CITY OF HURRICANE

Sewer Revenue Bonds,
Series 1989 A and Series 1989 B

Date of Closing: December 28, 1989

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CITY OF HURRICANE

SEWER REVENUE BONDS,
SERIES 1989 A AND SERIES 1989 B
and
INTERIM CONSTRUCTION FINANCING

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CITY OF HURRICANE

ORDINANCE

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF ADDITIONS, BETTERMENTS AND IMPROVEMENTS FOR THE EXISTING PUBLIC SEWERAGE FACILITIES OF THE CITY OF HURRICANE AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN $2,500,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 1989 A, NOT MORE THAN $1,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 1989 B, AND NOT MORE THAN $3,500,000 INTERIM CONSTRUCTION FINANCING, CONSISTING OF BOND ANTICIPATION NOTES, GRANT ANTICIPATION NOTES OR A LINE OF CREDIT EVIDENCED BY NOTES, OR ANY COMBINATION OF THE FOREGOING; PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS AND NOTES; AUTHORIZING EXECUTION AND DELIVERY OF A TRUST INDENTURE SECURING THE NOTES; APPROVING AND RATIFYING A LOAN AGREEMENT AND SUPPLEMENTAL LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND NOTES AND ADOPTING OTHER PROVISIONS RELATING THERETO.

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

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

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

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

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

B. The Issuer presently owns and operates a public sewage treatment, collection and transportation system. However, it is deemed necessary and desirable for the health and welfare of the inhabitants of the Issuer that there be acquired and constructed certain additions, betterments and improvements for the existing sewerage facilities of the Issuer, consisting of a pretreatment building, vertical loop reactor aeration trains, two clarifiers and a press building, together with all appurtenant facilities (the "Project") which constitute properties for the collection and transportation of liquid or solid wastes, sewage or industrial wastes (the existing sewerage facilities of the Issuer, the Project and any further additions thereto or extensions thereof is herein called the "System") at an estimated cost of $7,458,620, in accordance with the plans and specifications prepared by the Consulting Engineers, which plans and specifications have heretofore been filed with the Issuer.

C. The estimated revenues to be derived in each year after completion of the Project from the operation of the System will be sufficient to pay all the costs of the operation and maintenance of said System, the principal of and interest on the Prior Bonds and the Bonds and all Sinking Funds, Reserve Accounts and other payments provided for herein and in the Prior Ordinances, all as such terms are hereinafter defined.

D. It is deemed necessary for the Issuer to issue its Sewer Revenue Bonds in the total aggregate principal amount of not more than $3,500,000 in two series, being the Series 1989 A Bonds in the aggregate principal amount of not more than $2,500,000, and the Series 1989 B Bonds in the aggregate principal amount of not more than $1,000,000 (collectively, the "Original Bonds"), and (at the option of the Issuer) to issue its sewerage system bond anticipation notes prior to issuance of the Original Bonds and contemporaneously therewith, or as soon as practicable thereafter, to issue its sewerage system grant anticipation notes, and/or a note or notes evidencing a line of credit, or any combination of the foregoing (collectively, the "Notes") in the aggregate principal amount of not more than $3,500,000 to temporarily finance costs of construction and acquisition of the Project. Said costs shall be deemed to include the cost of all property rights, easements and franchises deemed necessary or convenient therefor; interest upon the Notes during the term thereof and upon the Bonds prior to and during construction or acquisition and for a period not exceeding 6 months after completion of construction of the Project; amounts which may be deposited in the Reserve Accounts; engineering and legal expenses; expenses for estimates of costs and revenues, expenses for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility

or practicability of the enterprise, administrative expense, commitment fees, fees of the Authority (as hereinafter defined), discount, initial fees for the services of registrars, paying agents, depositories or trustees or other costs in connection with the sale of the Bonds and Notes and such other expenses as may be necessary or incidental to the financing herein authorized, the construction or acquisition of the Project and the placing of same in operation, and the performance of the things herein required or permitted, in connection with any thereof, including, with respect to the Notes, any fees for the providing of a letter of credit, as hereinafter defined, and any costs of obtaining insurance thereon; provided, that reimbursement to the Issuer for any amounts expended by it for allowable costs prior to the issuance of the Bonds or Notes or the repayment of indebtedness incurred by the Issuer for such purposes, shall be deemed Costs of the Project, as hereinafter defined.

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

F. It is in the best interests of the Issuer that its Original Bonds be sold to the Authority (as hereinafter defined) pursuant to the terms and provisions of a loan agreement and a supplemental loan agreement to be entered into between the Issuer and the Authority, in form satisfactory to the Issuer and the Authority, as shall be approved by supplemental resolution.

G. There are outstanding obligations of the Issuer which will rank senior and prior to the Bonds as to liens and sources of and security for payment, being the Sewer Revenue Bonds, dated April 1, 1961, issued in the original aggregate principal amount of $158,000, of which $83,000 remains outstanding as of the date of enactment of this Ordinance (the "1961 Bonds") and the Sewer Revenue Bonds, Series 1977, dated April 1, 1977, issued in the original aggregate principal amount of $465,000, of which $415,000 remains outstanding as of the date of enactment of this Ordinance (the "1977 Bonds") (collectively, the "Prior Bonds"), both held by the public.

The Series 1989 A Bonds shall be junior and subordinate to the Prior Bonds with respect to liens, pledges and sources of and security for payment and in all other respects. The Series 1989 B Bonds shall be junior and subordinate to both the Prior Bonds and the Series 1989 A Bonds with respect to liens, pledges and sources of and security for payment and in all other respects. The Grant Anticipation Notes, if issued, will not be payable from the Net Revenues, but shall be payable from Grant Receipts, Surplus Revenues and proceeds of a letter of credit, if any, all as shall be set forth in the Indenture or the Supplemental Resolution authorizing the Notes. The Bond Anticipation Notes, if issued, will be payable from the

proceeds of the Bonds and Net Revenues, if necessary, all as shall be set forth in the Indenture or the Supplemental Resolution authorizing the Notes.

