city buildings, or other work or purpose of public utility. Such proceedings shall conform to the provisions of chapter forty-two of the code of West Virginia of one thousand nine hundred and thirteen, and the expense thereof shall be borne by the said city.

EXISTING OFFICERS.

SEC. 46. The regularly elected council, being in at the time this act shall take effect, shall appoint and provide a place or places for voting in the said city as herein prescribed, for the election herein provided for to be held in said city, and appoint election officers thereof, and shall pass all proper ordinances and orders to give this act full force and effect.

EXISTING RIGHTS, POWERS and RESPONSIBILITY OF THE CITY.

SEC. 47. The said city shall succeed to all rights, powers and responsibility of the City of Follansbee, and all regularly elected officers of said city acting as such at the time of this act taking effect, shall continue in office until the first Monday in hereinafter mentioned to be elected, are elected or appointed and have qualified to exercise the powers, perform the duties, and receive the compensation heretofore conferred, prescribed and allowed by general law or by ordinance of said city. Such ordinances in force at the time referred to shall continue to have full force and effect, as ordinances of the City of Follansbee until amended, repealed or suspended by the council of said City of Follansbee.

CONTINUATION OF GENERAL LAW.

SEC. 48. All acts or parts of acts inconsistent with this act are hereby repealed, but this act shall not be construed to repeal, change or modify any previous acts not inconsistent with this act, or to take away any powers heretofore conferred upon the city of Follansbee, or upon the mayor, or council, or any officer thereof, conferred by the general law, except so far as the same may be inconsistent with the powers hereby conferred.

AMENDMENT HOUSE BILL #232.

AN ACT to amend and re-act Sections 11 and 12A and by addition of Section 32C of the Acts of the Legislature of West Virginia passed February 16th, one thousand nine hundred fifteen in reference to the charter to the City of Follansbee.

Be it enacted by the Legislature of West Virginia that Sections 11 and 12A of the Charter of the City of Follansbee, and by addition of Section 32C, to be amended and re-enacted so as to read as follows:

WHO ARE VOTERS.

Sec. 11. Every male and female person residing in said city shall be entitled to vote for all officers to be elected under this act; but no person who is a minor, or of unsound mind, or a pauper, or who receives aid from the treasury of said city, or who is under conviction for treason, felony or bribery in an election, or who has not resided in this state for one year, and in this city for six months prior to the election, and is not a bonafide resident of the ward in which he offers to vote, shall be entitled to vote at any election.

12-A. Candidates to be voted for at all general municipal elections at which a mayor, city attorney, city clerk, Chief of Police, City Collector and Treasurer, and Councilmen from each ward are to be elected under the provisions of this act, shall be nominated by a primary election, (the said Mayor, City Attorney, City Clerk, Chief of Police and City Collector and Treasurer shall be nominated and elected at large and the said Councilmen shall be nominated from their respective wards) and no other names shall be printed upon the general ballot, except those selected in the manner hereinafter prescribed.

The primary election for such nominations shall be held on the first Tuesday in March preceding the general municipal election. The judges of election shall be appointed by council for the general municipal election, who shall be the judges of the primary election, but said election officers shall have first been recommended by a majority vote of all candidates at least ten days preceding the said primary election and all primary and general elections shall be held at the same place, so far as possible, and the polls shall be opened and closed at the same hours.

Any person desiring to become a candidate for Mayor, City Attorney, City Clerk, Chief of Police, City Collector and Treasurer or Councilman, shall at least ten days prior to said primary election, file with the City Clerk (now Recorder) a statement of such candidacy, in substantially the following form:

State of West Virginia, Brooke County, ss:

I, _____, being first duly sworn, say that I reside at _____ Street, City of Follansbee, County of Brooke, State of West Virginia; that I am a qualified voter therein; that I am a candidate for nomination to the office of (Mayor, City Attorney, City Clerk, Chief of Police, City Collector and Treasurer or Councilman from first, second or third ward) to be voted upon at the primary election to be held on the _____ Tuesday of _____ 197____. and I hereby request that my name be printed upon the official primary ballot for nomination by such primary election for such office.

Signed _____

Subscribed and sworn to (or affirmed) before me by _____ on this _____ day of _____ 19____.

Signed _____

and shall at the same time file therewith the petition of at least ten qualified voters requesting such candidacy. Each petition shall be verified by one or more persons as to the qualifications and residence, with street number, of each person so signing the said petition, and the said petition shall be in substantially the following form:

PETITION ACCOMPANYING NOMINATING STATEMENT.

The undersigned, duly qualified electors of the City of Follansbee, and

that the name of (name Candidate) be placed on the ballot as a candidate for nomination for (name of office) at the primary election to be held in said city on the _____ Tuesday of _____ 19_____. We further state that we know him to be a qualified elector of said city and a man of good moral character, and qualified, in our judgment for the duties of such office.

Name of qualified Electors. Number. Street.

Immediately upon the expiration of the time of filing the statements and petitions for candidates, the said City Clerk (now Recorder) shall cause the primary ballots to be printed, authenticated with a fac-simile of his signature. Upon the said ballot the names of the candidates for Mayor, arranged alphabetically, shall first be placed, with a square at the left of each name, immediately below the words "vote for one". Following these names, likewise arranged in alphabetical order, shall appear the names of the candidates for City Attorney, City Clerk, Chief of Police, City Collector and Treasurer, with a square at the left of each name, and below the names of such candidates shall appear the words "Vote for one"; following likewise arranged, shall appear the names of the candidates for councilmen in each ward with a square at the left of each name, and below the names of such candidates shall appear the words "Vote for one or two", according to the number of councilmen to be elected in said ward.

The ballots shall be printed upon plain, substantial white paper and shall be headed:

"Candidates for Nomination for Mayor, City Attorney, City Clerk, Chief of Police, City Collector, and Treasurer and Councilmen for the _____ Wards of the City of Follansbee, at the Primary Election, "but shall have no party designation or mark whatever. The ballots shall be in substantially the following forms:

(Place a cross in the square preceding the names of the parties you favor as candidates for the respective offices.)

OFFICIAL BALLOT

Candidates for nomination for Mayor, City Attorney, City Clerk, Chief of Police, City Collector and Treasurer and Councilmen for the _____ Ward of the City of Follansbee, at the primary election.

For Mayor
Name of candidates
(vote for one)

For City Attorney
Name of candidates
(vote for one)

For City Clerk
Name of candidates
(vote for one)

For Chief of Police
Name of candidates
(vote for one)

For City Collector and Treasurer
Name of candidates
(vote for One)

For Councilman
Name of candidates
(Vote for one or two as the case may be)
Official ballot, attest.

Signature _____ City Clerk.

Judges of election shall, immediately upon the closing of the polls, count the ballots and ascertain the number of votes cast in such precinct for each candidate, and make return thereof to the City Clerk before nine o'clock A.M. of the following

day, On the day following said primary election the council shall canvass said returns so received-from all the polling precincts, and shall make and publish in all the newspapers of said city at least once the result thereof. Said canvass shall be publicly made.

The two candidates receiving the highest number of votes for Mayor, City Attorney, City Clerk, Chief of Police, City Collector and Treasurer, shall be the candidates and the only candidates whose names shall be placed upon the ballot for the said offices at the next succeeding general election, and at the first election to be held under this charter, the four candidates receiving the highest number of votes for councilmen in each ward shall be the candidates and the only candidates at said first election, and at all other general elections at which said officers shall be elected, and the two candidates receiving the highest number of votes for councilmen in each ward, shall be the candidates and the only candidates whose names shall be placed upon the ballot for councilmen at such municipal election, unless there should be two members of council to elect from any of said wards, then the four candidates receiving the highest number of votes shall be placed upon the ballot for councilmen at such election. In the event of the death or resignation of a nominee before the election, the candidate receiving the next highest number of votes at the primary shall be placed on the ticket in his stead.

The ballot at such general municipal election shall be in the same general form as for such primary election, so far as applicable, and all elections in said city, of whatsoever kind, held under this act, shall be conducted, returned and the result thereof ascertained and declared in the manner prescribed by the laws of the state relating to elections, in so far as they are not in conflict or inconsistent with the provisions of this act.

Section 32C. And the members of said Council shall receive as compensation, the sum of Two (\$2.00) Dollars, for each and every meeting of said Common Council.

Originated in the Takes effect Passage.

Clerk of the House of Delegates.

Clerk.

CORRECTLY ENROLLED

Chairman Senate Committee.

Chairman House Committee.

ENROLLED BILL

(H. B. No. 305)

[Passed March 24, 1925; effective from passage.]

AN ACT to amend and re-enact the acts of the legislature of West Virginia, known as chapter five of the acts of one thousand nine hundred and fifteen entitled "The City of Follansbee" and to re-enact and amend the amendment to said chapter five of the acts of the legislature of one thousand nine hundred and fifteen as amended and re-enacted by the acts of the legislature of one thousand nine hundred and twenty-one, chapter nine; and to amend and re-enact sections eight and twelve-a of the charter of the City of Follansbee.

Be it enacted by the Legislature of West Virginia:

That sections eight, twelve-a, twenty-three-b, forty-eight-a and forty-eight-b of the charter of the City of Follansbee be amended and re-enacted to read as follows:

Officers

Section 8. The officers of the said city shall be a mayor, six
 2 councilmen, city attorney, city clerk, chief of police, city col-
 3 lector and treasurer and a city manager. The mayor and three
 4 of said councilmen (the three other councilmen of said city
 5 holding over until the next election as provided by the charter
 6 of the City of Follansbee) city attorney, city clerk and chief of
 7 police shall be elected on the Tuesday after the third Monday in
 8 March, one thousand nine hundred and twenty-seven, and every
 9 two years thereafter, by the qualified voters of the said city, who
 10 shall hold their respective offices for two years, and until their
 11 successors shall be duly elected and qualified.

12 The city manager, collector and treasurer shall be appointed
 13 by the council, and the said offices of city manager and city
 14 collector and treasurer may be at the option of said city council
 15 held by the same person or may be held by separate appoint-
 16 ments as the said city council may deem best; and no person
 17 shall be elected to any office or retain and hold the same who
 18 shall be or become an officer or employee of any person, firm
 19 or corporation holding any franchise or contract under or with
 20 said city, and the said council of said city shall fix the compen-

CORRECTLY ENROLLED

Chairman Senate Committee.

Chairman House Committee.

21 sation of all elective and appointive officials and employees of
22 said city.

Mode of Voting

Sec. 12-a. Candidates to be voted for at all general municipal
2 elections at which a mayor, city attorney, city clerk, chief of
3 police and councilmen from each ward are to be elected under the
4 provisions of this act, shall be nominated by a primary election
5 (the said mayor, city attorney, city clerk, chief of police shall
6 be nominated and elected at large and the said councilmen
7 shall be nominated and elected from their respective wards),
8 and no other names shall be printed upon the general ballot,
9 except those selected in the manner hereinafter prescribed.

10 The primary election for such nomination shall be held on
11 the first Tuesday in March preceding the general municipal
12 election. The judges of election shall be appointed by council
13 for the general municipal election, who shall be the judges of the
14 primary election, but said election officers shall have first been
15 recommended by a majority vote of all candidates at least ten
16 days preceding the said primary election and all primary and
17 general elections shall be held at the same place, so far as pos-
18 sible, and the polls shall be opened and closed at the same hours.

CORRECTLY ENROLLED

..... Chairman Senate Committee.

..... Chairman House Committee.

CORRECTLY ENROLLED

.....
Chairman Senate Committee.

.....
Chairman House Committee.

19 Any person desiring to become a candidate for mayor, city
20 attorney, city clerk, chief of police or councilman, shall, at least
21 ten days prior to said primary election, file with the city clerk
22 (now recorder) a statement of such candidacy, in substantially
23 the following form:

24 STATE OF WEST VIRGINIA, BROOKE COUNTY, SS:

25 I, being first duly sworn
26 say that I reside at street, City of
27 Follansbee, county of Brooke, state of West Virginia; that I
28 am a qualified voter therein; that I am a candidate for nomina-
29 tion to the office of (mayor, city attorney, city clerk, chief of
30 police or councilman from first, second or third ward) to be
31 voted upon at the primary election to be held on the.....
32 Tuesday of....., 19....., and I hereby
33 request that my name be printed upon the official primary ballot
34 for nomination by such primary election for such office.

35 Signed

36 Subscribed and sworn to (or affirmed) before me by.....

37 on this

38 day of....., 19.....

39 Signed

40 and shall at the same time file therewith the petition of at least
41 ten qualified voters requesting such candidacy. Each petition
42 shall be verified by one or more persons as to the qualifications
43 and residence, with street number, of each person so signing
44 the said petition, and the said petition shall be in substantially
45 the following form:

46 PETITION ACCOMPANYING NOMINATING STATEMENT

47 The undersigned, duly qualified electors of the City of Fol-
48 lansbee, and residing at the places set opposite our respective
49 names hereon, do hereby request that the name of (name candi-
50 date) be placed on the ballot as a candidate for nomination for
51 (name of office) at the primary election to be held in said city
52 on theTuesday of.....

53 19..... We further state that we know him to be a qualified
54 elector of said city, and a man of good moral character, and
55 qualified, in our judgment, for the duties of such office.

56 Names of Qualified Electors. Number. Street.

57 Immediately upon the expiration of the time of filing the
58 statements and petitions for candidates, the said city clerk (now
59 recorder) shall cause the primary ballot to be printed, authen-
60 ticated with a *fac simile* of his signature. Upon the said ballot

CORRECTLY ENROLLED

.....
Chairman Senate Committee.

.....
Chairman House Committee.

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Chairman Senate Committee

.....
Chairman House Committee

61 the names of the candidates for mayor, arranged alphabetically,
 62 shall first be placed, with a square at the left of each name,
 63 immediately below the words "vote for one." Following these
 64 names, likewise arranged in alphabetical order, shall appear the
 65 names of the candidates for city attorney, city clerk and chief
 66 of police, with a square at the left for each name, and below the
 67 names of such candidates shall appear the words "vote for one;"
 68 following, likewise arranged, shall appear the names of the
 69 candidates for councilmen in each ward, with a square at the
 70 left of each name, and below the name of such candidates shall
 71 appear the words "vote for one or two," according to the num-
 72 ber of councilmen to be elected in said ward.

73 The ballots shall be printed upon plain, substantial white
 74 paper, and shall be headed:

75 "Candidates for Nomination for Mayor, City Attorney, City
 76 Clerk, Chief of Police and Councilmen for the
 77 Ward of the City of Follansbec, at the Primary Election," but
 78 shall have no party designation or mark whatever. The ballots
 79 shall be in substantially the following form:

80 (Place a cross in the square preceding the names of the
 81 parties you favor as candidates for the respective offices.)

CORRECTLY ENROLLED

.....
Chairman Senate Committee.

.....
Chairman House Committee.

82 OFFICIAL PRIMARY BALLOT.

83 Candidates for nomination for mayor, city attorney, city

84 clerk, chief of police and councilman for the

85 ward of the City of Follansbee, at the primary election.

86 For Mayor

87 Name of candidates

88 (Vote for one)

89 For City Attorney

90 Name of candidates

91 (Vote for one)

92 For Chief of Police

93 Name of candidates

94 (Vote for one)

95 For Councilman

96 Name of candidates

97 (Vote for one or two as the case may be)

98 Official ballot attest:

99 Signed.....City Clerk.

100 Judges of election shall, immediately upon the closing of the

101 polls, count the ballots, and ascertain the number of votes cast

102 in such precinct for each candidate, and make return thereof

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.....
Chairman Senate Committee.

.....
Chairman House Committee.

103 to the city clerk before nine o'clock A. M. of the following day.
104 On the day following said primary election the council shall
105 canvass said returns so received from all the polling precincts,
106 and shall make and publish in all the newspapers of said city
107 at least once, the result thereof. Said canvass shall be pub-
108 licly made.

109 The two candidates receiving the highest number of votes
110 for mayor, city attorney, city clerk, chief of police, shall be the
111 candidates and the only candidates whose names shall be
112 placed upon the ballot for the said offices at the next
113 succeeding general election, and at the first election
114 to be held under this charter, the four candidates
115 receiving the highest number of votes for councilmen in each
116 ward, shall be the candidates and the only candidates whose
117 names shall be placed upon the ballot for councilmen at said
118 first election, and at all other general elections at which said
119 officers shall be elected, the two candidates receiving the highest
120 number of votes for councilmen in each ward, shall be the
121 candidates and the only candidates whose names shall be placed
122 upon the ballot for councilmen at such municipal election,
123 unless there should be two members of council to elect from

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Enrolled H. B. No. 305] 9

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Chairman Senate Committee.

Chairman House Committee.

124 any of said wards, then the four candidates receiving the highest
125 number of votes shall be placed upon the ballot for councilmen
126 at such election. In the event of the death or resignation of a
127 nominee before the election, the candidate receiving the next
128 highest number of votes at the primary shall be placed on the
129 ticket in his stead.

130 The ballot at such general municipal election shall be in the
131 same general form as for such primary election, so far as
132 applicable, and all elections in said city, of whatsoever kind,
133 held under this act, shall be conducted, returned and the result
134 thereof ascertained and declared in the manner prescribed by
135 the laws of the state relating to elections, in so far as they are
136 not in conflict or inconsistent with the provisions of this act.