H. The Issuer has complied with all requirements of West Virginia law relating to authorization of the construction, acquisition and operation of the Project and issuance of the Bonds and the Notes, or will have so complied prior to issuance of any thereof, including, among other things, the obtaining of a Certificate of Convenience and Necessity from the Public Service Commission of West Virginia by final order, the time for rehearing and appeal of which will either have expired prior to the issuance of the Bonds or any of the Notes or such final order will not be subject to appeal.

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

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

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

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

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

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

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

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

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

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

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

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

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

"1961 Bonds" means the Sewer Revenue Bonds, of the Issuer described in Section 1.02G hereof.

"1977 Bonds" means the Sewer Revenue Bonds, Series 1977, of the Issuer described in Section 1.02G hereof.

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

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

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

"Consulting Engineers" means Shaw, Weiss & De Naples, Professional Corporation, Dayton, Ohio, or any engineer or firm of engineers that shall at any time hereafter be retained by the Issuer as Consulting Engineers for the System.

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

"Debt Service" means the scheduled amount of interest and amortization of principal payable on the Bonds during the period of computation, excluding amounts scheduled during such period which relate to principal which has been retired before the beginning of such period.

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

"EPA" means the United States Environmental Protection Agency and any successor to the functions of the EPA.

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

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

(A) The excess of

(i) The aggregate amount earned from the Closing Date on all Nonpurpose Investments in which Gross Proceeds of the Series 1989 A Bonds are invested [other than amounts attributable to an excess described in this clause (A) of this definition of Excess Investment Earnings], over

(ii) The amount that would have been earned if the Yield on such Nonpurpose Investments [other than amounts attributable to an excess described in this clause (A) of this definition of Excess Investment Earnings] had been equal to the Yield on the Series 1989 A Bonds, plus

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

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

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

"Governing Body" means the council of the Issuer, as may hereafter be constituted.

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

"Grant Agreement" means a written commitment for the payment of the EPA Grant or any of the Other Grants, specifying the amount of such Grant, the terms and conditions upon which such Grant is made and the date or dates or event or events upon which such Grant is to be paid to the Issuer; provided that, "EPA Grant Agreement" means only the Grant Agreement relating to the EPA Grant and "Other Grant Agreements" means only those Grant Agreements relating to the Other Grants.

"Grant Receipts" means all moneys received by the Issuer on account of the EPA Grant after the date of issuance of any grant anticipation notes; provided that "EPA Grant Receipts" means only Grant Receipts on account of the EPA Grant, and "Other Grant Receipts" means only Grant Receipts on account of any or all of the Other Grants.

"Grants" means, collectively, the EPA Grant and the Other Grants, as hereinafter defined.

"Gross Proceeds," except as otherwise provided in the Regulations, means the sum of the following amounts:

(i) Original proceeds, namely, net amounts received by or for the Issuer as a result of the sale of the Series 1989 A Bonds, excluding original proceeds which become transferred proceeds (determined in accordance with applicable Regulations) of obligations issued to refund in whole or in part the Series 1989 A Bonds;

(ii) Investment proceeds, namely, amounts received at any time by or for the Issuer, such as interest and dividends, resulting from the investment of any original proceeds (as referenced in clause (i) above) or investment proceeds (as referenced in this clause (ii)) in Nonpurpose Investments, increased by any profits and decreased (if necessary, below zero) by any losses on such investments, excluding investment proceeds which become transferred proceeds (determined in accordance with applicable Regulations) of obligations issued to refund in whole or in part the Series 1989 A Bonds;

(iii) Transferred proceeds, namely, original proceeds of any prior obligations, and interest earnings and profits less losses resulting from investment of such original proceeds in Nonpurpose Investments, which are used to discharge the outstanding principal of any prior bonds and which are deemed to become proceeds of the Series 1989 A Bonds ratably as original proceeds of the Series 1989 A Bonds, and interest earnings and profits resulting from investment of such original proceeds in Nonpurpose Investments, which are used to discharge the outstanding principal of any such prior obligations, all on the date of such ratable discharge;

(iv) Sinking fund proceeds of the Series 1989 A Bonds, namely, amounts, other than original proceeds, investment proceeds or transferred proceeds (as referenced in clauses (i) through (iii) above) of the Series 1989 A Bonds, which are held in any fund to the extent that the Issuer reasonably expects to use such fund to pay Debt Service on the Series 1989 A Bonds;

(v) Amounts in the Reserve Accounts and in any other fund established as a reasonably required reserve or replacement fund with respect to the Series 1989 A Bonds;

(vi) Investment Property pledged as security for payment of Debt Service on the Series 1989 A Bonds by the Issuer;

(vii) Amounts, other than as specified in this definition, used to pay Debt Service on the Series 1989 A Bonds;

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

(ix) Such other amounts designated as Gross Proceeds under the Code and/or Regulations and not set forth hereinbefore in this definition of Gross Proceeds.

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

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

"Indenture" or "Trust Indenture" means the Trust Indenture which may, at the Issuer's option, be entered into between the Issuer and the Trustee relating to the Notes and all supplements or amendments thereto.

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

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

specified private activity bonds as defined in Section 57(a)(5)(C) of the Code.

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

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

"Mayor" means the Mayor of the Issuer.

"Net Proceeds" means the face amount of the Series 1989 A Bonds, plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds deposited in the Series A Bonds Reserve Account. For purposes of the Private Business Use limitations set forth herein, the term Net Proceeds shall include any amounts resulting from the investment of proceeds of the Series 1989 A Bonds, without regard to whether or not such investment is made in tax-exempt obligations.