City Manager

Sec. 23-b. The city manager shall have general supervision
2 over the streets, alleys, sidewalks, drains and sewers of said city
3 and of the construction of any streets, alleys, sidewalks, drains
4 and sewers, and of making changes in the ones existing; and
5 shall see that the streets are properly lighted, pursuant to con-
6 tract. It shall be his duty to investigate all applications for
7 new streets, alleys, sidewalks, drains and sewers, and report the

8 same to the council with his recommendation in regard thereto.
9 He shall have general supervision of the construction of all
10 streets, alleys, sidewalks, drains and sewers and the planting of
11 trees and other improvements which may from time to time
12 be made in any public street or alley, and to this end, may by
13 and with the consent of the council, appoint such assistants as
14 are necessary in the faithful performance of his duties herein
15 conferred.

16 It shall likewise be his duty to report to the council every
17 obstruction found in any of the streets, alleys, sidewalks, drains
18 or sewers, in said city, and on such report the mayor shall
19 instruct the chief of police to summons the offender to show
20 cause why the same should not be removed at the expense of the
21 offender, and why a fine should not be imposed upon such an
22 offender for violation of such ordinance of said city in regard
23 thereto.

24 It shall likewise be the duty of said city manager to supervise
25 and protect all the buildings and other properties belonging to
26 said city and provide for the public heating, cleaning and light-
27 ing of said city building and look after the same, and he shall
28 have supervision of all the tangible property of said city and all

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.....
Chairman Senate Committee.
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Chairman House Committee.
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Enrolled H. B. No. 305] 11

29 the appliances used by the fire department of said city, and he
30 shall see to it that the same are properly taken care of and kept
31 in proper condition for use.

32 He shall also supervise the granting of building permits, and
33 see that all buildings erected in said City of Follansbee are
34 erected and constructed in accordance with the ordinances of
35 said city.

36 He shall also employ such unskilled labor as may be necessary,
37 fix their wages, with the consent of the common council of said
38 city, and have authority to terminate their employment at any
39 time.

40 He shall also perform such other duties as may properly
41 devolve upon him under this charter or be required of him by
42 ordinances or resolutions of the common council of said city.

Sec. 48-a. This act shall not become effective unless the same
2 is adopted by a majority of the voters in said city as hereinafter
3 provided for within six months after the passage of this act.
4 Upon the passage of this act it shall be the duty of the council
5 of the City of Follansbee as the same exists at that time, to set
6 a time for an election. The question of the adoption of this
7 amendment to the charter shall be referred to the legal voters

CORRECTLY ENROLLED

..... Chairman Senate Committee.

..... Chairman House Committee.

CORRECTLY ENROLLED

.....
Chairman Senate Committee.

.....
Chairman House Committee.

8 of Follansbee, and thereupon the mayor of said city shall issue
9 a proclamation setting the date of such election and the object
10 of such election, and further stating that a copy of said amend-
11 ment to the charter is on file in the office of the city clerk and
12 open to the inspection of all persons interested, but it shall not
13 be necessary for said proclamation to be therein contained a
14 copy of this act. Such proclamation shall be published in some
15 newspaper of general circulation in said city, at least once a
16 week for two successive weeks before the election.

17 It shall be the duty of the council of said city to appoint the
18 election commissioners and clerks to conduct said election, to
19 provide ballots, poll books and other things for the proper
20 conduct of said election; and said election shall be conducted
21 at such place as shall be provided by the mayor in his proclama-
22 tion and according to the rules and regulations for elections
23 now in force in said City of Follansbee.

24 The ballots used in said election shall be printed in substan-
25 tially the following form :

26 "Election by the voters of the City of Follansbee in the
27 county of Brooke and state of West Virginia, on the.....
28day of, 1925, on

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.....
Chairman Senate Committee.

29 the question of adopting or rejecting the amendment to the
30 charter of Follansbee, as enacted by the Legislature of West
31 Virginia at the regular session, one thousand nine hundred and
32 twenty-five thereof.

33 For the adoption of said amendment to the
34 charter []

35 Against the adoption of said amendment to the
36 charter []

.....
Chairman House Committee.

37 On the day after the said election it shall be the duty of said
38 council of said city, to canvass the returns of said election and
39 ascertain and declare the result thereof. If a majority of the
40 votes so cast at said election are for the adoption of the amend-
41 ment to the charter, a certificate thereof shall be published and
42 entered in the minute book of said council and publication
43 thereof be made in the next succeeding issue of such newspaper
44 in which the said proclamation of the mayor calling said elec-
45 tion was published.

46 Sec. 48-b. All ordinances of the City of Follansbee, as they
47 exist at the time of the passage of this act, which are inconsistent
48 therewith, are hereby abrogated, and all acts and parts of acts
49 inconsistent with any of the provisions of this act are hereby
50 repealed.

AN ACT to amend and re-enact chapter five of the acts of one thousand nine hundred and fifteen, (municipal charters,) relating to the City of Follansbee by adding thereto section thirty-two-c.

Be it enacted by the Legislature of West Virginia: That chapter five of the acts of the legislature of one thousand nine hundred and fifteen, (municipal charters,) relating to the charter of the City of Follansbee be amended by adding thereto section thirty-two-c relating to public improvements, and authorizing the common council of said city to make special assessments for improvements and the issuing of certificates of indebtedness creating a lien upon property adjoining and abutting such improvements apportioning the cost of such improvements and fixing no time limit on the lien created by the issuing of such certificates, be amended and re-enacted, and that section thirty-two-c, relating to public improvements, be added to said act to read as follows:

ASSESSMENTS AND CERTIFICATES

Sec. 32-c. Whenever it is deemed expedient by the common council of said city, or other body or bodies having such matters in charge under the charter, to provide for the grading, paving, curbing, sewerage, macadamizing or otherwise improving any street or alley therein, to be paid for in whole or in part by special assessments, said council or other body or bodies having such matters in charge under the charter, shall declare by resolution, three-fifths of the whole number elected thereto concurring, by an aye and nay vote, the necessity of such improvement. At the time of the passage of such resolution, the council, or other body or bodies having such matters in charge under the charter, shall have on file in the office of the city clerk, plans, specifications, estimates and profiles of the proposed improvements, after completion, with reference to the property abutting thereon, which plans, specifications, estimates and profiles shall be open to the inspection of all persons interested. Said resolution shall determine the general nature of the improvement, what shall be the grade of the street, alley or other public place to be improved, as well as the grade or elevation of the curbs. and said council shall approve the plans, specifications, estimates and profiles for the proposed improvement.

The council, or other body or bodies having such matters in charge under the charter, shall also determine in said resolution the method of paying for the work contemplated in said plans and specifications, whether by an appropriation from funds in the treasury unappropriated, or whether or not by the issuance of certificates as hereinafter provided, or whether or not bonds shall be issued in anticipation of the collection of special assessments to be made against the abutting property owners as provided for in section forty-nine-c (2), chapter forty-seven of the code. But before any such resolution shall be passed, providing that improvements shall be made, the same to be paid for by assessments against abutting property, at least thirty days written notice of the intention to pass such resolution shall be served on each of the abutting property owners by personal service, or, if not found and their residence is unknown, then by publication, and such owners shall have the right to be heard for or against the passage thereof.

Assessments shall be payable in ten installments as provided for in said section forty nine-c of the code of West Virginia, and shall be recorded and constitute a lien as there-in provided. The resolution herein provided for declaring the necessity of such improvement shall be published at least once a week for two successive weeks after its adoption in two newspapers of general circulation, and of opposite politics, in said city in which said improvements are to be made, and an affidavit of the publisher showing circulation for such time, together with a copy of said notice attached shall be filed with the clerk of the council, or other body or bodies having such matters in charge under the charter, and spread upon the record of the minutes of the next meeting of the council or other body or bodies having such matters in charge under the charter. Where there are not two newspapers of general circulation and of opposite politics in the city, publication in one newspaper of general circulation therein for the required time shall be all that is required for this or any other notice, provided for by this chapter. This resolution shall be in effect from and after the first publication thereof as herein provided for. If there be no newspapers in such corporation, the notice may be given by posting on the front door of the building where the council or other body or bodies having such matters in charge under the charter of said corporation holds its meetings.

In all cases where an assessment is made upon the property abutting on the street or alley improved in accordance with the provisions contained in this and the two preceding sections, the council, or other body or bodies having such matters in charge under the charter of said city, may, by resolution entered of record by it, or them, sell, assign, and transfer to any person or persons, for a cash consideration, all or part of the assessments perfected as provided in said section, and apply the amount received thereby to the payment of the cost of such improvements; but no such sale and assignment shall be made until either bonds or certificates of indebtedness shall have been issued.

for such assessment, which shall be described in detail in the notice of the lien thereof to be recorded in the trust deed record in the office of the clerk of the county court. But no sale or transfer of such assessment shall be greater discount than five per centum of the aggregate sum represented by said sale. When authorized to do so by the council or other body or bodies having such matters in charge, the mayor or other chief officer of said city, may make an assignment and transfer of said assessments, so evidenced by such bonds or certificates of indebtedness as aforesaid; and when so made, and recorded in the trust deed book in the office where said assessments are recorded, the purchaser of such assessments shall be and remain until payment thereof subrogated to all of the rights and remedies without recourse on said city as were obtained by recording said assessments in the first instance, and such council or other body or bodies having such matters in charge, may issue against each of the several properties upon which said assessments have been made, bonds or certificates of indebtedness in denomination and corresponding to the annual sum to be paid on each of the properties so assessed, and the assessments on said properties shall, when so made and recorded, remain and be a lien thereon until such bonds or certificates of indebtedness are discharged. The lien created by such assessment and by the issuance of any bonds or certificates issued therefore may be released as provided by law in the case of other and in addition thereto, upon presentation to the clerk of the county court of the county wherein the real estate subject to said lien is situated all the bonds or certificates issued there under, as to any specific real estate therein described or located, showing that the same have all been paid, such clerk is hereby empowered to release the lien on such assessment as to any such real estate by noting a release thereof on the record of such lien as to such real estate on the margin of the deed of trust book, where the same is recorded, and such annotation by such clerk shall have the effect to release such real estate from such lien as effectively as a regularly executed and recorded release therefrom. The proceeds of the sale of such bonds or certificates of indebtedness shall be applied to the payment of the indebtedness incurred in making the improvement on account of which such bonds or certificates of indebtedness were issued. Should said governing body or bodies of said city, decide to issue bonds or certificates of indebtedness, as herein provided, it or they may call upon the attorney general of the state for, and it shall be his duty to furnish, a form for all such bonds or certificates of indebtedness.

In addition to the methods hereinbefore and hereinafter prescribed for the payment of the cost of construction and improvements of streets, sewers and sewer systems, the council or other governing body may order any street, alley, or portion thereof, to be graded, paved, re-paved or otherwise permanently improved, and the council may order to be issued a certificate for each installment of the amount of the assessment to be paid by the owner of any lot or fractional part thereof abutting on the street or alley so improved. The amount specified in said assessment shall be a lien as aforesaid in the hands of the holder of such certificate upon such abutting lot or part of lot, and such certificate shall have the effect to create an interest from the date of said assessment and the payment may be enforced in the name of the holder of said certificate by proper suit in equity in any court having jurisdiction to enforce such lien; the council shall fix the amount of such assessment, advertise for bids and do all other things in connection therewith as is herein before and hereinafter provided in this chapter, except that the amount of such certificate shall include the whole cost of such improvement, including the cost of grading, paving and curbing squares at intersections of streets, the costs of which intersections shall be apportioned against the several properties abutting upon the street or portion thereof so improved. Paving certificates shall be issued in the same number of installments and payable at the same time as other paving assessments provided for in this chapter. Nothing contained in this act shall be construed as imposing a time limit upon the enforcement by appropriate action of any lien for public improvements, heretofore or hereafter created.

Certificates authorized by this section may be issued, sold or negotiated to the contractor doing the work, or to any other person if the council deem expedient; provided said city, in issuing such certificates, shall not be held as guarantor or in any way liable for payment thereof, except upon the direct action of the council expressed by the resolution of record before sale.

Certificates so issued shall contain a provision to the effect that, in the event of default in the payment of any one of said certificates when due, and said default continuing for a period of sixty days, then all unpaid certificates shall become due and payable and the holder of said certificates may proceed to collect all of such unpaid certificates in the manner hereinbefore provided. Certificates issued in pursuance of this section shall be negotiable at any bank in the city by which they are issued.

In the City of Follansbee the corporation shall not pay the cost of improving, permanently, the intersections at cross streets; and, whenever special assessments shall have been levied and paid under chapter eight of the acts of the legislature of one thousand nine hundred and eight for the improvement of any street or other public place the property so assessed shall again be assessed for the whole cost and expense of re-paving or again permanently improving such street or other public place.

The owner of the land or lot of land assessed under this section may at any time anticipate any pay such assessment or certificate with accrued interest thereon.

All acts or parts of acts inconsistent herewith are hereby repealed.

(TRUE COPY) ***** (TRUE COPY) ***** (TRUE COPY) *****

IN THE COUNTY COURT OF BROOKE COUNTY, WEST VIRGINIA

IN THE MATTER OF THE CHANGE OF THE CORPORATE LIMITS OF THE CITY OF FOLLANSBEE, BROOKE COUNTY, WEST VIRGINIA.

CERTIFICATE OF THE COUNTY COURT

A Certificate of Council of the City of Follansbee was on the 24th day of April, 1959, filed with the County Court showing that a change had been made in the manner required by law in the corporate limits thereof, and that by such change the said corporate limits are as follows:

"Commencing at the northeastern boundary line of the City of Follansbee where the same is the common corner of the lands of the Wheeling Steel Corporation and the "Walker Farm"; thence from said beginning point N. 13 degrees 21' W. 262.5 feet to Honey Locust; thence N. 19 degrees 39' E. to a point; thence N. 73 degrees 52' E. 1364.9 feet to a stake; thence 574 degrees 38' E. 893.4 feet to a Locust Tree; thence S. 61 degrees 47' E. 686.6 feet to a large Sycamore Tree; thence S. 32 degrees 26' E. 291.5 feet to a stake; thence S. 35 degrees 26' E. 261.5 feet to a stake in Latimers Run at the mouth of the drain leading to Walkers Coal Bank; thence N. 49 degrees 26' E. 532.1 feet to a Water Elm; thence N. 40 degrees 36' W. 126.2 feet to a point; thence S. 49 degrees 24' E. 447.11 feet to a point; thence along the line of lands of H. C. Carter S. 13 degrees 24' W. 632.46 feet to the common corner of land herein described, the Alex Finley and A. L. Carter farms; thence S. 87 degrees 33' W. 803.2 feet to a point; thence S. 61 degrees 33' W. 245.9 feet to a point; thence S. 54 degrees 32' W. 1114.7 feet to a Red Oak Snag; thence S. 12 degrees 21' W. to a point on the southwestern corner of the Alex Finley Farm; thence N. 74 degrees 09' W. 411.0 feet to a sand stone; thence S. 85 degrees 06' W. 1271.0 feet to a point on the northeastern boundary line of the City of Follansbee."

It is, therefore, Ordered that such change in said corporate limits be, and the same is hereby approved and confirmed, and the Clerk of this Court is directed to deliver to the said Council a certified copy of this Order as soon as practicable after the rising of said Court. And after the date of such Order, the corporate limits of such town shall be as set forth herein.

THE COUNTY COURT OF BROOKE COUNTY

BY James Inman
ITS: President

Dated: April 29, 1959

***** (TRUE COPY) *****

***** (TRUE COPY) *****

IN THE COUNTY COURT OF BROOKE COUNTY, WEST VIRGINIA

IN RE: Annexation to City of Follansbee of Certain
Property Located East of said City

ORDER

A Certificate of the governing body of the municipality of Follansbee, West Virginia, was this day filed showing that an annexation has been made, in the manner required by law, to the corporate limits thereof, and that by such annexation, the said corporate limits now include the following described property:

All that certain parcel of land located in Cross Creek District, Brooke County, West Virginia, being more particularly described as follows:

Beginning at a point on the Northeastern boundary line of the City of Follansbee where the Northeastern edge of the Follansbee Eldersville Road right of way crosses said line; thence S. 6°-34'E. approximately 497.00 ft. to a point; thence S. 83°-26'W-300.01 ft. to a point; thence S. 6°-26'W. approximately 325.00 ft. to a point; thence N. 89° 21'E. 391.6 ft. along the southern boundary of lands of Phillip Greathouse, to a point; thence N. 72° 55'E. approximately 825 ft. along the southern boundary of lands of Kermit Fish, Cora Virginia Vanderbush, and William J. & Frances Kowalik, Jr. to a point, thence N. 14° 25'W-420.9 ft. to a point, thence N. 72° W.-94 ft. to a point; thence N. 78° W-308 ft. to a point along the Northern edge of the Follansbee Eldersville Road right of way; thence 914 ft. S. 85° 06' W. along the Northern boundary of the Follansbee Eldersville Road right of way to the point of beginning.

It is, therefore, ORDERED that such annexation to said corporate limits be, and the same is hereby approved and confirmed, and the Clerk of this Court is directed to deliver to the said governing body a certified copy of this ORDER as soon as practicable after the rising of this Court.

Dated: February 11, 1971

Rolland S. Crabtree
President-Commissioner

Elmer H. Vincent
Commissioner

E. D. Rees
Commissioner

-0-

Adjournment was thereupon ordered until Monday, February 15, 1971, at 9:30 a.m. at the courthouse.