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

"Nonpurpose Investment" means any Investment Property which is acquired with the Gross Proceeds of the Bonds and is not acquired in order to carry out the governmental purpose of the Bonds.

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

"Notes" means collectively, the not more than $3,500,000 in aggregate principal amount of sewerage system bond anticipation notes, grant anticipation notes or notes evidencing a line of credit originally authorized hereby which may be issued by the Issuer, the terms of which shall be set forth in a Supplemental Resolution, and unless the context clearly indicates otherwise, the terms "Notes" includes any refunding Notes of the Issuer.

"Notes Construction Trust Fund" means the Notes Construction Trust Fund which may be established by the Indenture.

"Notes Debt Service Fund" means the Notes Debt Service Fund which may be established by the Indenture.

"Notes Registrar" means the bank to be designated as such in the Indenture or the Supplemental Resolution and its successors and assigns.

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

"Original Bonds" or "Bonds originally authorized hereby" or similar phrases mean, collectively, the not more than $2,500,000 in aggregate principal amount of Series 1989 A Bonds and the not more than $1,000,000 in aggregate principal amount of Series 1989 B Bonds, issued for the purpose of paying a portion of the Costs of the Project and for such other purposes permitted and authorized by this Bond Legislation.

"Original Notes Purchaser" means, in the event Notes are issued, the original purchaser of such Notes, as shall be named in the Supplemental Resolution, and, in the event a note or notes evidencing a line of credit are issued, such bank or banks as shall be named in a resolution supplemental hereto.

"Other Grants" means any grant other than the EPA Grant hereafter received by the Issuer to aid in financing any Costs.

"Outstanding," when used with reference to Bonds or Notes and as of any particular date, describes all Bonds theretofore and thereupon being authenticated and delivered or all Notes theretofore and thereupon being authenticated and delivered except (i) any Bond or Note cancelled by the Bond Registrar or Registrar for Prior Bonds, or Notes Registrar, at or prior to said date; (ii) any Bond or Note

or Prior Bonds, for the payment of which moneys, equal to its principal amount and redemption premium, if applicable, with interest to the date of maturity or redemption shall be in trust hereunder or under the Indenture, as applicable, and set aside for such payment (whether upon or prior to maturity); (iii) any Bond or Note deemed to have been paid as provided in Article X hereof or as provided in the Indenture, as applicable; and (iv) for purposes of consents or other action by a specified percentage of Bondholders or Noteholders, or holders of Prior Bonds or any Bonds or Notes or Prior 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 bank or banks or other entity designated as such for the Bonds and/or the Notes in the Indenture or in the Supplemental Resolution or such entity or authority as may be designated by the Issuer.

"Prior Bonds" means, collectively, the Issuer's Sewer Revenue Bonds, dated April 1, 1961, issued in the original aggregate principal amount of $158,000, of which $83,000 remains outstanding as of the date of enactment of this Ordinance and the Issuer's Sewer Revenue Bonds, Series 1977, dated April 1, 1977, issued in the original aggregate principal amount of $465,000 of which $415,000 remains outstanding as of the date of enactment of this Ordinance.

"Prior Ordinances" means, collectively, the ordinance of the Issuer enacted April 3, 1961, authorizing issuance of the 1961 Bonds and the ordinance of the Issuer enacted May 10, 1977, authorizing issuance of the 1977 Bonds.

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

"Program" means the Authority's loan program, under which the Authority purchases the water development revenue bonds of local

governmental entities satisfying certain legal and other requirements with the proceeds of water development revenue bonds of the Authority.

"Project" means the acquisition and construction of certain additions, betterments and improvements for the existing sewerage facilities of the Issuer, consisting generally of a pretreatment building, vertical loop reactor aeration trains, two clarifiers and a press building and all appurtenant facilities.

"Purchase Price," for the purpose of computation of the Yield of the Series 1989 A Bonds, has the same meaning as the term "issue price" in Sections 1273(b) and 1274 of the Code, and, in general, means the initial offering price of the Series 1989 A Bonds to the public (not including bond houses and brokers, or similar persons or organizations acting in the capacity of underwriters or wholesalers) at which price a substantial amount of the Series 1989 A Bonds of each maturity is sold or, if the Series 1989 A Bonds are privately placed, the price paid by the first buyer of the Series 1989 A Bonds or the acquisition cost of the first buyer. "Purchase Price," for purposes of computing Yield of Nonpurpose Investments, means the fair market value of the Nonpurpose Investments on the date of use of Gross Proceeds of the Series 1989 A Bonds for acquisition thereof, or if later, on the date that Investment Property constituting a Nonpurpose Investment becomes a Nonpurpose Investment of the Series 1989 A Bonds.

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

(a) Government Obligations;

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

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

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

(e) Time accounts (including accounts evidenced by time certificates of deposit, time deposits or other similar banking arrangements) which, to the extent not insured by the FDIC or Federal Savings and Loan Insurance Corporation, shall be secured by a pledge of Government Obligations, provided, that said Government Obligations pledged either must mature as nearly as practicable coincident with the maturity of said time accounts or must be replaced or increased so that the market value thereof is always at least equal to the principal amount of said time accounts;

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

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

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

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

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

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

"Registrar" means as appropriate, either the Bond Registrar or the Notes Registrar or both.

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

"Sanitary Board" means the Sanitary Board of the Issuer.

"Series 1989 A Bonds" or "Series A Bonds" means the not more than $2,500,000 in aggregate principal amount of Sewer Revenue Bonds, Series 1989 A, of the Issuer.

"Series 1989 A Bonds Reserve Account" means the Series 1989 A Bonds Reserve Account established in the Series 1989 A Bonds Sinking Fund pursuant to Section 5.02 hereof.