(Signed) Rolland S. Crabtree
President

Teste:

(Signed) Anthony J. Wilberto Clerk

IN THE COUNTY COMMISSION OF BROOKE COUNTY, WEST VIRGINIA

IN RE: Annexation of Territory to the City of Follansbee,
- West Virginia, a municipal corporation

ORDER OF ANNEXATION

A certificate of the governing body of the municipality of Follansbee, West Virginia, was this day, December 10, 1975, filed showing annexation has been made, in the manner required by law, to the corporate limits thereof, and that by such annexation the said corporate limits are increased as follows:

Situated in the District of Cross Creek, County of Brooke and State of West Virginia and more particularly described as follows:

Beginning at the low water mark on the east shore of the Ohio River with the intersection of the north corporation line of the City of Follansbee, as taken from the U.S. Geological Survey Map, and thence easterly with the north corporation line 2200 ft., more or less, to the east line of W.Va. State Rt. 2; thence with the east line of W. Va. Rt. 2 and in a northerly direction with a curve in a north-westerly direction, 2300 ft., more or less, to the intersection of W. Va. State Rt. 2 and Mahan Lane; thence leaving the east line of W. Va. State Rt. 2., and with Mahans Lane in an easterly direction, 600 ft., more or less, to a point in the south line of Mahans Lane.

Thence leaving Mahans Lane and in a northwesterly direction 6,000 ft., more or less, in a straight line to the southeast corner of Lot No. 9 of Highland Hills Plan 4, situate in Cross Creek District, Brooke County, West Virginia; thence continuing along the east line of said Lot No. 6, N. 42° 08' 47" E. 188 ft. to a point on the south line of Lot No. 8 of said Plan 4. Thence No. 49°, 29' 06" W. 15 ft., more or less, to the southeast corner of said Lot No. 8; thence No. 42°, 58', 12" W. 140.37 ft. to a point on the south line of Lot No. 120 of Highland Hills Plan 3.

Thence N. 46° 48' E. 51 ft., more or less, to a point 27.5° East of the southeast corner of Lot No. 120 of Plan 3; thence No. 45° 20' 00" W., 341.065 ft. to a point at the northeast corner of Lot No. 111 of Plan 3.

Thence S. 58°, 00' 00" W., 199.96 ft.;
Thence S. 82°, 54' 00" W., 536.195 ft.;
Thence S. 82°, 17' 00" E., 116.14 ft.;
Thence S. 70°, 03' 00' E., 116.14 ft.;
Thence S. 57°, 49' E., 116.14 ft. to the northwest corner of Lot No. 101 of Highland Hills Plan 1;

Thence continuing S. 57°, 49' E., 590 ft., more or less to a point on the west side of Archer Hill Road (State of West Virginia Secondary Road #8); thence along the west line of said Archer Hill Road following said west line of said road a distance of approximately 4,250 ft., more or less, to a point on the north side of Archer Hill Road, as the same intersects with West Virginia Route 2,

Thence continuing across West Virginia Route 2, in a westerly direction 600 ft., more or less, to the low water mark on the east shore of the Ohio River; thence with the low mark and continuing with the east shore of the Ohio River and in a southerly direction 5,400 ft., more or less, to the place of beginning containing 0.814 square miles, more or less.

It is therefore, ORDERED that such annexation to said corporate limits be, and the same is hereby approved and confirmed, and the clerk of this commission is directed to deliver to the said governing body a certified copy of this order as soon as practicable after the rising of this Court.

DATED: December 10, 1975

The County Commission of
Brooke County, West Virginia

BY: Henry A. Wilson
President - Commissioner

Attest: Anthony J. Filberto
Clerk

John P. Teeters
Commissioner

(SEAL)

Alfred DeAngelis
Commissioner

THE CITY OF FOLLANSBEE

RESOLUTION ON OPEN GOVERNMENTAL PROCEEDINGS RULES

Pursuant to Chapter 6, Article 9A, Section 3 of the West Virginia Code, the Council of The City of Follansbee does hereby adopt the following rules to make available, in advance, the date, time, place and agenda of all regularly scheduled meetings of the Council, and the date, time, place and purpose of all special meetings of the Council to the public and news media (except in the case of an emergency requiring immediate action) as follows:

1. Regular Meetings. A notice shall be posted and maintained by the City Clerk at the front door or bulletin board of the Follansbee City Hall of the date, time and place fixed and entered of record by Council for the holding of regularly scheduled meetings. In addition, a copy of the agenda for each regularly scheduled meeting shall be posted at the same location by the City Clerk not less than 72 hours before such regular meeting is to be held. If a particular regularly scheduled meeting is canceled or postponed, a notice of such cancellation or postponement shall be posted at the same location as soon as feasible after such cancellation or postponement has been determined.

2. Special Meetings. A notice shall be posted by the City Clerk at the front door or bulletin board of the Follansbee City Hall not less than 72 hours before a special meeting is to be held, stating the date, time, place and purpose for which such special meeting shall be held. If the special meeting is canceled, a notice of such cancellation shall be posted at the same location as soon as feasible after such cancellation has been determined.

These rules regarding notice of meetings shall replace any and all previous rules heretofore adopted by Council.

Adopted this 12th day of August, 2002.



Mayor

ATTEST:



City Clerk

CERTIFICATION

I, David Kurcina, duly appointed City Clerk of The City of Follansbee do hereby certify that the foregoing is a true and accurate copy of a Resolution adopted by the City Council of The City of Follansbee at a regular meeting of City Council held August 12, 2002, pursuant to proper notice, at which meeting a quorum was present and acting throughout.

Dated this 16th day of August, 2002.

[SEAL]



City Clerk

08/08/02
298060.96002

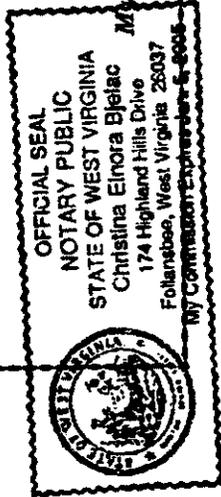
State of West Virginia, County of Brooke,
City of Follansbee

I, ... *Anthony P. Pagan* ... do solemnly swear
that I will support the constitution of the United States, the constitution
of the State of West Virginia, and that I will faithfully discharge the
duties of the office of ... *MAYOR* ...
in the City of Follansbee, to which I have been elected, to the best of my
skill and judgment. So help me God.

Sworn to and subscribed before the undersigned authority this
July of ... *2001* ...

Christina Elnora Bjelac
Notary Public

My Commission expires ... *January 5, 2005* ...



David P. Kucera
City Clerk

State of West Virginia, County of Brooke,
City of Follansbee

I, David P. Kurgina..... do solemnly swear
that I will support the constitution of the United States, the constitution
of the State of West Virginia, and that I will faithfully discharge the
duties of the office of City Clerk.....
in the City of Follansbee, to which I have been elected, to the best of my
skill and judgment. So help me God.

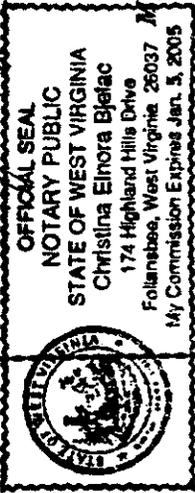
[Handwritten Signature]

Sworn to and subscribed before me the undersigned authority this

July....., 2001...

[Handwritten Signature]
Notary Public

My Commission expires... January 5, 2005.....



[Handwritten Signature]
City Clerk

State of West Virginia, County of Brooke,
City of Follansbee

I, *Mina B. Meser*..... do solemnly swear
that I will support the constitution of the United States, the constitution
of the State of West Virginia, and that I will faithfully discharge the
duties of the office of *FIRST WARD*.....
in the City of Follansbee, to which I have been elected, to the best of my
skill and judgment. So help me God.

Sworn to and subscribed before the undersigned authority this

July.....20*01*.....
Christina Bjelac
Notary Public

Commission expires *January 5, 2005*.....



OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
Christina Bjelac
174 Highland Hills Drive
Follansbee, West Virginia 26031
My Commission Expires Jan. 5, 2005

Dana Perkins
City Clerk

State of West Virginia, County of Brooke,
City of Follansbee

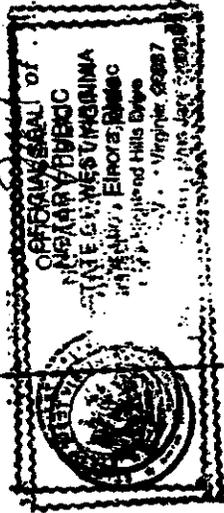
I, William D. Secrist..... do solemnly swear
that I will support the constitution of the United States, the constitution
of the State of West Virginia, and that I will faithfully discharge the
duties of the office of Second Ward Council.....
in the City of Follansbee, to which I have been elected, to the best of my
skill and judgment. So help me God.

Sworn to and subscribed before me the undersigned authority this

..... 2001.....

William D. Secrist
Notary Public

Commission expires..... January 5, 2005.....



David P. Krumm
City Clerk

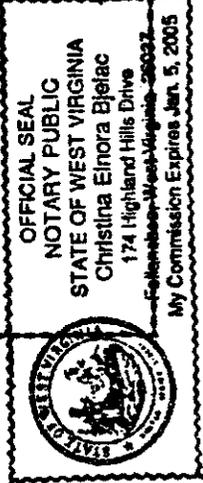
State of West Virginia, County of Brooke,
City of Follansbee

I, *Kathy Santoro*, do solemnly swear that I will support the constitution of the United States, the constitution of the State of West Virginia, and that I will faithfully discharge the duties of the office of *Third Ward Council* in the City of Follansbee, to which I have been elected, to the best of my skill and judgment. So help me God.

Sworn to and subscribed before the undersigned authority this

July of *2005* at *Follansbee, West Virginia*
Christina Einora Bjelac
Notary Public

My Commission expires *January 5, 2005*

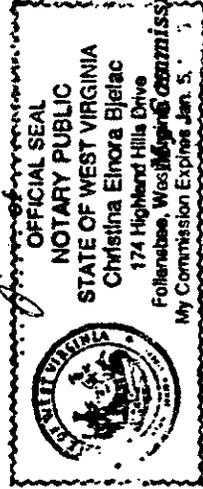


David C. Kummer
City Clerk

State of West Virginia, County of Brooke,
City of Follansbee

I, *Scott A. McMAhon*..... do solemnly swear
that I will support the constitution of the United States, the constitution
of the State of West Virginia, and that I will faithfully discharge the
duties of the office of *Foveth...WARD...Council*.....
in the City of Follansbee, to which I have been elected, to the best of my
skill and judgment. So help me God.

Sworn to and subscribed before me the undersigned authority this
Jan 5 day of *January*, 20*01*.....



Christina Elnora Bjelac
Notary Public

January 5, 2005

David Plummer
City Clerk

State of West Virginia, County of Brooke,
City of Follansbee

I, John DeStefano..... do solemnly swear
that I will support the constitution of the United States, the constitution
of the State of West Virginia, and that I will faithfully discharge the
duties of the office of Fifth Ward Council.....
in the City of Follansbee, to which I have been elected, to the best of my
skill and judgment. So help me God.

[Handwritten signature]

Sworn to and subscribed before the undersigned authority this

July.....2001.....

[Handwritten signature]
Notary Public

Commission expires January 5, 2005.....

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
Christina Elnora Bjelac
174 Highland Hills Drive
Follansbee, West Virginia, 26031
My Commission Expires Jan. 5, 2005



[Handwritten signature]
City Clerk

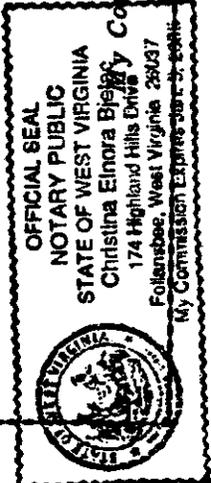
State of West Virginia, County of Brooke,
City of Follansbee

I, ... *J.M. N. N. RASALA* do solemnly swear
that I will support the constitution of the United States, the constitution
of the State of West Virginia, and that I will faithfully discharge the
duties of the office of ... *SONG!* ... *AT-LARGE*
in the City of Follansbee, to which I have been elected, to the best of my
skill and judgment. So help me God.

Sworn to and subscribed before the undersigned authority this
July of *July*, 20*01*...

Christina Elnora Bieganski
Notary Public

My Commission expires... *January 5, 2005*...



David Peterson
City Clerk

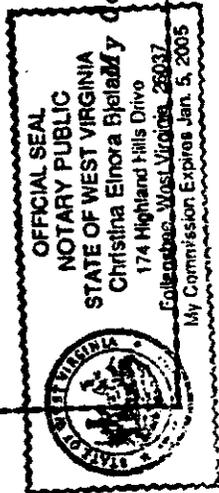
State of West Virginia, County of Brooke,
City of Follansbee

I, Mrs. h. A. E. ... S. A. D. I. E. do solemnly swear
that I will support the constitution of the United States, the constitution
of the State of West Virginia, and that I will faithfully discharge the
duties of the office of S. T. Y. ... A. T. T. O. R. N. E. Y.
in the City of Follansbee, to which I have been elected, to the best of my
skill and judgment. So help me God.

Sworn to and subscribed before me undersigned authority this
July of 2001

Christina Elnora Bjelamy
Notary Public

My Commission Expires January 5, 2005



David Perrine
City Clerk



ORDINANCES

Item #5

AN ORDINANCE SETTING FORTH WATER RATES,
CONNECTION CHARGE, RECONNECTION CHARGE
AND DELAYED PAYMENT PENALTY FOR SERVICE
TO CUSTOMERS OF THE WATERWORKS SYSTEM OF
THE CITY OF FOLLANSBEE

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

SECTION 1. INITIAL SCHEDULE OF RATES AND CHARGES

APPLICABILITY

Applicable to entire area served.

AVAILABILITY OF SERVICE

Available for general domestic, commercial and industrial service.

RATES

Each 1,000 gallons at \$4.26 per month.

MINIMUM BILL

The minimum bill shall be \$4.26 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 60 days from the date of the bill, water service to the customer will be discontinued and will not be restored until all past due bills and all accrued penalties plus a reconnection charge have been paid in full, subject to applicable rules of the Public Service Commission of West Virginia.

CONNECTION CHARGE

A charge of \$250.00 shall be made for each new connection to the water system.

RECONNECTION CHARGE

A charge of \$20.00 shall be made if any connection needs to be reconnected if previously turned off for non-payment.

SECTION 2. EFFECTIVE DATE

The water rates, connection charge and delayed payment penalty provided in this Initial Schedule of Rates and Charges 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 hereof, all ordinances, resolutions, orders or parts thereof in conflict with the provisions of this Ordinance are, to the extent of such conflicts, hereby repealed; and to the extent that the provisions of this Ordinance do not touch upon the provisions of prior ordinances, resolutions, orders or parts thereof, the same shall remain in full force and effect.

SECTION 4. STATUTORY NOTICE AND PUBLIC HEARING

Upon introduction hereof, the City Clerk shall publish a copy of this Ordinance once a week for 2 successive weeks within a period of 14 consecutive days, with at least 6 full days intervening between each publication, in The Brooke County Review, a qualified newspaper of general circulation in the City of Follansbee, no newspaper being published therein, and said notice shall state that this Ordinance has been introduced, and that any person interested may appear before Council at the City Hall, Follansbee, West Virginia, on August 14, 2000 at 7:00 p.m., which date is not less than 10 days subsequent to the date of the first publication of the Ordinance and notice, and present protests. At such hearing all objections and suggestions shall be heard and the Council shall take such action as it shall deem proper in the premises. Copies of this Ordinance shall be available to the public for inspection at the office of the City Clerk in the City Hall,

ORDINANCES

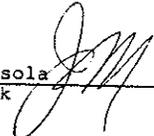
Follansbee, West Virginia.

CERTIFICATION AND NOTICE

The foregoing Ordinance has been introduced and adopted on first reading at a meeting of the City Council of the City of Follansbee held on May 8, 2000. Any person interested may appear before the City Council of the City of Follansbee at the City Hall, Follansbee, West Virginia, on August 14, 2000, at 7:00 p.m., being the date, time and place of the proposed final adoption of this Ordinance, and be heard. The Council will then take such action as it shall deem proper in the premises. The proposed ordinance may be inspected by the public at the Office of the City Clerk in the City Hall, Follansbee, West Virginia.

Dated: August 3, 2000.

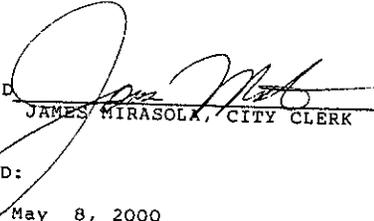
/s/ James Mirasola
City Clerk



CITY OF FOLLANSBEE

BY
WILLIAM SCHAEFER, MAYOR

ATTESTED
JAMES MIRASOLA, CITY CLERK



APPROVED:
May 8, 2000
FIRST READING

ORDINANCE NO. 00-4
PASSED 8-14-00

August 14, 00
SECOND READING

APPROVED BY CITY ATTORNEY AND CORRECT TO FORM

MICHAEL E. GAUDIO

ORDINANCE OF THE COUNCIL OF THE CITY OF FOLLANSBEE, WEST VIRGINIA, AUTHORIZING THE EXECUTION OF AN AGREEMENT WITH THE WEST VIRGINIA DEPARTMENT OF TRANSPORTATION, DIVISION OF HIGHWAYS, WITH REGARD TO THE ESTABLISHMENT OF RULES, REGULATIONS, AND RESPONSIBILITIES GOVERNING THE USE, MAINTENANCE, AND OPERATION OF NEW BROOKE COUNTY ROUTE 2/20, FROM WV 2 TO MARK AVENUE WITHIN THE MUNICIPAL LIMITS OF THE CITY OF FOLLANSBEE, WEST VIRGINIA.