"Series 1989 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 1989 A Bonds in the then current or any succeeding year.

"Series 1989 A Bonds Sinking Fund" means the Series 1989 A Bonds Sinking Fund established by Section 5.02 hereof.

"Series 1989 B Bonds" or "Series B Bonds" means the not more than $1,000,000 in aggregate principal amount of Sewer Revenue Bonds, Series 1989 B, of the Issuer.

"Series 1989 B Bonds Reserve Account" means the Series 1989 B Bonds Reserve Account established in the Series 1989 B Bonds Sinking Fund pursuant to Section 5.02 hereof.

"Series 1989 B Bonds Reserve Requirement" means, as of the date of calculation, the maximum amount of principal which will become due on the Series 1989 B Bonds in the then current or any succeeding year.

"Series 1989 B Bonds Sinking Fund" means the Series 1989 B Bonds Sinking Fund established by Section 5.02 hereof.

"State" means the State of West Virginia.

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

"Surplus Revenues" means the Net Revenues not required by the Bond Legislation to be set aside and held for the payment of or security for the Bonds, the Prior Bonds or any other obligations of the Issuer, including the Depreciation Fund and the Reserve Accounts, the proceeds of which Bonds or other obligations are to be used to pay Costs of the Project.

"System" means the public service properties for the collection, treatment, purification or disposal of liquid or solid wastes, sewage or industrial wastes, owned by the Issuer, and any improvements or extensions thereto hereafter constructed or acquired from any sources whatsoever, and includes the Project.

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

"Trustee" means the banking institution designated as trustee for the Noteholders under the Indenture, if any, its successors and assigns.

"Yield" means that yield which, when used in computing the present worth of all payments of principal and interest (or other payments in the case of Nonpurpose Investments which require payments in a form not characterized as principal and interest) on a Nonpurpose Investment or on the Series 1989 A Bonds produces an amount equal to

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

Words importing singular number shall include the plural number in each case and vice versa; words importing persons shall include firms and corporations; and words importing the masculine, feminine or neutral gender shall include any other gender.

ARTICLE II

AUTHORIZATION OF CONSTRUCTION AND ACQUISITION OF THE PROJECT

Section 2.01. Authorization of Construction and Acquisition of the Project. There is hereby authorized the construction and acquisition of the Project, at an estimated cost of $7,458,620, in accordance with the plans and specifications which have been prepared by the Consulting Engineers, heretofore filed in the office of the Governing Body. The proceeds of the Notes and the Bonds hereby authorized shall be applied as provided in the Indenture, if any, and Article VI hereof, respectively.

ARTICLE III

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

Section 3.01. Authorization of Bonds. For the purposes of capitalizing interest on the Series 1989 A Bonds, funding a reserve account for each series of Original Bonds, paying Costs of the Project not otherwise provided for and paying certain costs of issuance of the Original Bonds and related costs, or any of such purposes, as determined by the Supplemental Resolution, there shall be issued negotiable Original Bonds of the Issuer, in an aggregate principal amount of not more than $3,500,000. Said Bonds shall be issued in two series, to be designated respectively, "Sewer Revenue Bonds, Series 1989 A," in the aggregate principal amount of not more than $2,500,000, and "Sewer Revenue Bonds, Series 1989 B," in the aggregate principal amount of not more than $1,000,000, and shall have such terms as set forth hereinafter and in the Supplemental Resolution. Such Bonds shall be issued contemporaneously with or prior to issuance of the Grant Anticipation Notes, if any. The proceeds of the Bonds remaining after funding of the Reserve Accounts (if funded from Bond proceeds) and capitalization of interest, if any, shall be deposited in or credited to the Bond Construction Trust Fund established by Section 5.01 hereof.

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

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

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

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

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

Section 3.04. Authentication and Registration. No Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Bond Legislation unless and until the Certificate of Authentication and Registration on such Bond, substantially in the forms set forth in Section 3.09 shall have been manually executed by the Bond Registrar. Any such executed Certificate of Authentication and Registration upon any such Bond shall be conclusive evidence that such Bond has been authenticated, registered and delivered under this Bond Legislation. The Certificate of Authentication and Registration on any Bond shall be deemed to have been executed by the Bond Registrar if manually signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of the Bonds issued hereunder.

Section 3.05. Negotiability, Transfer and Registration. Subject to the provisions for transfer of registration set forth below, the Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder, in accepting any of said Bonds shall be conclusively deemed to have agreed that such Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State

of West Virginia, and each successive Holder shall further be conclusively deemed to have agreed that said Bonds shall be incontestable in the hands of a bona fide holder for value.

So long as any of the Bonds remain outstanding, the Issuer, through the Bond Registrar, shall keep and maintain books for the registration and transfer of the Bonds.

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

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

Section 3.06. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Bond shall become mutilated or be destroyed, stolen or lost, the Issuer may, in its discretion, issue, and the Bond Registrar shall, if so advised by the Issuer, authenticate and deliver, a new Bond of the same series and of like tenor as the Bonds so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond, or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the Holder's furnishing satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer may prescribe and paying such expenses as the Issuer and the Bond Registrar may incur. All Bonds so surrendered shall be cancelled by the Bond Registrar and held for the account of the Issuer. If any such Bond shall have matured or be about to mature, instead of issuing a substitute Bond, the Issuer may pay the same, upon being indemnified

as aforesaid, and if such Bond be lost, stolen or destroyed, without surrender thereof.

Section 3.07. Bonds not to be Indebtedness of the Issuer. The Bonds shall not, in any event, be or constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation, but shall be payable solely from the Net Revenues derived from the operation of the System as herein provided and amounts, if any, in the respective Reserve Accounts. No holder or holders of any of the Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Bonds or the interest thereon.