BE IT ENACTED BY THE CITY OF FOLLANSBEE, WEST VIRGINIA, AS FOLLOWS:

1. That the Mayor of the City of Follansbee, West Virginia, be and is hereby authorized to execute, acknowledge, and deliver on behalf of the City an agreement with the West Virginia Department of Transportation, Division of Highways, with regard to the establishment of rules, regulations, and responsibilities governing the use, maintenance, and operation of State Project X305-2/20-0.00 00, to be constructed within its corporate limits, a copy of which agreement is attached hereto and made a part hereof.
2. That the Clerk does properly attest the signature of said officials and affix the seal of the City to said agreement.

Passed by the Council of the City of Follansbee, West Virginia, on 11th day of September, 2000.

STATE OF WEST VIRGINIA
COUNTY OF BROOKE
CITY OF FOLLANSBEE

I, James Mirasola, Clerk, of said City, do hereby certify that the foregoing are true copies from the records of order made and entered by the Council of said City on the 11th day of September, 2000.

WEST VIRGINIA
DEPARTMENT OF TRANSPORTATION
DIVISION OF HIGHWAYS
AGREEMENT
FOR
STATE PROJECT X305-2/20-0.00 00
BROOKE COUNTY

City of Follansbee, Brooke County, W. Va., Minutes of Council No. 8

REGULAR CITY COUNCIL MEETING AND
PUBLIC HEARING ON WATER RATE INCREASE
AUGUST 14, 2000

The public hearing on the water rate increase to a new rate of \$4.25 per 1000 gallons and to be billed monthly for all water users effective November 1, 2000. Mayor Schaefer asked if anybody was present to object or protest to the rate increase. There were none. At this point Mayor Schaefer called for a motion to adopt the first reading of the rate increase. Motion by Santoro 2nd by Schwertfeger to adopt the 3rd reading of an ordinance to increase the water rate to \$4.25 per 1000 gallons and to be billed monthly for all water users effective November 1, 2000. Motion carried unanimously.

Present: Mayor Schaefer, City Clerk Mirasola, City Mgr. Cicchirillo, City Attorney Gaudio
Council: DeStefano, Kocher, Santoro, Palicciotti, Elliott, Schwertfeger

Public Requests

1. Miss Jones, 500 Henlock Street, speeding cars and causing damage to her fence. She is requesting speed bumps and signs. Also one way from Linden to Allegheny via Henlock. Also 15 MPH sign. Asked Council to consider. Referred to General committee.
2. Mr. Moser, 538 Gilbert Avenue, showed Council sample of water (black). Asked Council to fix the lines. Mr. Moser will attend Water Board meeting.
3. Mario Bond, 1331 West Street, spoke on the proposed truck bypass in the North end of the city. He said he was speaking for West Street residents and lower Gilbert Avenue residents who are all against the bypass. Mr. Bond presented a letter to all of Council which is recorded below.

"Mario Bond
1331 West Street
Follansbee, WV 26037

August 14, 2000

Joseph Cicchirillo
City Manager of Follansbee
Follansbee, WV 26037

Dear Mr. Cicchirillo,

This letter is to inform you that we totally oppose the proposed truck bypass road being considered by the City of Follansbee and the State of West Virginia. We are a group consisting of residents who reside in the West Street area in the North End of Follansbee and have properties that border on the proposed road site. Please note that this proposed road will be approximately twenty feet from our property lines, a distance we feel is much too close for heavy equipment to be traveling on a routine basis.

We feel there are many downsides regarding this project that will affect the continuity of our neighborhood such as:

- 1) Noise and pollution from trucks and cars
- 2) Loss of property value due to excessive truck traffic
- 3) Mental anguish caused by all particulars of this proposed project

We feel the City of Follansbee is wrong in wanting this road. According to city officials, heavy traffic on Main Street and complaints from South Follansbee residents near State Street where Wheeling-class trucks enter and leave, necessitate the rerouting of truck traffic to behind our houses. However, Main Street is a State Route (2) and should be transformed to accommodate such traffic. Also, Wheel has been using this entrance since 1986 with no apparent problems, until a convenience store was opened only a few years ago and complained about this truck route pattern, being well aware that this traffic route existed before the business was established.

Again, we do not want this heavy equipment traffic near our homes. We are a family-oriented neighborhood with many small children and do not want to be subjected to the pollution, dirt and noise that this road bypass will generate. We know a barrier wall has been proposed, but we feel a wall is not the answer. The complete elimination of all traffic behind our homes is.

We feel an alternative route can be found and we are prepared to do whatever is necessary to prove this road from being built.

Your cooperation in this matter is greatly appreciated.

Sincerely,

Mario Bond

cc: All City Council Members

Note Council will act on the above subject on an ordinance reading at the end of the meeting.

4. Mr. Bernard Kelly, representing Knights of Columbus, reported an incident that happened during Community Days at their "stand". They submitted the following recommendations.

1. An appropriate apology should be made to Mr. DiGirolamo and K of C by

Item #6

Mr. Rhodes and Mr. Rhodes superior for his unbecoming conduct as a city representative.

2. The K of C would like all future procedures in writing well before the beginning of Community Days (at least a month).
3. The K of C would like to see written pricing agreements or contracts with all parties involved (City, Pepsi, Community Days Committee, etc.) that establish pricing requirements.

Barbara Palliociotti said she will refer this incident to the Community Days Committee.

Mr. J. Digiacinto spoke about the incident also.

- Motion by Santoro 2nd by Palliociotti to approve mins. July 10 mtg. Carried
- Motion by Kocher 2nd by Santoro to approve mins. Aug. 7 mtg. Carried
- Motion by DeStefano 2nd by Palliociotti to approve Police & Fire Reports. Carried
- Motion by DeStefano 2nd by Schwertfeger to approve Financial Report. Carried
- Motion by Santoro 2nd by Schwertfeger to approve Bills of Account. Carried
- Motion by DeStefano 2nd by Kocher to approve UDAG Bills. Carried

Weirton Ice & CoalConcrete.....\$301.20
 Weirton Ice & Coal.....Concrete.....6764.40

Old Business

1. Sale of water office Booverson Heights. Mr. Gaudin reported on the auction July 10, 2000. Mr. Morris bid was \$35,000 - only bid.

Motion by Schwertfeger 2nd by DeStefano to accept bid and verify sale. Carried

2. John DeStefano Playground situations - what's needed - what is the progress. We still need to complete several items per Mayor. Mayor asked Council to check their own wards on playground equipment.

3. Bill Kocher City steps between Clifton and Neville need worked.

4. Kathy Santoro asked about 50/50 sidewalk, still in progress per City Manager.

New Business

Chief of Police spoke

1. Stop bars on roadway on Parkview requested by Neighborhood Watch Committee. Chief of Police spoke on stop bars (painted lines). City will put them in and thru out City where needed. Asked Council to help where needed. Also truck traffic thru Parkview. Residents want sign "No Thru Traffic". Refer to General Committee August 21, 5 PM.

Also Chief of Police talked about Dare Program. Chief said he can handle the Dare Program.

Motion by Schwertfeger 2nd by Elliott to adopt the Dare resolution. Carried

RESOLUTION

The City Council of the City of Follansbee met on August 14, 2000 with a quorum present and passed the following resolution.

Be it resolved that the City Council hereby authorizes William J. Scheafer, Mayor of the City of Follansbee to act on its behalf to enter into a contractual agreement with the Division of Criminal Justice Services to receive and administer grant funds pursuant to provisions of the Drug Control and System Improvement Grant Program.

Signed: James Mirasola
City Clerk

Also note We applied for a grant for a new police cruiser and was turned down.

Motion by Kocher 2nd by Santoro to purchase a new cruiser. Go out for bids and also check on buying thru State. We will trade in an older cruiser if possible. Carried

Community Days Number of days and location

Bill Scheafer said people he talked to would like 3 days and leave it downtown. Bill Kocher agrees. John Campbell, Chairman said the Committee would like to have 3 days Thursday, Friday, Saturday downtown and Sunday in the park.

Motion by Kocher 2nd by Elliott to have Commu Days 3 days and downtown. Carried

Hiring an attorney to handle issues with Brooke County Land Fill increase. We will pay 25% Walleburg, Follansbee, Weirton and Brooke County Commission will pay the attorney fees. Motion by Santoro 2nd by Palliociotti to permit City Manager to enter into agreement and hire Attorney Bob Kockeizer from Charleston (\$175.00 per hour) to represent us at hearing. Carried

City Manager report He gave out copies.

TX-116

Motion by Destefano 2nd by Santoro to accept report. Carried

Motion by Pellicciotti 2nd by Schwertfeger to authorize Captain Packer to attend computer training in Kentucky with expenses paid. Carried

Council discussed the land acquisition east of Highland Hills for recreation purposes. City Manager Joe Ciochirillo and Mayor Schaefer told Council that they had a meeting scheduled with the owner of the 500 acre parcel near Highland Hills. The land is owned by Charleston based HFS LTD. At last week Committee as a Whole meeting President Chamber of Commerce had asked Council to consider to consider purchasing a portion of the land to develop a recreational complex. The cost per acre would be \$1,500.00. At last week Committee as a Whole meeting a motion was made for the City Manager to look into this land acquisition and thus a meeting was scheduled.

Councilman John Destefano questioned the City's move asking why the City was considering the option. He asked why does the City need to buy property. He suggested that the economic groups develop it. He also inquired about road access and who would pay for that. He also mentioned possible traffic problems on Highland Hills near the property.

Other Council members said a meeting was necessary to get some idea about the land regardless of whether the City got involved. Bill Schwertfeger suggested we table the matter until next month.

Motion by Schwertfeger 2nd by Elliott to table the land acquisition east of Highland Hills for recreational purposes until next meeting. Voting for motion Bill Schwertfeger, Jim Elliott Voting against Barb Pellicciotti, Kathy Santoro, Bill Kocher, John Destefano. Motion defeated 2-4

Motion by Destefano 2nd by Elliott to not consider the land acquisition. Voting for John Destefano, Jim Elliott. Voting against Barb Pellicciotti, Bill Kocher, Kathy Santoro, Bill Schwertfeger. Motion defeated 2-4

Motion by Santoro 2nd by Pellicciotti to authorize City Manager to attend meeting with owner Mr. Graf on land acquisition for recreational purposes only. He will report back next meeting. Voting for Kathy Santoro, Barb Pellicciotti, Bill Kocher, Bill Schwertfeger. Voting against John Destefano, Jim Elliott. Motion carried 4-2

City Clerk James Mirasola submitted a letter informing Council that he would resign his position as City Clerk on or about November 30, 2000. Motion by Schwertfeger 2nd by Elliott to accept resignation. Carried

Motion by Destefano 2nd by Schwertfeger to advertise for City Clerk to finish out Mr. Mirasola's term to June 30, 2001. Carried

Ordinances

1. Water Rate Increase Motion by Santoro 2nd by Schwertfeger to adopt the 3rd reading of an ordinance increasing the water rate to \$4.26 per 1,000 gallons and to be billed monthly for all water users effective November 1, 2000. Carried Unanimously
2. Construction of Industrial Access Road Motion by Pellicciotti 2nd by Elliott to adopt the first reading of an ordinance for the construction of industrial access road to reroute heavy trucks from downtown Pottsville to the North end. Carried Unanimously

Motion by Schwertfeger 2nd by Destefano to adjourn. Carried

APPROVE William Schaefer
WILLIAM SCHAEFER, MAYOR

ATTEST James Mirasola
JAMES MIRASOLA, CITY CLERK

★

City of Follansbee, Brooke County, W. Va., Minutes of Council No. 8

Item #6

REGULAR CITY COUNCIL MEETING AND PUBLIC HEARING ON WATER UPGRADE AND NEW WATER RATES JUNE 12, 2000

Present Mayor Schaefer, City Clerk Mirasola, City Mgr. Cicchirillo Council: DeStefano, Kocher, Santoro, Pellicciotti, Elliott, Schwertfeger Absent: City Attorney Gaudio Also Present: Vince Collins, Bond Counsel for City from Steptoe & Johnson, and Paul Ghosh

There were no public protests and no one opposed the water rate hike which was increased to \$4.26 per 1000 gallons and would be billed monthly. This would equalize the rates for the City and Hooverson Heights users as part of a physical plant merger. City Water Board member Jim Piccirillo, asked if plans would still keep rates down in the future by broadening the customer base. City Engineer Paul Ghosh said more customers would be more helpful now and in the future. City Manager said "Having an upgrade using the Hooverson Heights facility is around \$4.7 million. My way of thinking is whether it's cheaper for us to take \$4.7 million and divide it by 3,400, or to take \$5 million and divide it by 1,400. I believe, although it doesn't look like it with the rate increase, it would be beneficial in the long run for Follansbee."

Vince Collins, bond counsel for the City, said the increase was not only to equalize rates, but also to address extra revenue for the project.

Follansbee resident Vicky Mosser asked if senior citizens could be helped if they could not pay bills. Collins said there were programs available to help with water, sewer, and utility payments, but the City did not provide them. City Manager said the City did not provide them.

Motion by B. Schwertfeger 2nd by Santoro to adopt a second reading establishing new water rates at \$4.26 per 1000 gallons and bill monthly for all water users to effective September 1, 2000. Motion carried unanimously.

Under questioning Councilman at Large Schwertfeger read a prepared statement supporting the increase. City Manager explained the City benefits by having more customers with the Hooverson Heights users. Mayor Schaefer said the City of Follansbee has put in over 1.3 million dollars into this water project over the past several years. The money came from UDAG interest.

Public Requests

Jim Piccirillo questioned the area of the Follansbee Volunteer Fire Department coverage in the North Brooke County and are we addressing the problem on the road closing. He questioned the apparent lack of safety within the Weirton perimeter asking how much Follansbee emergency units cover. City Mgr. said the matter would most likely be addressed during the future meeting for area officials with the State division highways. They are going to request that the City of Weirton during the construction handle those areas in the northern part of the county.

Vicky Mosser asked Council for help with cat problems in the 800 block of Neville Street. The cats are causing damage to residents lawn furniture, gardens and flower beds for the past several years. The neighborhood is suffering. Reports of poisoned cats in the neighborhood prompted her to ask for assistance. She said in no way does she condone what happened to the animals. She does not want to see the animals killed. She has called the authorities and they have gotten no help. Mayor Schaefer said we have an ordinance on cats and the City will enforce the ordinance through the Police Department. Police Chief John Schwertfeger said his department received information, including an autopsy report from a veterinarian, which said the animals were poisoned, possibly by a pesticide. "We put out letters for the residents' children's and pets' protection. The people here have a right to know what's going on in their neighborhood, and that's why we put out the letters. We'll try to get to the root of the problem."

- Motion by Santoro 2nd by Schwertfeger to approve mins. May 8 mtg. Carried
Motion by Kocher 2nd by Santoro to approve mins. June 2 mtg.
Motion by Santoro 2nd by Kocher to approve Police & Fire Depts. Reports. Carried
Motion by DeStefano 2nd by Kocher to approve Financial Data. Carried
Motion by Schwertfeger 2nd by Pellicciotti to approve Bills of Account. Carried
Motion by Schwertfeger 2nd by Kocher to approve UDAG Bills. Carried

UDAG BILLS JUNE 2000

Table with 2 columns: Description and Amount. Includes items like Dobbs Abraham - Review UDAG Account (\$ 600.00), LaFarge - Slag for 50/50 (44.89), LaFarge - Slag for 50/50 (88.05), LaFarge - Slag for 50/50 (409.55), Steubenville Truck - Repair garbage truck (4,880.87), Weirton Lumber - Wood for 50/50 (258.60)

Old Business

- 1. John DeStefano Problem on Kilt Street Sidewalk is caving in from water running under sidewalk. She wants City to put in new sidewalk. City Manager offered 50/50 program. Referred to Committee as Whole.
2. Paving Three new additions to the Sidewalk given out last week. Motion by DeStefano 2nd by Santoro proceed with the City Manager's paving list. Dennis courts on Highland Hills to be taken care of.)

City Manager's Report Motion by Santoro by Pellicciotti to approve City Manager's report Board of Education asked Council for solutions to the playground on south side of school.

Motion by DeStefano 2nd by Santoro to pass resolution for the Veterans Memorial in Weirton. Carried

Motion by DeStefano 2nd by Santoro on the recommendation of the Police Chief to hire Richard M. Reinard from

CASTO & HARRIS, INC., SPENCER, W. VA. 26157-94

Weirton as the 7th police officer. Carried

Motion by Pellicciotti 2nd by Schwertfeger to adopt an ordinance establishing the third Friday in May Government Day. Carried

Committee Reports

Items referred to the General Committee - None.

Items referred to the Committee as a Whole - None.

Items referred to the Finance Committee

A. Meet with Mr. Ewusiak, Park Director

B. Hiring of 8th police officer. Meet with Police Chief

Ordinances

An ordinance Establishing New Water Rates and Bill

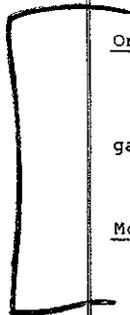
Motion by Santoro 2nd by Pellicciotti to adopt 2nd reading establishing new water rates at \$4. gallons and bill monthly for all water users to effective September 1, 2000. Carried unanimously.