Section 3.08. Bonds Secured by Pledge of Net Revenues; Lien Positions with Respect to Prior Bonds. The payment of the debt service of all the Series 1989 A Bonds shall be secured forthwith equally and ratably with each other by a lien on the Net Revenues derived from the System, but such lien shall be junior and subordinate to the lien on said Net Revenues in favor of the Holders of the Prior Bonds. The payment of the debt service of all the Series 1989 B Bonds shall also be secured forthwith equally and ratably with each other by a lien on the Net Revenues derived from the System, but such lien shall be junior and subordinate to the lien on said Net Revenues in favor of the Holders of the Prior Bonds and the Series 1989 A Bonds. Such Net Revenues in an amount sufficient to pay the principal of and interest on and other payments for the Bonds and to make the payments into the Sinking Funds, the Reserve Accounts therein, the Depreciation Fund and/or the Renewal and Replacement Fund, either existing or hereinafter established, are hereby irrevocably pledged to the payment of the principal of and interest on the Bonds as the same become due.

Section 3.09. Form of Original Bonds. The text of the Bonds shall be in substantially the following forms, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted hereby, or by any Supplemental Resolution adopted prior to the issuance thereof:

[Form of Series 1989 A Bond]

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF HURRICANE
SEWER REVENUE BOND, SERIES 1989 A

No. AR-_____ $_____

KNOW ALL MEN BY THESE PRESENTS: That the CITY OF HURRICANE, a municipal corporation and political subdivision of the State of West Virginia in Putnam County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the West Virginia Water Development Authority (the "Authority") or registered assigns the sum of_____
_____
($_____), in installments on _____ 1 of each year as set forth on the "Schedule of Annual Debt Service" attached as Exhibit A hereto and incorporated herein by reference with interest on each installment at the rate per annum set forth on said Exhibit A.

The interest rate on each installment shall run from the original date of delivery of this Bond to the Authority and payment therefor, and until payment of such installment, and such interest shall be payable on April 1 and October 1 in each year, beginning _____, 19_____. Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent"). The interest on this Bond is payable by check or draft of the Paying Agent mailed to the registered owner hereof at the address as it appears on the books of One Valley Bank, National Association, Charleston, West Virginia, as registrar (the "Registrar") on the 15th day of the month next preceding an interest payment date, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner hereof.

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

by, and otherwise in compliance with, the Loan Agreement between the Issuer and the Authority, dated _____, 19_____.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain additions, betterments and improvements for the existing sewerage facilities of the Issuer (the "Project"); (ii) to pay interest on the Bonds of this Series (the "Bonds") during the construction of the Project and for not more than 6 months thereafter; (iii) to fund a reserve account for the Bonds; and (iv) to pay certain costs of issuance hereof and related costs. The existing sewerage system of the Issuer, the Project, and any further additions, betterments or improvements thereto is herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13 of the West Virginia Code of 1931, as amended (the "Act"), and an Ordinance duly enacted by the Issuer on _____, 19_____ and a Supplemental Resolution duly adopted by the Issuer on _____, 19_____ (collectively called the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

This Bond is issued concurrently with the Sewer Revenue Bonds, Series 1989 B, of the Issuer (the "Series 1989 B Bonds"), issued in the aggregate principal amount of $_____, which Series 1989 B Bonds are junior and subordinate with respect to liens and sources of and security for payment to the Bonds.

THIS BOND IS JUNIOR AND SUBORDINATE WITH RESPECT TO LIENS, PLEDGES AND SOURCES OF AND SECURITY FOR PAYMENT TO CERTAIN OUTSTANDING SEWER REVENUE BONDS OF THE ISSUER AS FOLLOWS:

(i) SEWER REVENUE BONDS, DATED APRIL 1, 1961, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $158,000 (THE "1961 BONDS") AND

(ii) SEWER REVENUE BONDS, SERIES 1977, DATED APRIL 1, 1977, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $465,000 (THE "1977 BONDS").

The 1961 Bonds and the 1977 Bonds are herein collectively called the "Prior Bonds." This Bond is payable only from and secured

by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System after there has first been paid from said Net Revenues all payments then due and owing on account of the Prior Bonds, and from moneys in the Reserve Account created under the Bond Legislation for the Bonds (the "Series 1989 A Bonds Reserve Account"), and unexpended proceeds of the Bonds and the Series 1989 B Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest hereon except from said special fund provided from the Net Revenues, the moneys in the Series 1989 A Bonds Reserve Account and unexpended proceeds of the Bonds and the Series 1989 B Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest on the Bonds, the Series 1989 B Bonds, and all other obligations secured by a lien on or payable from such revenues prior to or on a parity with the Bonds or the Series 1989 B Bonds, including the Prior Bonds, provided however, that so long as there exists in the Series 1989 A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for the Series 1989 B Bonds and any other obligations outstanding prior to or on a parity with the Bonds or the Series 1989 B Bonds, including the Prior Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

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

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

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

IN WITNESS WHEREOF, the CITY OF HURRICANE has caused this Bond to be signed by its Mayor and its corporate seal to be hereunto affixed and attested by its Recorder, and has caused this Bond to be dated _____, 19_____.

[SEAL]

_____
Mayor

ATTEST:

_____
Recorder

(Form of)

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 1989 A Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: _____

ONE VALLEY BANK, NATIONAL ASSOCIATION,
as Registrar

By _____
Its Authorized Officer

EXHIBIT A

SCHEDULE OF ANNUAL DEBT SERVICE

(Form of)

ASSIGNMENT

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

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

Dated: _____, _____.

_____

In the presence of:

_____

[Form of Series 1989 B Bond]

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF HURRICANE
SEWER REVENUE BOND, SERIES 1989 B

No. BR-_____ $_____

KNOW ALL MEN BY THESE PRESENTS: That the CITY OF HURRICANE, a municipal corporation and political subdivision of the State of West Virginia in Putnam County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the West Virginia Water Development Authority (the "Authority") or registered assigns the sum of _____ ($_____), in annual installments on _____ 1 of each year as set forth on the "Schedule of Annual Debt Service" attached as Exhibit A hereto and incorporated herein by reference, without interest.

Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent").

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority, and upon the terms and conditions prescribed by, and otherwise in compliance with, the Supplemental Loan Agreement between the Issuer and the Authority, dated _____, 19_____.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain additions, betterments and improvements for the existing sewerage facilities of the Issuer (the "Project"); (ii) to fund a reserve account for the Bonds of this Series (the "Bonds"); and (iii) to pay certain costs of issuance hereof and related costs. The existing sewerage system of the Issuer, the Project, and any further additions, betterments or improvements thereto is herein called the "System." This Bond is issued under the

authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13 of the West Virginia Code of 1931, as amended (the "Act"), and an Ordinance duly enacted by the Issuer on _____, 19____ and a Supplemental Resolution duly adopted by the Issuer on _____, 19____ (collectively called the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS JUNIOR AND SUBORDINATE WITH RESPECT TO LIENS, PLEDGES AND SOURCES OF AND SECURITY FOR PAYMENT TO CERTAIN OUTSTANDING SEWER REVENUE BONDS OF THE ISSUER AS FOLLOWS:

(i) SEWER REVENUE BONDS, DATED APRIL 1, 1961, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $158,000 (THE "1961 BONDS");

(ii) SEWER REVENUE BONDS, SERIES 1977, DATED APRIL 1, 1977, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $465,000 (THE "1977 BONDS"); AND

(iii) SEWER REVENUE BONDS, SERIES 1989 A, ISSUED CONCURRENTLY HEREWITH IN THE AGGREGATE PRINCIPAL AMOUNT OF $_____ AND DESCRIBED IN THE BOND LEGISLATION (THE "SERIES 1989 A BONDS").

The 1961 Bonds and the 1977 Bonds are herein collectively called the "Prior Bonds." This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System after there has first been paid from said Net Revenues all payments then due and owing on account of the Prior Bonds and the Series 1989 A Bonds, all moneys in the reserve account created under the Bond Legislation for the Bonds (the "Series 1989 B Bonds Reserve Account") and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same, except from said special fund provided from

the Net Revenues, the moneys in the Series 1989 B Bonds Reserve Account and unexpended Bond proceeds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Bonds, the Series 1989 A Bonds and all other obligations secured by a lien on or payable from such revenues prior to or on a parity therewith, including the Prior Bonds, provided however, that so long as there exists in the Series 1989 B Bonds Reserve Account and the reserve account established for the Series 1989 A Bonds, respectively, amounts at least equal to the maximum amount of principal and interest, if any, which will become due on the Bonds and the Series 1989 A Bonds in the then current or any succeeding year, and any reserve account for any such prior or parity obligations, including the Prior Bonds, is funded at least at the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

All money received from the sale of this Bond, after reimbursement and repayment of all amounts advanced for preliminary expenses as provided by law, shall be applied solely to the payment of the Costs of the Project described in the Bond Legislation, and there shall be and hereby is created and granted a lien upon such moneys, until so applied, in favor of the registered owners of the Bonds, which lien is subordinate to the lien in favor of the registered owners of the Series 1989 A Bonds.

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

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

IN WITNESS WHEREOF, the CITY OF HURRICANE has caused this Bond to be signed by its Mayor and its corporate seal to be hereunto affixed and attested by its Recorder, and has caused this Bond to be dated _____, 19_____.

[SEAL]

_____
Mayor

ATTEST:

_____
Recorder

(Form of)

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 1989 B Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: _____

ONE VALLEY BANK, NATIONAL ASSOCIATION,
as Registrar

By _____
Its Authorized Officer

EXHIBIT A

SCHEDULE OF ANNUAL DEBT SERVICE

(Form of)

ASSIGNMENT

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

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

Dated: _____, _____.

_____

In the presence of:

_____

Section 3.10. Sale of Original Bonds; Ratification of Execution of Loan Agreement with Authority. The Original Bonds shall be sold to the Authority, pursuant to the terms and conditions of the Loan Agreement. If not so authorized by previous ordinance or resolution, the Mayor is specifically authorized and directed to execute the Loan Agreement in the form attached hereto as "Exhibit A" and made a part hereof, and the Recorder is directed to affix the seal of the Issuer, attest the same and deliver the Loan Agreement to the Authority, and any such prior execution and delivery is hereby authorized, ratified and approved.

Section 3.11. "Amended Schedule A" Filing; Tender of Series 1989 B Bonds. Upon completion of acquisition and construction of the Project, the Issuer will file with the Authority a schedule in substantially the form of the "Amended Schedule A" to the Loan Agreement, setting forth the actual costs of the Project and sources of funds therefor. In the event such schedule reflects an excess of funding for the Project, or if the Authority is otherwise advised of an excess, the Authority may tender the Series 1989 B Bonds to the Issuer for payment in an amount equal to such excess. Notwithstanding the foregoing, if the Issuer has Notes outstanding upon completion of construction of the Project, it will advise the Authority of such fact and submit a second schedule to the Authority upon payment of such Notes, and the Authority will not tender its Series 1989 B Bonds for payment until the outstanding Notes have been paid.

ARTICLE IV

INTERIM CONSTRUCTION FINANCING

Section 4.01. Authorization and General Terms. In order to pay certain Costs of the Project pending receipt of the Grant Receipts or issuance of the Bonds, the Issuer may issue and sell its Notes in an aggregate principal amount not to exceed $3,500,000. The Notes may be in the form of bond anticipation notes, grant anticipation notes or as evidence of a line of credit from a commercial bank or other lender, at the discretion of the Issuer, and as shall be set forth in a resolution supplemental hereto. The Notes shall bear interest from the date or dates, at such rate or rates, payable on such dates and shall mature on such date or dates and be subject to such prepayment or redemption, all as provided in the Indenture or supplemental resolution, as applicable.