Motion by DeStefano 2nd by Pellicciotti to adjourn. Carried

APPROVE William Schaefer
WILLIAM SCHAEFER, MAYOR

ATTEST James Mirasoua
JAMES MIRASOUA, CITY CLERK

H/6



REGULAR CITY COUNCIL MEETING
MAY 8, 2000

Present: Mayor Schaefer, City Clerk Mirasola, City Mgr. Cicchirillo, City Attorney Gaudio
Council: DeStefano, Kocher, Santoro, Pellicciotti, Elliott, Schwertfeger

Public Requests None

City of Follansbee received the Tree City USA Award for the fifth straight year.

Motion by Santoro 2nd by DeStefano to approve mins. reg. mtg. April 10. Carried
Correction: The first reading of the Water Rate Ordinance was incorrect and we will have the first reading May 8, 2000.

Motion by Schwertfeger 2nd by Santoro to approve mins. spec. mtg. April 18. Carried
Motion by Kocher 2nd by Santoro to approve Com. as Whole mins. May 1. Carried
Motion by Santoro 2nd by DeStefano to approve Police & Fire Reports. Carried
Motion by DeStefano 2nd by Schwertfeger to approve Financial Data. Carried
Motion by Kocher 2nd by Santoro to approve Bills of Account. Carried

Old Business

Update on City ordinance on noise. City Attorney explained to Council on our ordinance in effect. Citizens have to call the police when there are excessive noise. We will follow our ordinance. Chief of police said our main problems are boom boxes and stereos in cars. Mayor and Police Chief will follow through.

New Business

1. Allegheny School bell It is now located in the park community house side. Mayor wants permission to get a plague of \$200.00. Motion by DeStefano 2nd by Elliott to authorize the Mayor to get plague. Carried
2. Spring cleanup dates May 15 thru May 20. We have to pay the landfill for dumping but we will be exempt from solid waste assessment fee which amounts to \$8.75 per ton. Motion by Schwertfeger 2nd by DeStefano to pay for Spring cleanup out of UDAG interest money. Carried

3. Motion by Schwertfeger 2nd by Santoro that the Council go on record and formally protest the establishment of the playground south of the Follansbee Middle School. Carried

4. City Manager's Report

A. City Manager said he will put a fence up in front of the library park and we received \$5,000.00 from the State Library Commission.

B. City Manager said that the Chamber of Commerce will provide a reward of \$100.00 to \$500.00 for anyone caught doing damage to City property trees and benches, etc.

C. City Manager announced a new building north of Advance Financial Bank for 3 new businesses.

5. Motion by Schwertfeger 2nd by Pellicciotti to give permission to the Swim Team to post a sign 3'x5' made of plywood on a post somewhere near the lawn entrance to the pool area or the possibility of placing the sign at the beginning of the entrance to the park from the parking lot on the right side, to formally make the community of Follansbee and its visitors aware of the Follansbee Swim Team's meets and it's achievements. Carried

6. Motion by Schwertfeger 2nd by Pellicciotti to give the Swim Team permission to use the Follansbee Pool for practice and to hold three meets with other teams. The team would need access to the pool starting June 12, 2000 from 9:00 AM to 12:00 PM and ending July 19, 2000. The team would also like to request the use of the pool on these dates for wim meets to be held at the Follansbee Park from 5:00 PM to 10:00 PM. The dates are June 22, June 27, and July 18, 2000. Carried

7. Motion by Schwertfeger 2nd by Pellicciotti to give permission to the Camp Fire Girls to use the upper shelter at the Follansbee City Park the week of June 12 through June 16, 2000 to hold their annual day camp. They would use the shelter from 8:45 AM until 3:30 PM. Day camp is open to any youth in kindergarden through sixth grade. They would also like to be able to go swimming. In the past they have worked this out with the park supervisor. Carried

8. Motion by Schwertfeger 2nd by Santoro for the City to pay \$600.00 balance toward purchase of air bags for Fire Department. Wheeling Nisshin donated \$3,000.00. Carried

9. Committee as a Whole None

10. Finance Committee None

Ordinances

A. Motion by Santoro 2nd by Elliott to adopt second reading of an ordinance for handicap parking. Carried

1. 1300 Block West Street
2. 200 Block Main Street
3. 800 Block Highland Street

B. Motion by Elliott 2nd by Santoro to adopt second reading of an ordinance to remove handicap parking on the 400 block of Main Street East side. Carried

C. Motion by Schwertfeger 2nd by Pellicciotti to adopt the first reading of an ordinance establishing new water rates at \$4.26 per thousand gallons and bill monthly for all water users to be effective September 1, 2000. Carried

Motion by DeStefano 2nd by Schwertfeger to adjourn. Carried

APPROVE

WILLIAM SCHAEFER, MAYOR

ATTEST

JAMES MIRASOLA, CITY CLERK

CERTIFICATE OF PUBLICATION

The Brooke County Review

BROOKE COUNTY
WELLSBURG, W. VA.

I, J.W. George Wallace, publisher of The Brooke County Review, a newspaper of general circulation in Brooke County, West Virginia, published in Wellsburg, hereby certifies that the attached advertisement was duly published in said newspaper TWO successive weeks in the issues of August 3, 10, 2000

NOTICE OF PUBLIC HEARING ON CITY OF FOLLANSBEE WATER RATE ORDINANCE

A public hearing will be held on Monday, August 14, 2000, at 7:00 p.m. on the following ordinance which was introduced on May 8, 2000. Any person interested may appear before the City Council of the City of Follansbee at the Follansbee City Hall, 672 Main Street, Follansbee, West Virginia, and present any comment or protest thereto. Following which hearing Council shall take such action as it shall deem proper.

AN ORDINANCE SETTING FORTH WATER RATES, CONNECTION CHARGE, RECONNECTION CHARGE AND DELAYED PAYMENT PENALTY FOR SERVICE TO CUSTOMERS OF THE WATERWORKS SYSTEM OF THE CITY OF FOLLANSBEE

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

SECTION 1. INITIAL SCHEDULE OF RATES AND CHARGES

APPLICABILITY

Applicable to entire area served.

AVAILABILITY OF SERVICE

Available for general domestic, commercial and industrial service.

RATES

Each 1,000 gallons at \$4.26 per month.

MINIMUM BILL

The minimum bill shall be \$4.26 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 60 days from the date of the bill, water service to the customer will be discontinued and will not be restored until all past due bills and all accrued penalties plus a reconnection charge have been paid in full, subject to applicable rules of the Public Service Commission of West Virginia.

CONNECTION CHARGE

A charge of \$250.00 shall be made for each new connection to the water system.

RECONNECTION CHARGE

A charge of \$20.00 shall be made if any connection needs to be reconnected if previously turned off for non-payment.

SECTION 2. EFFECTIVE DATE

The water rates, connection charge and delayed payment penalty provided in this Initial Schedule of Rates and Charges 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 hereof, all ordinances, resolutions, orders or parts thereof in conflict with the provisions of this Ordinance are, to the extent of such conflicts, hereby repealed; and to the extent that the provisions of this Ordinance do not touch upon the provisions of prior ordinances, resolutions, orders or parts thereof, the same shall remain in full force and effect.

SECTION 4. STATUTORY NOTICE AND PUBLIC HEARING

Upon introduction hereof, the City Clerk shall publish a copy of this Ordinance once a week for 2 successive weeks within a period of 14 consecutive days, with at least 6 full days intervening between each publication, in The Brooke County Review, a qualified

RECEIVED

AUG 11 2000

CITY OF FOLLANSBEE

this 10 day of August 2000

Handwritten signature of J.W. George Wallace

Publisher of The Brooke County Review

this 10 day of August 2000

OFFICIAL SEAL NOTARY PUBLIC OF WEST VIRGINIA ANDRA L. LGAR

Handwritten date: May 14, 2000

THE CITY OF FOLLANSBEE

Water Revenue Bonds, Series 2002 A
(West Virginia Water Development Authority)

MINUTES ON ADOPTION OF RULES OF PROCEDURE,
ENACTMENT OF BOND ORDINANCE
AND ADOPTION OF SUPPLEMENTAL RESOLUTION

I, David Kurcina, City Clerk, of The City of Follansbee (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 12th day of August, 2002, in Follansbee, West Virginia, at the hour of 7:00 p.m.

PRESENT: Anthony Paesano - Mayor
 David Kurcina - City Clerk
 Nina B. Meca - 1st Ward Councilor
 William Secrist - 2nd Ward Councilor
 Kathy Santoro - 3rd Ward Councilor
 Scott McMahan - 4th Ward Councilor
 John DeStefano - 5th Ward Councilor
 James Mirasola - Council-at-Large

ABSENT: None.

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 proposed Rules of Procedure for consideration and there was discussion. Thereupon, upon motion duly made and seconded, it was unanimously ordered that the said Rules of Procedure be adopted and be in full force and effect on and from the date hereof.

Next, the Mayor 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 REFUNDING OF THE OUTSTANDING WATERWORKS SYSTEM BOND ANTICIPATION NOTES, SERIES 1996, WATER REVENUE BONDS, SERIES 1992 A, WATER REVENUE BONDS, SERIES 1992 B, AND WATER REVENUE BONDS, SERIES 1992 C OF THE CITY OF FOLLANSBEE AND AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC WATERWORKS SYSTEM OF THE CITY OF FOLLANSBEE AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN \$8,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2002 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 AND RATIFYING 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.

The Mayor then presented a proposed Supplemental Resolution in writing entitled:

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNTS, DATES, MATURITY DATES, REDEMPTION PROVISIONS, INTEREST RATES, INTEREST AND PRINCIPAL PAYMENT DATES, SALE PRICE AND OTHER TERMS OF THE WATER REVENUE BONDS, SERIES 2002 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), OF THE CITY OF FOLLANSBEE; 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.

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 be in full force and effect on and from the date hereof.

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There being no further business to come before the meeting, on motion duly made and seconded, it was unanimously ordered that the meeting adjourn.

CERTIFICATION

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 16th day of August, 2002.



City Clerk

07/08/02
298060.96002

**CITY OF FOLLANSBEE
ORDINANCES**

Ordinance authorizing the refunding of the outstanding waterworks system bond Anticipation Notes, Series 1996, Water Revenue Bonds, Series 1992 B, and Water Revenue Bonds, Series 1992 C of the City of Follansbee and authorizing the acquisition and construction of additions, betterments and improvements to the existing public waterworks systems of the City of Follansbee and the financing of the cost, not otherwise provided, thereof through the issuance by the City of not more than \$8,000,000 in aggregate principal amount of Water Revenue Bonds, Series 2002 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 and ratifying 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.

FIRST READING 07/08/02
SECOND READING 07/29/02
THIRD READING _____

REGULAR COUNCIL MEETING

JULY 8, 2002

Present: Mayor Anthony Paesano, City Manager Kevin Diserio,
City Clerk Dave Kurcina
Council: Nina Meca, John DeStefano, Jim Mirasola, Bill Secrist
Scott McMahon

Absent: City Attorney Mike Gaudio
Council: Kathy Santoro

Place: Council Chamber
Time: 7:00 p.m.

Thank You:

Councilman Scott McMahon would like to thank Steve Meca, Kevin Diserio and the Street Department on behalf of Mr. Fred Hart for all of their help to resolve a matter that recently occurred at Mr. Hart's residence.

Community Service Award:

Mayor Anthony Paesano and councilman Scott McMahon presented Iris Ferrell with the Community Service Award for all of her hard work and dedication to the City of Follansbee and in particular to Parkview.

Grant Money:

The Mayor announced that the City of Follansbee has received a Grant from the Governor of West Virginia thru the Drug and Violent crime control program in the amount of \$4,634.00. This amount will cover the officer's overtime hours and materials for the DARE program.

Vince Collins (Bond Council - Steptoe & Johnson):

Mr. Collins stated that the Water Project has been under design and planning for the past six or seven years. The bids that were received were over what was projected. In order to authorize the borrowing, council must authorize bonds to be issued to the Water Development Authority. There is an ordinance that needs to be passed by council. This ordinance requires two readings, a public hearing and then a third reading. He also noted that this has to be done in this time

period because the bids will expire on August 28th. Tonight's meeting will be the first reading and then a special meeting will be held on July 29th to have the 2nd reading. It will be a 40³⁷-year loan with payments beginning after the construction is complete. The interest rate is 5.8% and the amount in the ordinance will be up to \$8,000,000.00. Mr. Collins had spoken to Mr. Marc Abraham and he stated the Mr. Abraham feels confident that the rates that were imposed in 2000 is sufficient enough to service the debt and provide a 15% cushion. Included in this borrowing is the paying off of USDA loans that the City took over when it merged with Hooverson Heights. The rates on these loans is 6.125%. Scott McMahon stated that he has some questions that he feels need to be answered before he can vote on the 1st reading. Mr. Collins stated that this reading is only for the financing. By the time the last reading is read, there needs to be a decision on whether or not to proceed with the project. During the reading of the ordinance process, there is time to get all of the questions answered. Also, Kevin Diserio will give council and the water board a report showing the differences in the project between 1999 and now along with the regulation changes from the Department of Environmental Protection and the entire Certificate of Necessity. John DeStefano asked Mr. Collins if the City made a right choice with the bonding. Mr. Collins said that there has been a lot of analysis done and the City made a right choice by going through the Water Development Authority.

Motion by John DeStefano/ 2nd by Nina Meca to approve the first reading of an ordinance authorizing the refunding of the outstanding waterworks system bond Anticipation Notes, Series 1996, Water Revenue Bonds, Series 1992 B, and Water Revenue Bonds, Series 1992 C of the City of Follansbee and authorizing the acquisition and construction of additions, betterments and improvements to the existing public waterworks systems of the City of Follansbee and the financing of the cost, not otherwise provided, thereof through the issuance by the City of not more than \$8,000,000 in aggregate principal amount of Water Revenue Bonds, Series 2002 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 and ratifying 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. Carried

4 in favor

1 opposed (Scott McMahon)

John Murray (Business Development Corporation):

Mr. Murray presented a \$2,500 check to the City of Follansbee for site development from the BDC. The BDC would be willing to work with an engineering firm to help bring businesses to

the land that was recently acquired from Wheeling-Pittsburgh Steel Corporation.

Public Request:

Swim Team - Representatives from the Follansbee Swim Team presented a team picture and a trophy that they recently won, to the City of Follansbee and they would like to thank the City and Steve Meca and his crew for all of their work that they did to get the pool ready for their swim team. They would also like to have a fund raiser at the pool sometime at the end of July. They will contact Kevin Diserio to make the proper arrangements.

Motion by John DeStefano/ 2nd by Nina Meca to approve the minutes of the June 10 Regular Meeting. Carried

3 in favor

2 abstain (Bill Secrist, Scott McMahon)

Motion by Nina Meca /2nd by John DeStefano to approve the minutes of the July 1 Committee As A Whole Meeting. Carried

There were a few minor changes that will be corrected.

Motion by John DeStefano/ 2nd by Bill Secrist to approve the Police Department report. Carried

Motion by Nina Meca/ 2nd by Scott McMahon to approve the Fire Department report. Carried

John DeStefano had some questions about the phone bills. He would like to know if the Fire Department can get a better rate. These questions came from the Fire Department Financial Statement that was distributed to Council. This report was originally designed to be under information; however, beginning with the next council meeting, the Financial Report for the Fire Department will be a line item on the agenda for informational only.

Motion by John DeStefano/ 2nd by Nina Meca to approve the Financial Data. Carried

Kevin said that not all of the bills are paid and the amount this is listed as the balance for June 30th is not the true balance.

Motion by John DeStefano/ 2nd by Nina Meca to approve the Bills of Account except for the CSSI bills for payroll update and maintenance agreement. Carried

~~Kevin will check on the bills from CSSI.~~ Jim Mirasola would like for Council to receive the bills earlier instead of receiving them the night of the meeting on occasions.

Motion by Nina Meca/ 2nd by John DeStefano to approve the UDAG Bills. Carried.

UDAG Bills - July 2002

Cardello - Supplies for starting blocks

89.19

Iannetti's - Topsoil

340.00

Ken Barrick - Chains and seat belts for swings at parks	1972.87
MJ Redden - Topsoil for park	132.40
Total UDAG	2534.46

Grand Total for all Departments including UDAG **33,838.51**

Old Business

None

New Business

- a. **Open bids for paving** - Due to an advertising error in a local newspaper, council cannot open the bids tonight. Kevin would like to have a public bid opening on Thursday July 11th. Kevin said that he and Steve will get together and make recommendations to determine exactly what streets need to be paved.
Motion by John DeStefano/ 2nd by Scott McMahon authorizing City Manager Kevin Diserio to have a public bid opening for street paving on Thursday July 11th at 10:00 a.m. in Council Chambers. Carried

- b. **Work Sessions (UDAG, Economic Development)** - Scott would like to have a UDAG budget in place to allow for expenditures. John DeStefano would like for ~~Kevin to check into the warranty for the roofs on the library and the City garage.~~ They were both done by Charlie Company.
Motion by Jim Mirasola/ 2nd by Nina Meca authorizing City Manager Kevin Diserio to select dates for UDAG and Economic Development work sessions. Carried
Kevin also handed out a copy of an advertisement for engineering services for economic development facilities plan. Scott wanted to make sure that we hire someone who has done this type of work before and he would like to have more information included on this advertisement.
Motion by John DeStefano/ 2nd by Scott McMahon authorizing City Manager Kevin Diserio to advertise for engineering services for economic development facilities plan. Carried

- c. **Pool sealing** - Kevin said that he had contacted three references about Pool Technologies Inc. They all said that the quality of work and service were excellent. Kevin is recommending that council proceeds with this upgrade to the pool. Scott has some concern over the expenditures. There was also some discussion about

the UDAG account and how much money Council can spend out of the account. Kevin will get some more information and address the UDAG issue during the work session. Scott said that he is against spending anymore money out of the UDAG interest that we already have allocated.