Section 4.02. Terms of and Security for Notes; Trust Indenture. The Notes, if issued, shall be issued in fully registered form, in the denominations, with such terms and secured in the manner set forth in the Indenture, if applicable (which Indenture in the form to be executed and delivered by the Issuer shall be approved by a supplemental resolution), or supplemental resolution, if no Indenture is used.

Section 4.03. Notes are Special Obligations. The Notes shall be special obligations of the Issuer payable as to principal and interest solely from proceeds of the Bonds or the Net Revenues (if issued in the form of bond anticipation notes) or the Grant Receipts, the Surplus Revenues, the letter of credit proceeds and other sources described in the Indenture or supplemental resolution (if issued in the form of grant anticipation notes or a line of credit). The Notes do not and shall not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions. The general funds of the Issuer are not liable, and neither the full faith and credit nor the taxing power of the Issuer is pledged for the payment of the Notes. The Holders of the Notes shall never have the right to compel the forfeiture of any property of the Issuer. The Notes shall not be a debt of the Issuer, nor a legal or equitable pledge, charge, lien or encumbrance upon any property of the Issuer or upon any of its income, receipts or revenues except as set forth in the Indenture and the Supplemental Resolution.

Section 4.04. Letters of Credit. As additional security for any Notes, the Issuer may obtain a letter or letters of credit from a bank or banks, pursuant to which such bank or banks would agree to pay to the Trustee, upon presentation by the Trustee of certain

certificates, the sum or sums set forth therein but not to exceed $500,000 in the aggregate. In the event of a draw under any such letter of credit, the Issuer shall issue its refunding notes to the bank issuing such letter of credit. Any such letter or letters of credit shall be authorized and shall have such terms as shall be set forth in a resolution supplemental hereto.

ARTICLE V

FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION THEREOF

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

(1) Revenue Fund (established and continued by the Prior Ordinances and therein called the "Sewer Revenue Fund");

(2) Operation and Maintenance Fund (established and continued by the Prior Ordinances);

(3) Depreciation Fund (established and continued by the Prior Ordinances);

(4) Renewal and Replacement Fund; and

(5) Bond Construction Trust Fund.

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

(1) Prior Bonds Sinking Fund (established and continued by the Prior Ordinances and therein called the "Sewer Revenue Bond Interest and Sinking Fund");

(2) Series 1989 A Bonds Sinking Fund;

(a) Within the Series 1989 A Bonds Sinking Fund, the Series 1989 A Bonds Reserve Account; and

(3) Series 1989 B Bonds Sinking Fund;

(a) Within the Series 1989 B Bonds Sinking Fund, the Series 1989 B Bonds Reserve Account.

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

(1) The Issuer shall first each month transfer from the Revenue Fund to the Operation and Maintenance Fund the amount necessary and sufficient to pay current Operating Expenses.

(2) The Issuer shall next, each month, transfer from the Revenue Fund and pay to the Commission the amounts required by the Prior Ordinances to be deposited in the Prior Bonds Sinking Fund for payment of the principal of and interest on the Prior Bonds and the maintenance of the reserves provided for in the Prior Ordinances.

(3) The Issuer shall next, (i) on the first day of each month, commencing 7 months prior to the first date of payment of interest on the Series 1989 A Bonds for which interest has not been capitalized, apportion and set apart out of the Revenue Fund and remit to the Commission, for deposit in the Series 1989 A Bonds Sinking Fund, a sum equal to 1/6th of the amount of interest which will become due on said Series 1989 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 1989 A Bonds Sinking Fund and the next semiannual interest payment date is less than 7 months, then such monthly payments shall be increased proportionately to provide, one month prior to the next semiannual interest payment date, the required amount of interest coming due on such date, and (ii) on the first day of each month, commencing 13 months prior to the first date of payment of principal on the Series 1989 A Bonds, apportion and set apart out of the Revenue Fund and remit to the Commission for deposit in the Series 1989 A Bonds Sinking Fund, a sum equal to 1/12th of the amount of principal which will mature and become due on said Series 1989 A Bonds on the next ensuing principal payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 1989 A Bonds Sinking Fund and the next annual principal payment date is less than 13 months then such monthly payments shall be increased proportionately to provide, one month prior to the next annual principal

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

(4) The Issuer shall next, on the first day of each month, commencing 13 months prior to the first date of payment of principal of the Series 1989 A Bonds, if not fully funded upon issuance of the Series 1989 A Bonds, apportion and set apart out of the Revenue Fund and remit to the Commission for deposit in the Series 1989 A Bonds Reserve Account, an amount equal to 1/120 of the Series 1989 A Bonds Reserve Requirement; provided, that no further payments shall be made into the Series 1989 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 1989 A Bonds Reserve Requirement.

(5) The Issuer shall next, each month, so long as the Prior Bonds or any portion thereof are Outstanding, transfer from the Revenue Fund an amount equal to 5% of the Gross Revenues and shall deposit the same in the Depreciation Fund heretofore established by the Prior Ordinances. Withdrawals and disbursements may be made by the Issuer from the Depreciation Fund only for the following purposes:

(i) To meet renewal or replacement work in connection with the operation and maintenance of the System or for the payment of the cost of extensions and improvements to the System; and

(ii) To, first, meet the payment of interest on or principal of the Prior Bonds to whatever extent and if for any reason funds in the Prior Bonds Sinking Fund established with respect to the Prior Bonds are insufficient for such purpose, and next, to restore to the reserves established with respect to the Prior Bonds any sum or sums transferred therefrom; thereafter, and provided that payments into the Prior Bonds Sinking Fund are current and in accordance with the foregoing provisions and the provisions of the Prior Ordinances, to the extent necessary to meet the principal, interest and reserve payments upon the Series 1989 A Bonds to the extent that moneys in the Series 1989 A Reserve Account are insufficient therefor.