- d. **WV Municipal League Conference** - There was information included in the packet about this subject.
- e. **Sewer Board Appointments** - There was some discussion about the terms of the sewer board appointments. Scott wanted to know if Mr. Lloyd Adams can be allowed to be on the sewer board even though he does not live in the City. Mr. Adams was appointed to the board during construction of the waste water facility. Once this facility was completed, Scott thought that Mr. Adams should have been replaced with a resident from the City. Kevin said that there is currently a sewer project that has not been started; therefore, he can actually stay on the board. Kevin will check on this issue and it will be discussed at the next meeting.
- f. **UDAG Budget** - There was a report that was handed out at the last meeting and it needs updated. No action was taken during this meeting.
- g. **Shotgun training approval** -
Motion by John DeStefano/ 2nd by Scott McMahon to approve shotgun training for City Police Officer Rick Reinard. Carried

City Manager Report

- a). **Phone Bills** - All lines will now be billed through Digital Connections. Annual savings City wide should be about \$3,600. Scott said that he is in favor of this if the City can pull out of the contract at any time.
- b). **Bond Ordinance Readings for Water Project Financing** -
 - 1). July 29 at 6:00 2nd reading of bond ordinance
 - 2). August 12 at 7:00 Public hearing of bond ordinance
- c). **Park Fences** - Repairs to Mahan and Parkview park fences will be done shortly.
- d). **Route 2 Widening** - There will be a public meeting from 4-8 p.m. on Thursday, August 8 at the Community House. Plans for construction and detours will be available for viewing. WV DOH representatives will be available.
- e). **Liability Insurance** - Working with Oklok-Criss, Assure America, Commercial Insurance and WV Board of Risk on a renewal policy.

- f). **Highland Hills Tennis Courts** - Work will commence as soon as possible after Community Days' cleanup is complete.

Referred to Committee-as-a-whole

None

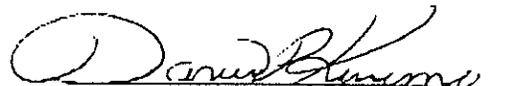
Information

- a. Follansbee Fire Department Financial Statement for month of June
- b. 2002 Community Days Budget
- c. Follansbee Park Revenues from January 1 - June 30, 2002
- d. Copy of check from BDC.
- e. Municipal League information.

Ordinances

None

Motion by John DeStefano/ 2nd by Kathy Santoro to adjourn at 8:35 p.m. Carried


David P. Kurcina, City Clerk

SPECIAL COUNCIL MEETING

JULY 29, 2002

Present: Mayor Anthony Paesano, City Manager Kevin Diserio,
City Attorney Mike Gaudio, City Clerk Dave Kurcina
Council: Nina Meca, John DeStefano, Jim Mirasola, Bill Secrist
Scott McMahan

Absent: Council: Kathy Santoro

Place: Council Chamber

Time: 6:00 p.m.

Subject: 2nd Reading of Water Bond Ordinance

Motion by John DeStefano/ 2nd by Nina Meca to approve the second reading of an ordinance authorizing the refunding of the outstanding waterworks system bond Anticipation Notes, Series 1996, Water Revenue Bonds, Series 1992 B, and Water Revenue Bonds, Series 1992 C of the City of Follansbee and authorizing the acquisition and construction of additions, betterments and improvements to the existing public waterworks systems of the City of Follansbee and the financing of the cost, not otherwise provided, thereof through the issuance by the City of not more than \$8,000,000 in aggregate principal amount of Water Revenue Bonds, Series 2002 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 and ratifying 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. Carried

4 in favor

1 opposed (Scott McMahan)

Scott McMahan stated that he is not comfortable with the numbers that have been presented for the water project. The first quote from Tri-Sate Pump was prepared by Doug Marcum in 1999 in the amount of \$407,258. Scott wanted to know why there was only \$43,000 in labor in that

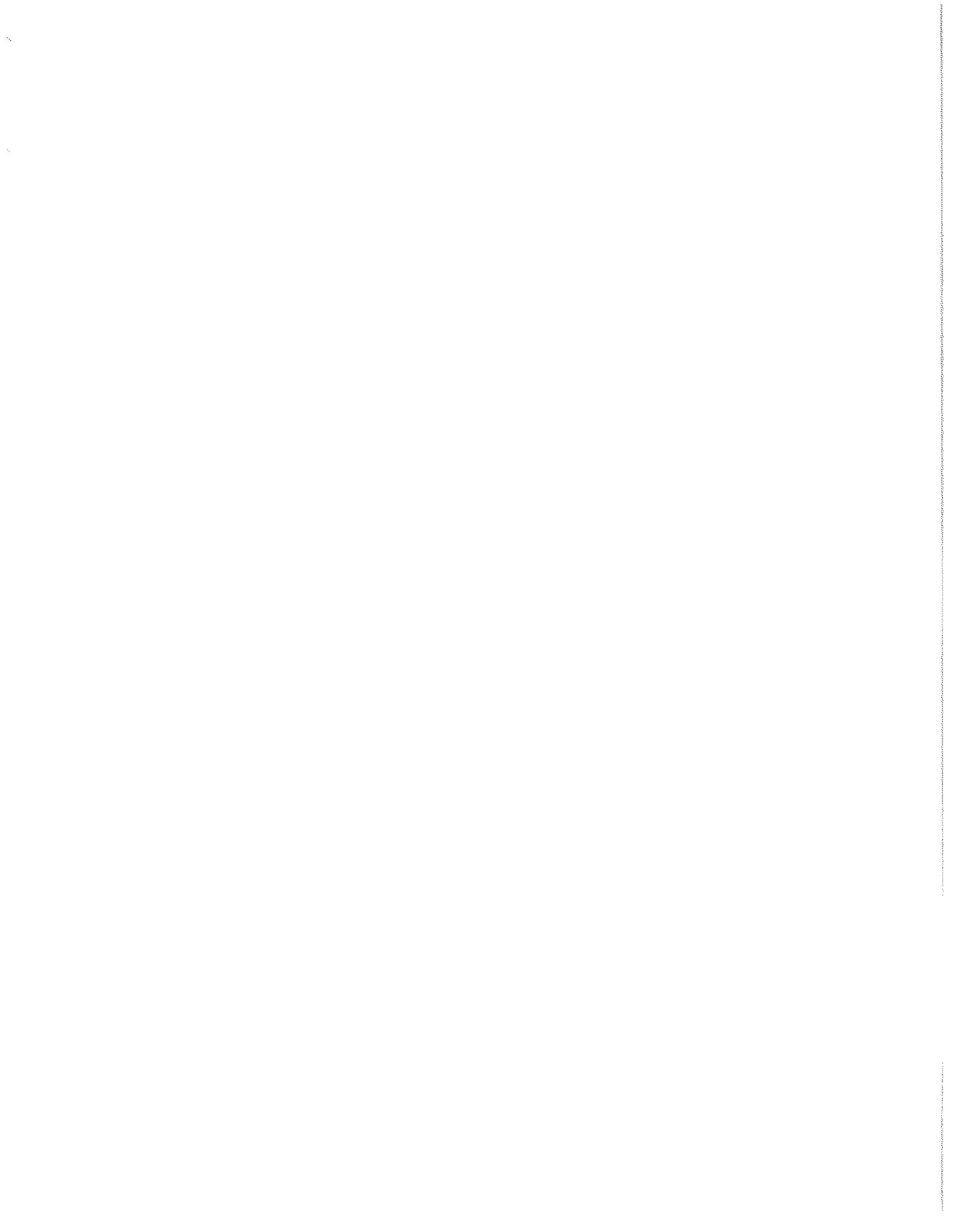
initial quote. Kevin said that there was not supposed to be any labor involved with the first quote. He also would like to know how Paul Ghosh and Marc Abraham set a rate from a bid that does not include labor. The only item that has changed was the labor cost. Kevin said that they had some cushion built into the rates for labor or cost overruns. The new labor rate from Doug Marcum is \$161,000. Kevin said that Doug was not doing all of the labor on the initial bid. Scott said that he has asked Paul Ghosh about the labor cost and so far, he has not heard anything from him. Kevin said that there were changes made to the project from 1999 until now. Since the rates went into effect in 2000, we have been paying the bills and building up the reserve account, which currently stands at \$165,000. Mike Gaudio said that a large portion of the rate increase was to bring the Water Department back up to the black. Mike also said that there was some labor in the first quote from the Contractor that is currently removed and placed with the quote from Marcum Pump. There was also some telemetry that was added on by Water Superintendent Sam Mazzone that was not included in the initial quote.

Kevin said that when we start this project, we must keep a Debt Reserve Account and a Renewal & Replacement Account. The R&R is 2 ½ % of our gross revenues. He also said that we can start both accounts out with a 0 balance. The Debt Reserve has to be funded over a ten-year period. When we send in the monthly debt payment, Kevin said that there would be a little bit extra to allow for the debt reserve to be build up. Scott said that he would like to have Marc Abraham, Doug Marcum and Paul Ghosh come to our meeting to answer questions. Mike said that there are some parts of the project that can be paid out of the UDAG Account that will not effect the water rates.

John DeStefano would like to know if the original bid from Tri-State Pump was awarded. Mike said that none of the bids that was received in 1999 were accepted. He would also like to know if all of the surrounding communities are making their facilities to be EPA approved.

Motion by John DeStefano/ 2nd by Nina Meca to adjourn at 6:26 p.m. Carried


David P. Kurcina, City Clerk



CERTIFICATE OF PUBLICATION

The Brooke County Review
Brooke County
Wellsburg, West Virginia

I, J.W. George Wallace, publisher of
The Brooke County Review, a newspaper of general
circulation in Brooke County, West Virginia,
published in Wellsburg, hereby Certifies that the
advised advertisement was duly published in said
paper 2 successive weeks in the issues

August 1, 2002

August 8, 2002

CITY OF FOLLANSBEE
NOTICE OF PUBLIC HEARING ON ORDINANCE

A public hearing will be held on the following - entitled Ordinance at a regular meeting of the Council of the City of Follansbee (the "City") to be held on Monday, August 12, 2002, at 7:00 p.m. in Council Chambers at the City Hall, 872 Main Street, Follansbee, 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 refunding of the outstanding waterworks system bond anticipation notes, series 1996, water revenue bonds, series 1992 A, water revenue bonds, Series 1992 B, and water revenue bonds, series 1992 C of the City of Follansbee and authorizing the acquisition and construction of additions, betterments and improvements to the existing public waterworks system of the City of Follansbee and the financing of the cost, not otherwise provided, thereof through the issuance by the city of not more than \$8,000,000 in aggregate principal amount of water revenue bonds, series 2002 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 and ratifying 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 approved by the Council on July 29, 2002.

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 the Ordinance. The proceeds of the Bonds will be used to provide permanent financing of the costs of (i) refunding the outstanding Waterworks System Bond Anticipation Notes, Series 1996, Water Revenue Bonds, Series 1992 A, Water Revenue Bonds, Series 1992 B, and water Revenue Bonds, Series 1992 C; (ii) acquiring and constructing betterments, additions and improvements to the waterworks system of the City and (iii) paying certain costs of issuance of the Bonds and related costs. The Bonds are payable solely from revenues to be derived from the ownership and operation of the waterworks 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 for review by interested parties during regular office hours.

Following the public hearing, the Council intends to enact the Ordinance upon final reading.

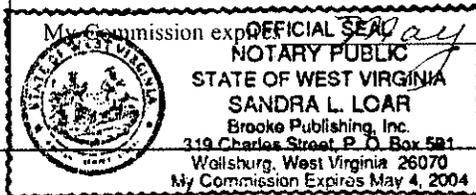
under my hand this 8 day of August, 2002

Publisher of the Brooke County Review

's Fee \$ 126.44

/s/ David Kurcina
City Clerk

Subscribed and sworn to this 8 day of August, 2002



Information Return for Tax-Exempt Governmental Obligations

► Under Internal Revenue Code section 149(e)
 ► See separate instructions.

OMB No. 1545-0720

Caution: If the issue price is under \$100,000, use Form 8038-GC.

Part I Reporting Authority		If Amended Return, check here <input type="checkbox"/>	
1 Issuer's name City of Follansbee	2 Issuer's employer identification number 55 : 6000176		
3 Number and street (or P.O. box if mail is not delivered to street address) Post Office Box 606	Room/suite	4 Report number 3 2002-1	
5 City, town, or post office, state, and ZIP code Follansbee, West Virginia 26037		6 Date of issue August 16, 2002	
7 Name of issue Water Revenue Bonds, Series 2002 A (West Virginia Water Development Authority)		8 CUSIP number N/A	
9 Name and title of officer or legal representative whom the IRS may call for more information Kevin Diserio, City Manager		10 Telephone number of officer or legal representative (304) 527.1330	

Part II Type of Issue (check applicable box(es) and enter the issue price) See instructions and attach schedule	
11 <input type="checkbox"/> Education	11
12 <input type="checkbox"/> Health and hospital	12
13 <input type="checkbox"/> Transportation	13
14 <input type="checkbox"/> Public safety	14
15 <input checked="" type="checkbox"/> Environment (including sewage bonds)	15 7,790,000
16 <input type="checkbox"/> Housing	16
17 <input type="checkbox"/> Utilities	17
18 <input type="checkbox"/> Other. Describe ►	18
19 If obligations are TANs or RANs, check box <input type="checkbox"/> If obligations are BANs, check box <input type="checkbox"/>	
20 If obligations are in the form of a lease or installment sale, check box <input type="checkbox"/>	

Part III Description of Obligations. Complete for the entire issue for which this form is being filed.				
(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21 10-1-2039	\$ 7,790,000	\$ 487,598	25.129 years	5.8006214 %

Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)				
22 Proceeds used for accrued interest	22	-0-		
23 Issue price of entire issue (enter amount from line 21, column (b))	23	7,790,000		
24 Proceeds used for bond issuance costs (including underwriters' discount)	24	30,000		
25 Proceeds used for credit enhancement	25	-0-		
26 Proceeds allocated to reasonably required reserve or replacement fund	26	-0-		
27 Proceeds used to currently refund prior issues	27	3,009,375.60		
28 Proceeds used to advance refund prior issues	28	-0-		
29 Total (add lines 24 through 28)	29	3,039,375.60		
30 Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)	30	4,750,624.40		

Part V Description of Refunded Bonds (Complete this part only for refunding bonds.)	
31 Enter the remaining weighted average maturity of the bonds to be currently refunded	► Not calculated years
32 Enter the remaining weighted average maturity of the bonds to be advance refunded	► N/A years
33 Enter the last date on which the refunded bonds will be called	► August 16, 2002
34 Enter the date(s) the refunded bonds were issued	► 10/15/96 and 10/13/92

Part VI Miscellaneous	
35 Enter the amount of the state volume cap allocated to the issue under section 141(b)(5)	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 <input checked="" type="checkbox"/> and enter the name of the issuer	► West Virginia Water Development Authority and the date of the issue ► June 15, 1999
38 If the issuer has designated the issue under section 265(b)(3)(B)(i)(iii) (small issuer exception), check box	<input type="checkbox"/>
39 If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box	<input type="checkbox"/>
40 If the issuer has identified a hedge, check box	<input type="checkbox"/>

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.

Sign Here

Anthony Paesano 8/15/02
 Signature of issuer's authorized representative Date

Anthony Paesano, Mayor
 Type or print name and title



WV MUNICIPAL BOND COMMISSION
8 Capitol Street
Terminal Building, Suite 500
Charleston, WV 25301
(304) 558-3971

NEW ISSUE REPORT FORM

Date of Report: August 16, 2002

(See Reverse for Instructions)

ISSUE: The City of Follansbee Water Revenue Bonds, Series 2002 A (West Virginia Water Development Authority)

ADDRESS: P.O. Box 606, Follansbee, West Virginia 26037

COUNTY: Brooke

PURPOSE OF ISSUE: New Money: X
Refunding: X

1996 Notes, 1992 A,
REFUNDS ISSUE(S) DATED: 1992 B and 1992 C Bonds

ISSUE DATE: August 16, 2002

CLOSING DATE: August 16, 2002

ISSUE AMOUNT: \$ 7,790,000

RATE: 5.8%

1ST DEBT SERVICE DUE: October 1, 2002

1ST PRINCIPAL DUE: October 1, 2003

1ST DEBT SERVICE AMOUNT: \$ 56,477.50

PAYING AGENT: Municipal Bond Commission

BOND

COUNSEL: Stephoe & Johnson PLLC
Contact Person: Vincent A. Collins, Esq.
Phone: (304) 624-8161

UNDERWRITERS

COUNSEL: Jackson & Kelly, PLLC
Contact Person: Samme L. Gee, Esq.
Phone: (304) 340-1318

CLOSING BANK: WesBanco Bank, Inc.
Contact Person: Charlotte Kolenc
Phone: (304) 527-1200

ESCROW TRUSTEE: _____
Contact Person: _____
Phone: _____

KNOWLEDGEABLE ISSUER CONTACT
Contact Person: Kevin Diserio
Position: Manager
Phone: (304) 527-1330

OTHER: Water Development Authority
Contact Person: Daniel B. Yonkosky
Function: Executive Director
Phone: (304) 558-3612

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 basic facts no later than the day of closing 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 West Virginia 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 supplements, 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 closing are required, please submit this form before closing. If no significant facts change by closing, no resubmission at closing is required. If, however, there are changes, please submit an updated form, with changes noted, at closing.

If you should have any questions concerning this form, please call the Commission.

08/12/02
298060.96002

CH542037.1

THE CITY OF FOLLANSBEE

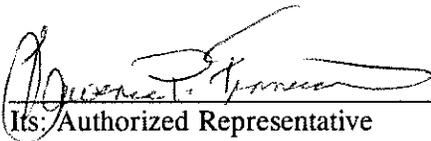
Water Revenue Bonds, Series 2002 A
(West Virginia Water Development Authority)

ACCEPTANCE OF APPOINTMENT AS DEPOSITORY BANK

WESBANCO BANK, INCORPORATED, Follansbee, West Virginia, hereby accepts appointment as Depository Bank in connection with a Bond Ordinance of The City of Follansbee (the "Issuer"), enacted August 12, 2002, and a Supplemental Resolution of the Issuer adopted August 12, 2002 (collectively, the "Bond Legislation"), authorizing issuance of the Issuer's Water Revenue Bonds, Series 2002 A (West Virginia Water Development Authority), dated August 16, 2002, in the principal amount of \$7,790,000 (the "Bonds"), and agrees to serve as Depository Bank in connection with the Bonds, all as set forth in the Bond Legislation.

WITNESS my signature this 16th day of August, 2002.

WESBANCO BANK, INCORPORATED

By:  Service Vice President
Its: Authorized Representative

THE CITY OF FOLLANSBEE

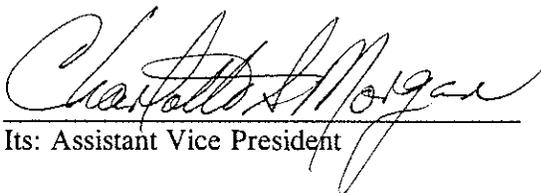
Water Revenue Bonds, Series 2002 A
(West Virginia Water Development Authority)

ACCEPTANCE OF DUTIES AS REGISTRAR

BRANCH BANKING AND TRUST COMPANY, Charleston, West Virginia, hereby accepts appointment as Registrar in connection with The City of Follansbee Water Revenue Bonds, Series 2002 A (West Virginia Water Development Authority), dated August 16, 2002, in the principal amount of \$7,790,000 (the "Bonds"), and agrees to perform all duties of Registrar in connection with such Bonds, all as set forth in the Bond Legislation authorizing issuance of the Bonds.

WITNESS my signature on this 16th day of August, 2002.

BRANCH BANKING AND TRUST COMPANY

By: 
Its: Assistant Vice President

THE CITY OF FOLLANSBEE

Water Revenue Bonds, Series 2002 A
(West Virginia Water Development Authority)

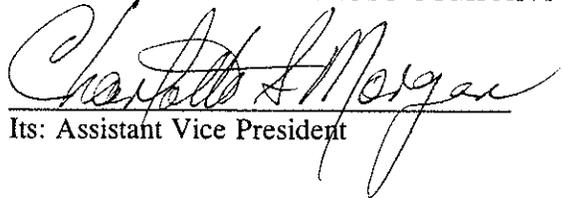
CERTIFICATE OF REGISTRATION OF BOND

BRANCH BANKING AND TRUST COMPANY, Charleston, West Virginia, as Registrar under the Bond Legislation and Registrar's Agreement providing for the Water Revenue Bonds, Series 2002 A (West Virginia Water Development Authority), of The City of Follansbee (the "Issuer"), hereby certify that on the day hereof, the single, fully registered The City of Follansbee, Water Revenue Bond, Series 2002 A (West Virginia Water Development Authority), of the Issuer, dated August 16, 2002, in the principal amount of \$7,790,000, numbered AR-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 Branch Banking and Trust Company, as Registrar.

WITNESS my signature on this 16th day of August, 2002.

BRANCH BANKING AND TRUST COMPANY

By:


Its: Assistant Vice President

THE CITY OF FOLLANSBEE

Water Revenue Bonds, Series 2002 A
(West Virginia Water Development Authority)

REGISTRAR'S AGREEMENT

THIS REGISTRAR'S AGREEMENT, dated as of the 16th day of August, 2002, by and between THE CITY OF FOLLANSBEE, a municipal corporation and political subdivision of the State of West Virginia (the "Issuer"), and BRANCH BANKING AND TRUST COMPANY, Charleston, West Virginia (the "Registrar").

WHEREAS, the Issuer has, contemporaneously with the execution hereof, issued and sold its \$7,790,000 Water Revenue Bonds, Series 2002 A (West Virginia Water Development Authority), in fully registered form (the "Bonds"), pursuant to a Bond Ordinance of the Issuer adopted August 12, 2002, and a Supplemental Resolution of the Issuer adopted August 12, 2002 (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 exclusion of interest on the Bonds from gross income for federal income tax purposes, in accordance with any rules and regulations promulgated by the United States Treasury Department or by the Municipal Securities Rulemaking Board or similar regulatory bodies as the Issuer advises it of and with generally accepted industry standards.

2. The 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 the compensation for services rendered as provided in the annexed schedule.

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 Follansbee
 P.O. Box 606
 Follansbee, West Virginia 26037
 Attention: Mayor

REGISTRAR: Branch Banking and Trust Company
Post Office Box 1793
300 Summers Street
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.

9. This document may be executed in one or more counterparts each of which shall be deemed an original and all of which shall constitute but one and the same document.

IN WITNESS WHEREOF, the parties hereto have respectively caused this Registrar's Agreement to be signed in their names and on their behalf, all as of the day and year first written above.

THE CITY OF FOLLANSBEE

By: Anthony Seavers
Its: Mayor

BRANCH BANKING AND TRUST COMPANY

By: Charlette Morgan
Its: Assistant Vice President

EXHIBIT A

Bond Legislation included in transcript as Documents No. 1 and 2

SCHEDULE OF COMPENSATION

(See Attached)



Trust Department

300 Summers Street
P.O. Box 1793
Charleston, WV 25326
(304) 348-7081
(800) 336-5450

August 16, 2002

The City of Follansbee
Attention: Mayor
Post Office Box 606
Follansbee, WV 26037

RE: Invoice

THE CITY OF FOLLANSBEE WATER REVENUE BONDS, SERIES 2002 A
(WEST VIRGINIA WATER DEVELOPMENT AUTHORITY)

ONE TIME FEE FOR SERVICES AS REGISTRAR AND
AUTHENTICATING AGENT.....\$250.00

Please forward remittance to:

Branch Banking and Trust Co.
Attn: Charlotte S. Morgan
P. O. Box 1793
Charleston WV 25326
Telephone: (304) 348-7239



WEST VIRGINIA WATER DEVELOPMENT AUTHORITY
LOAN PROGRAM II
REQUISITION AS TO LOAN TO GOVERNMENTAL AGENCY

TO: THE BANK OF NEW YORK, Trustee

A. Name of Governmental Agency to which payment is to be made: City of Follansbee (the "Governmental Agency")

B. (i) Par amount: \$7,790,000
(ii) Total amount to be paid: \$ 7,790,000

C. Certification by West Virginia Water Development Authority (the "Authority") for its Loan Program II.

I hereby certify that under the terms and provisions of the Loan Agreement providing for the Loan to the Governmental Agency, dated as of August 16, 2002 (the "Loan Agreement"), the Governmental Agency has sold its Water Revenue Bonds, Series 2002 A (West Virginia Water Development Authority) (the "Local Bonds"), to the Authority in the principal amount equal to the amount of the Loan set forth in (B) (i) above, that the Governmental Agency is obligated to make Local Bond Payments and to pay Fees and Charges in accordance with Section 9.09 of the General Resolution and that the Governmental Agency is not in default under any of the terms or provisions of the Loan Agreement.

I further certify that the Local Bond Payments, and other moneys available therefor, will be sufficient to pay interest on and Principal Installments of the Local Bonds, the proceeds of which were used to fund the Loan Obligations, as such interest and Principal Installments come due.

The above certification complies with Subsections 6.06(2)(a)(ii) and (v) of the General Resolution.

Dated this 16th day of August, 2002.

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY


Authorized Representative

08/07/02
000832/00469

State of West Virginia

OFFICE OF ENVIRONMENTAL HEALTH SERVICES

815 QUARRIER STREET, SUITE 418

CHARLESTON, WEST VIRGINIA 25301-2616
TELEPHONE 304-558-2981

PERMIT

(Water)

PROJECT: City of Follansbee Water System Improvements

PERMIT NO.: 14,118

LOCATION: Follansbee

COUNTY: Brooke

DATE: 6-29-99

THIS IS TO CERTIFY that after reviewing plans, specifications, application forms, and other essential information that

**City of Follansbee
P.O. Box 606
Follansbee, West Virginia 26037**

is hereby granted approval to: install approximately 12,166 LF of 12", 2,475 LF of 8" and 9,300 LF of 6" water line; replace a 112,000 gallon water storage tank with a 696,000 gallon tank; replace a 90,000 gallon water storage tank with a 827,000 gallon tank; upgrade the Hooverson Heights water treatment plant capacity from 700 G.P.M. to 1,050 G.P.M., with major work consisting of installing an additional 700 G.P.M. raw water pump, adding a static mixer, adding a 126,965 gallon pre-sedimentation basin, modify the potassium permanganate chemical feed system, replacing the existing high service water pumps with two (2) 1,050 G.P.M. pumps, and modify and renovate the existing buildings and grounds; upgrade the existing Follansbee water treatment plant with major work consisting of adding a 300 G.P.M. greensand pressure filter, relocate the potassium permanganate and fluoride chemical feed systems, adding a 31,500 gallon filter backwash tank, renovate the existing well buildings, and modify and renovate the existing buildings and grounds.

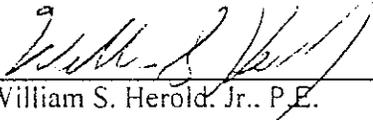
Facilities are to serve the City of Follansbee and the Hooverson Heights.

NOTE: This permit is contingent upon: 1) All new water mains and water storage facilities being disinfected, flushed and bacteriologically tested, prior to use; and 2) Maintaining a minimum ten (10) feet horizontal separation between sewer and water lines and a minimum eighteen (18) inches vertical separation between crossing sewer and water lines, with the water line above the sewer line.

The Environmental Engineering Division of the Wheeling District Office (304-238-1145) is to be notified when construction begins.

Validity of this permit is contingent upon conformity with plans, specifications, application forms, and other information submitted to the West Virginia Bureau for Public Health.

FOR THE DIRECTOR



William S. Herold, Jr., P.E.
Assistant Director
Environmental Engineering Division

WSH:cmh

pc: Ghosh Engineers, Inc.
Amy Swann, Public Service Commission
Susan Riggs, WVIJDC
Brooke County Health Department
OEHS-EED Wheeling District Office
Katy Mallory

THE CITY OF FOLLANSBEE

Water Revenue Bonds, Series 2002 A
(West Virginia Water Development Authority)

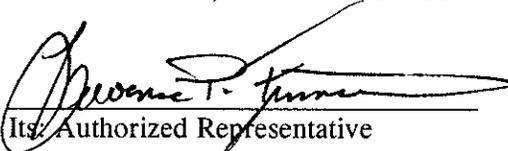
RECEIPT FOR PAYMENT OF SERIES 1996 NOTES

The undersigned, authorized representative of WesBanco Bank, Incorporated ("Bank"), the registered owner of the Waterworks System Bond Anticipation Notes, Series 1996, dated October 15, 1996 (the "Notes") of The City of Follansbee (the "Issuer"), issued in the original principal amount of \$575,000, hereby certifies that on or about the 16th day of August, 2002, the Bank received \$562,611.16 from the Issuer and that such sum is sufficient to pay in full the entire outstanding principal of and all interest accrued on the Notes and discharge the liens, pledges and encumbrances securing the Notes.

WITNESS my signature on this 16th day of August, 2002.

WESBANCO BANK, INCORPORATED

By:


Its Authorized Representative

08/12/02
298060.96002

CH542485.1

THE CITY OF FOLLANSBEE

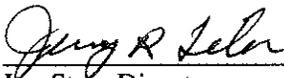
Water Revenue Bonds, Series 2002 A
(West Virginia Water Development Authority)

RECEIPT FOR PAYMENT OF SERIES 1992 A BONDS,
SERIES 1992 B BONDS AND SERIES 1992 C BONDS

The undersigned, authorized representative of the United States of America, acting through the Rural Utilities Service, United States Department of Agriculture ("RUS"), the registered owner of the Water Revenue Bonds, Series 1992 A, Series 1992 B and Series 1992 C, dated October 13, 1992 (the "Prior Bonds"), of The City of Follansbee (the "Issuer"), issued in the total original aggregate principal amount of \$2,671,000, hereby certifies that on the 16th day of August, 2002, RUS received \$2,446,764.44 from the Issuer and that such sum is sufficient to pay in full the entire outstanding principal of and all interest accrued on the Prior Bonds and discharge the liens, pledges and encumbrances securing the Prior Bonds.

WITNESS my signature on this 16th day of August, 2002.

RURAL UTILITIES SERVICE, UNITED STATES
DEPARTMENT OF AGRICULTURE

By: 
Its: State Director

08/12/02
298060.96002

CH542486.1

PUBLIC SERVICE COMMISSION
OF W. VA.
OCT 16 1986
LEGAL DIVISION
RECEIVED

AGREEMENT TO SELL AND BUY WATER

THIS AGREEMENT, Made and entered into this 15th day of October, 1986, by and between THE CITY OF FOLLANSBEE, a West Virginia corporation, acting by and through its Combined Water Works & Sewage Board, hereinafter referred to as SELLER, and THE CROSS CREEK PUBLIC SERVICE DISTRICT, hereinafter referred to as BUYER.

WHEREAS, the City of Follansbee is a West Virginia municipal corporation operating its water works by and through the Combined Water Works & Sewage Board of the City of Follansbee, and

WHEREAS, the Cross Creek Public Service District is a public service district operating within Brooke County, West Virginia, in the Cross Creek area and intends to service approximately one hundred (100) residential customers, more or less, within the boundaries of its public service district, and

WHEREAS, the City of Follansbee is desirous of selling water to the said Cross Creek Public Service District, and said Cross Creek Public Service District is desirous of buying water from the City of Follansbee, a West Virginia municipal corporation.

NOW THEREFORE, the parties hereto agree as follows:

1) That the SELLER shall sell to the BUYER and the BUYER will buy from the SELLER, such water as is needed to service the one hundred (100) residential customers, more or less, of the Cross Creek Public Service District at the following rates, which are subject to change by ordinance of the City of Follansbee with the approval of the West Virginia Public Service Commission pursuant to the Statutes of the State of West Virginia according to the cost of providing service, which rates are the same rates now being charged to the Highland Hills portion of the City of Follansbee, the Mahan Lane section of the City of Follansbee, and as well, Archer Heights customers of the city of Follansbee, and which are as follows:

First	6,000 gal.	used bi-monthly	\$2.80 per 1000 gal.
Next	4,000 gal.	used bi-monthly	2.60 per 1000 gal.
Next	5,000 gal.	used bi-monthly	2.08 per 1000 gal.
Next	5,000 gal.	used bi-monthly	1.63 per 1000 gal.
All over	20,000 gal.	used bi-monthly	1.30 per 1000 gal.

It is agreed between the parties that the foregoing rates, shall be applicable, as adjusted from time to time, to the rates being charged by the SELLER to the BUYER herein, and the said BUYER, shall be considered as another customer of the City of Follansbee as are customers of Highland Hills, Mahan's Lane and Archer Heights, and are subject to the same rules, regulations, rates, and billing procedures as are said customers.

2) It is further agreed between the parties, that the City of Follansbee shall deliver the said water to the extent of its line as the same is located near Brooke High School, Cross Creek Road, Brooke County, West Virginia, at which place the BUYER agrees at its own expense, to install and maintain a properly sized and good quality water meter, to be read by the City on a periodic billing basis for billing of water charges to the said BUYER.

3) With regard to the installation of a proper sized water meter of good and sufficient quality, the BUYER agrees that if for some reason, the said meter is not in good working order and condition, the SELLER, upon reasonable notice to the BUYER, may maintain said meter, all at the expense and costs of the BUYER, and the cost of maintaining said meter shall be immediately due and payable from the BUYER to the SELLER.

4) It is further agreed between the parties herein, that nothing in this contract contained, shall be as construed or interpreted to impose any burden or duty or obligation upon the City of Follansbee, or the Combined Water Works & Sewage Board, to maintain sufficient water for the purpose of combating fires within BUYER's district, nor shall the same be construed to give any cause of action to any individual customer of the Cross Creek

Public Service District against the City of Follansbee for any such fires or other damages which may be suffered by the BUYER and/or any of its customers, as a result of the supplying of water by the SELLER to the BUYER, whether the same arises out of insufficient pressure or otherwise.

In that regard, the BUYER agrees to indemnify and hold harmless, the SELLER from any causes of action, lawsuits, claims, counterclaims, crossclaims, or any other suits or actions arising from any act or negligence of the Cross Creek Public Service District, or its representatives, which may be brought by any person, corporation or association against the SELLER arising out of supplying of water by the SELLER to the BUYER, and the said BUYER agrees to indemnify the SELLER further against any attorney fees or court costs in connection with or arising out of any and all such claims.

These foregoing provisions with regard to their being no duty upon the City of Follansbee with respect to fire protection or sufficient water pressure for fire protection, and as well, the indemnification provisions of this agreement, shall also apply and is not limited to the situation where the BUYER may provide fire hydrants for the area serviced by the BUYER.

5) This Agreement between the BUYER and the SELLER, shall endure for a period of thirty (30) years, and is subject to the approval of the West Virginia Public Service Commission, which approval, the BUYER agrees to obtain, if necessary. It is further agreed and understood that at the termination of the aforesaid period of thirty (30) years that the parties hereto will negotiate with respect to the renewal of an agreement to sell and buy water upon terms and conditions that may then be appropriate.

6) Nothing contained in this Agreement shall be construed to require the SELLER to maintain or be responsible for any water facility, pipes, ducts, or lines or any part of the water system extending beyond the meter in the line where at the BUYER connects to the line of the SELLER.

7) It is further agreed by the BUYER that the payment of any bills shall be made within thirty (30) days from the date of the bill, and if such payment is not made, ten percent (10%) shall be added to the net amount shown. If the said bill remains unpaid for a period of thirty (30) days, the SELLER shall have the right to terminate service to the BUYER, time being of the essence of this agreement. Termination of service herein shall be construed as the right of the SELLER to shut off any and all water to the BUYER, without liability for any direct and/or consequential damages to the BUYER or any of its customers, all without further notice from the SELLER to the BUYER. It is further agreed and understood that any termination of service herein shall be conducted in compliance with the rules of termination of the Public Service Commission of the State of West Virginia.

8) It is expressly understood that the SELLER shall be bound to sell water under the terms of this contract only so long as such sale does not materially interfere with the SELLER'S ability to supply its own customers within the present limits of the City of Follansbee. It is further agreed between the parties that, in the event that it becomes necessary for any reason to terminate service under the contract herein, that the SELLER shall provide the BUYER with such reasonable advance notice of the same as may be possible under the circumstances.

9) It is further agreed between the parties that if the SELLER does not accept water within two (2) years from the date of this instrument, this contract shall become automatically null and void and of no force and effect.

10) The terms of this contract shall not inure to the benefit of third parties, and that the BUYER may not assign this contract without the prior written approval of the SELLER.

11) It is further agreed between the parties that there may be a review of the rate structure and city's cost of providing

service to the BUYER, at such times as the SELLER reviews its rates with other customers of Highland Hills, Mahan's Lane, and Archer Heights and nothing herein shall be construed to be a guaranteed rate of water service rates by the SELLER to the BUYER. It is agreed, however, that should a review of the rates indicate that the rates should be increased, then the SELLER may increase the rates by enactment of appropriate Ordinance, and as well, should a review of rates indicating that the rates should be decreased, then the BUYER may benefit from such decrease in the same manner. It is further understood that the BUYER will increase or decrease its rates in the sale of water to its individual customers in the manner and form required by the Public Service Commission of the State of West Virginia, it being understood that such requirement upon the BUYER does not in any way interfere with the rights of the SELLER to modify its rates under the terms of this contract.

CITY OF FOLLANSBEE AND ITS
COMBINED WATER WORKS & SE-
WAGE BOARD, SELLER

BY: Adem Daleris
Its Mayor

ATTEST:

Rudy J. Cipriani
City Clerk

D. J. Broccolini
Board Member

John Kasarda
Board Member

James J. Bullah
Member

William J. Leon
Member

Lewis Young
Member

CROSS CREEK PUBLIC SERVICE DIS-
TRICT OF BROOKE COUNTY, WV

BUYER

BY: William J. Leon
Its President

ATTEST:

Mark Baldwin

STATE OF WEST VIRGINIA
COUNTY OF BROOKE, to-wit:

I, _____, a Notary Public in and for
the County and State aforesaid, do hereby certify that _____
_____, its Mayor, _____,
its City Clerk, _____,
_____, and _____, its Com-
bined Water Works & Sewage Board Members, whose names are signed
to the foregoing writing for the City of Follansbee, a West Vir-
ginia municipal corporation, and its Combined Water Works & Sewage
Board, have acknowledged the same to be the act and deed of said
City of Follansbee and its Combined Water Works & Sewage Board.

Given under my hand this _____ day of _____, 1986.

My Commission Expires:

NOTARY PUBLIC

STATE OF WEST VIRGINIA
COUNTY OF BROOKE, to-wit:

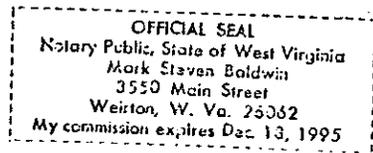
I, Mark Steven Baldwin, a Notary Public in and for
the County and State aforesaid, do hereby certify that William
J. Leon, its President, and James J. Bullock, Lewis
Young: William J. Leon, its members, whose names are
signed to the foregoing writing for the Cross Creek Public Service
District of Brooke County, West Virginia, have acknowledged the same
to be the act and deed of said Cross Creek Public Service Dis-
trict.

Given under my hand this 15th day of October, 1986.

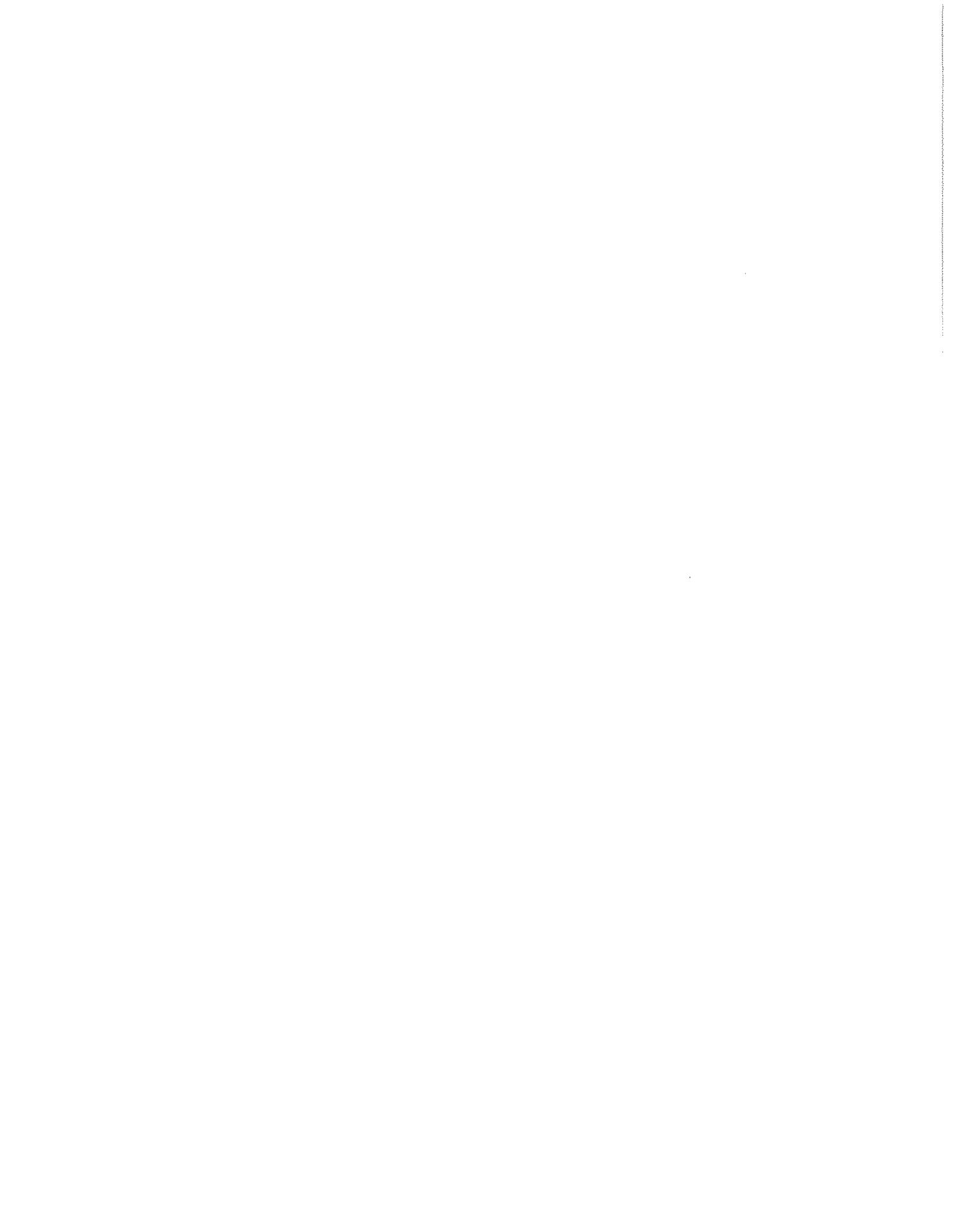
My Commission Expires:

December 18, 1995

Mark Steven Baldwin
NOTARY PUBLIC



THIS INSTRUMENT PREPARED BY:
DAVID B. CROSS
Attorney at Law
67-Seventh Street
Wellsburg, WV 26070



CLOSING MEMORANDUM

To: Financing Team
From: John C. Stump, Esquire
Date: August 16, 2002
Re: The City of Follansbee Water Revenue Bonds, Series 2002 A (West Virginia Water Development Authority)

1. DISBURSEMENTS TO THE CITY OF FOLLANSBEE

Payor: West Virginia Water Development Authority
Amount: \$4,780,624.40
Form: Wire Transfer
Payee: The City of Follansbee
Bank: WesBanco Bank, Inc.
Routing #: 043400036
Account #: 0464888828
Contact: Charlotte Kolenc, Manager
Account: Series 2002 A Bonds Construction Trust Fund

2. DISBURSEMENTS BY WATER DEVELOPMENT AUTHORITY ON BEHALF OF THE CITY OF FOLLANSBEE

A. Source: Series 2002 A Bonds Proceeds (West Virginia Water Development Authority)
Amount: \$2,446,764.44
Payee: Rural Utilities Service
Bank: Treasury, New York City
Routing #: 021030004
Account #: 12200408
Contact: Virginia McDonald, Rural Development Specialist
(304) 420-6666
Memo: Payoff in Full for the Series 1992 A Bonds, the Series 1992 B Bonds, and the Series 1992 C Bonds (Loan Nos. 91-01, 91-02, 91-03)

B. Source: Series 2002 A Bonds Proceeds
(West Virginia Water Development Authority)
Amount: \$562,611.16
Payee: WesBanco Bank, Inc.
Bank: WesBanco Bank, Inc.
Routing #: 043400036
Account #: 044002847
Contact: Charlotte Kolenc, Manager (304) 527-1200
Memo: Payoff in Full of Series 1996 Notes

08/12/02
298060.96002

ACORD INSURANCE BINDER

File

DATE
05/18/01

THIS BINDER IS A TEMPORARY INSURANCE CONTRACT, SUBJECT TO THE CONDITIONS SHOWN ON THE REVERSE SIDE OF THIS FORM.

PRODUCER National Insurance Programs 3051 Oak Grove Drive, Suite 100 Downers Grove, IL 60515	PHONE (A/C, NO, EXT): 800-280-2468	COMPANY Specialty National Insurance Company	BINDER# X
CODE: 430164	SUB CODE:	EFFECTIVE DATE: 06/01/01 TIME: 12:01	
Agency Customer ID: INSURED City of Follansbee 878 Main Street Follansbee, WV 26037		EXPIRATION DATE: 08/01/01 TIME: 2:01 AM X CON	
THIS BINDER IS ISSUED TO EXTEND COVERAGE IN THE ABOVE NAMED COMPANY PER EXPIRING POLICY #:		DESCRIPTION OF OPERATIONS/VEHICLES/PROPERTY (Including Location) TO REPORT CLAIMS (AUTO ONLY) Municipality Policy Number: 3XZ 159197 00	
<i>* renewed to 9/1/02</i>		(888) 250-7617	

COVERAGES LIMITS

TYPE OF INSURANCE	COVERAGE/FORMS	DEDUCTIBLE	COINS %	AMOUNT
PROPERTY CAUSES OF LOSS BASIC <input type="checkbox"/> BROAD <input type="checkbox"/> SPEC <input checked="" type="checkbox"/>	Blanket Building & Contents, including Equipment Breakdown, Agreed Value, & Replacement Cost	1,000	90%	\$15,449,822
GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY CLAIMS MADE <input type="checkbox"/> OCCUR <input checked="" type="checkbox"/>	\$2,500 Property Damage Deductible applies to Water & Sewer Backup only Stop Gap \$1,000,000/\$1,000,000/\$1,000,000 Limit Employee Benefits Liability (Claims Made*) \$1,000,000/\$1,000,000 RETRO DATE FOR CLAIMS MADE: * Unlimited	EACH OCCURRENCE		\$ 1,000,000
AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO ALL OWNED AUTOS SCHEDULED AUTOS HIRED AUTOS NON-OWNED AUTOS		FIRE DAMAGE (Any one fire)		\$ 100,000
AUTO PHYSICAL DAMAGE DEDUCTIBLE <input checked="" type="checkbox"/> ALL VEHICLES <input type="checkbox"/> SCHEDULED VEHICLES COLLISION: \$1,000 OTHER THAN COL: \$1,000		MED EXP (Any one person)		\$ 10,000
EXCESS LIABILITY <input checked="" type="checkbox"/> UMBRELLA FORM OTHER THAN UMBRELLA FORM		PERSONAL & ADV INJURY		\$ 1,000,000
WORKER'S COMPENSATION AND EMPLOYER'S LIABILITY	Refer to Stop Gap Liability offered as an extension to the General Liability	GENERAL AGGREGATE		\$ 1,000,000
SPECIAL CONDITIONS/ OTHER COVERAGES	Public Officials Liability (Claims Made Retro Date 06/01/99) \$1,000,000/\$1,000,000 Limit with \$2,500 Deductible. Law Enforcement Liability (Occurrence) basis \$1,000,000/\$1,000,000 Limit with \$2,500 Deductible. Inland Marine - Contractors Equip. \$345,450 Limit \$1,000 Deductible. Crime - Form O \$50,000 Limit \$1,000 Deductible	PRODUCTS - COM/POF AGG		\$ 1,000,000
		COMBINED SINGLE LIMIT		\$ 1,000,000
		BODILY INJURY (Per Person)		N/A
		BODILY INJURY (Per accident)		N/A
		PROPERTY DAMAGE		N/A
		MEDICAL PAYMENTS		\$ 5,000
		UNINSURED MOTORIST		\$1,000,000
		ACTUAL CASH VALUE		N/A
		STATED AMOUNT		N/A
		OTHER		N/A
		EACH OCCURRENCE		\$ 3,000,000
		AGGREGATE		\$ 3,000,000
		SELF-INSURED RETENTION		\$ 10,000
		WC STATUTORY LIMITS		N/A
		E.L. EACH ACCIDENT		Refer to
		E.L. DISEASE - EA EMPLOYEE		Stop Gap
		E.L. DISEASE - POLICY LIMIT		Liability
		PREMIUM		\$ 108,470
		WV SURCHARGE		\$1,082.90
		ESTIMATED TOTAL PREMIUM		\$ 109,552.90

NAME & ADDRESS Assure America 200 Ivy Street Weirton, WV 26062 Attn: George Gresko		MORTGAGEE LOSS PAYEE <input checked="" type="checkbox"/>	ADDITIONAL INSURED PRODUCING AGENCY <input checked="" type="checkbox"/>
		LOAN#	
		AUTHORIZED REPRESENTATIVE VSA Only For Completion of Policies, Endorsements And Certificates	

ACORD CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YY)
06/14/02

PRODUCER
National Insurance Programs
Public Entity Solutions
3051 Oak Grove Drive Suite 100
Downers Grove IL 60515
Phone: 877-280-2468 Fax: 630-852-5229

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURERS AFFORDING COVERAGE

INSURER A: Specialty National Insurance Co
INSURER B:
INSURER C:
INSURER D:
INSURER E:

INSURED

Follansbee, City of
878 Main Street
Follansbee WV 26037

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY CLAIMS MADE <input type="checkbox"/> OCCUR <input checked="" type="checkbox"/>	3XZ159197 00	06/01/01	09/03/02	EACH OCCURRENCE \$1,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC				FIRE DAMAGE (Any one fire) \$100,000 MED EXP (Any one person) \$10,000 PERSONAL & ADV INJURY \$1,000,000 GENERAL AGGREGATE \$1,000,000 PRODUCTS - COMP/OP AGG \$1,000,000
	AUTOMOBILE LIABILITY ANY AUTO ALL OWNED AUTOS SCHEDULED AUTOS HIRED AUTOS NON-OWNED AUTOS				COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
	GARAGE LIABILITY ANY AUTO				AUTO ONLY - EA ACCIDENT \$ OTHER THAN EA ACC \$ AUTO ONLY: AGG \$
	EXCESS LIABILITY OCCUR <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> DEDUCTIBLE RETENTION \$				EACH OCCURRENCE \$ AGGREGATE \$ \$ \$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY				WC STATU-TORY LIMITS <input type="checkbox"/> OTH-ER <input type="checkbox"/> E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$
	OTHER				

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/EXCLUSIONS ADDED BY ENDORSEMENT/SPECIAL PROVISIONS
 Follansbee Community Days July 12th, 13th and 14th, 2002. Certificate Holder is also named as an additional insured as per endorsement #4 - Additional Insured - Owners or Other Interests from whom land has been leased, LB 25073. Use of Brooke High School main entrance and grounds for 5K Town Walk/Run. Event will be Saturday, July 13, 2002.

CERTIFICATE HOLDER	<input checked="" type="checkbox"/> ADDITIONAL INSURED; INSURER LETTER: <u>BROOKE1</u>	CANCELLATION
Brooke Co Board of Education 1201 Pleasant Avenue Wellsburg WV 26070		SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL <u>N/A</u> DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.