(6) When the Prior Bonds or any portion thereof are no longer Outstanding, the Issuer shall next, on the first day of each month, transfer to the Renewal and Replacement Fund, a sum equal to 2 1/2% of the Gross Revenues each month, exclusive of any payments for account of 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 the reserves established with respect to the Prior Bonds or the Series 1989 A Bonds Reserve Account [except to the extent such deficiency exists because the required payments into such account have not, as of the date of determination of a deficiency, funded such account to the maximum extent required hereof] shall be promptly eliminated with moneys form the Renewal and Replacement Fund.

(7) The Issuer shall next, on the first day of each month, commencing 13 months prior to the first date of payment of principal on the Series 1989 B Bonds, apportion and set apart out of the Revenue Fund and remit to the Commission for deposit in the Series 1989 B Bonds Sinking Fund, a sum equal to 1/12th of the amount of principal which will mature and become due on said Series 1989 B Bonds on the next ensuing principal payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 1989 B Bonds Sinking Fund and the next annual principal payment date is less than 13 months then such monthly payments shall be increased proportionately to provide, one month prior to the next annual principal payment date, the required amount of principal coming due on such date.

(8) The Issuer shall next, on the first day of each month, commencing 13 months prior to the first date of payment of principal of the Series 1989 B Bonds, if not fully funded upon issuance of the Series 1989 B Bonds, apportion and set apart out of the Revenue Fund and remit to the Commission for deposit in the Series 1989 B Bonds Reserve Account, an amount equal to 1/120 of the Series 1989 B Bonds Reserve Requirement; provided, that no further payments shall be made into the Series 1989 B Bonds Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit

therein, an amount equal to the Series 1989 B Bonds Reserve Requirement.

Moneys in the Series 1989 A Bonds Sinking Fund and the Series 1989 B Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest, if any, on the respective series of Bonds as the same shall become due. Moneys in the Series 1989 A Bonds Reserve Account and the Series 1989 B Bonds Reserve Account shall be used only for the purpose of paying principal of and interest, if any, on the respective series of Bonds, as the same shall come due, when other moneys in the attendant Sinking Fund are insufficient therefor, and for no other purpose.

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

Any withdrawals from the Series 1989 A Bonds Reserve Account which result in a reduction in the balance of the Series 1989 A Bonds Reserve Account to below the Series 1989 A Bonds Reserve Requirement shall be subsequently restored from the first Net Revenues available after all required payments have been made in full, first, to the Prior Bonds Sinking Fund for payment of debt service on the Prior Bonds and next, to the Series 1989 A Bonds Sinking Fund for payment of debt service on the Series 1989 A Bonds.

Any withdrawals from the Series 1989 B Bonds Reserve Account which result in a reduction in the balance of the Series 1989 B Bonds Reserve Account to below the Series 1989 B Bonds Reserve Requirement shall be subsequently restored from the first Net Revenues available after all required payments to the Prior Bonds Sinking Fund, the Series 1989 A Bonds Sinking Fund, the Series 1989 A Bonds Reserve Account, the Depreciation Fund and the Series 1989 B Bonds Sinking Fund have been made in full.

As and when additional Bonds ranking on a parity with the Bonds are issued, provision shall be made for additional

payments into the respective Sinking Fund sufficient to pay the interest on such additional parity Bonds and accomplish retirement thereof at maturity and to accumulate a balance in the appropriate Reserve Account in an amount equal to the maximum provided and required to be paid into the concomitant Sinking Fund in any year for account of the Bonds of such series, including such additional Bonds which by their terms are payable from such Sinking Fund.

The Issuer shall not be required to make any further payments into the Series 1989 A Bonds Sinking Fund, or the Series 1989 B Bonds Sinking Fund or into the Reserve Accounts therein when the aggregate amount of funds in said respective Sinking Funds and Reserve Accounts are at least equal to the aggregate principal amount of the respective Bonds issued pursuant to this Bond Legislation then Outstanding and all interest to accrue until the respective maturities thereof.

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

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

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

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

B. Whenever all of the required and provided transfers and payments from the Revenue Fund into the several special funds, as hereinbefore provided, are current and there remains in said Revenue

Fund a balance in excess of the estimated amounts required to be so transferred and paid into the Sinking Funds, including the Reserve Accounts therein and the Sinking Fund established for the Prior Bonds, and the Depreciation Fund during the following month or such other period as required by law, such excess shall be considered Surplus Revenues. Surplus Revenues may be used for any lawful purpose of the System, including, but not limited to, payment to the Trustee for deposit in the Notes Debt Service Fund.

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

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

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

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

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

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

ARTICLE VI

BOND PROCEEDS; CONSTRUCTION DISBURSEMENTS

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

A. From the proceeds of the Series 1989 A Bonds, there shall first be deposited with the Commission in the Series 1989 A Bonds Sinking Fund, the amount, if any, specified in the Supplemental Resolution as capitalized interest; provided, that such amount may not exceed the amount necessary to pay interest on the Series 1989 A Bonds for the period commencing on the date of issuance of the Bonds and ending 6 months after the estimated date of completion of construction of the Project.

B. Next, from the proceeds of the Series 1989 A Bonds, there shall be deposited with the Commission in the Series 1989 A Bonds Reserve Account and from the proceeds of the Series 1989 B Bonds, there shall be deposited with the Commission in the Series 1989 B Reserve Account the respective sums, if any, set forth in the Supplemental Resolution for funding of the Reserve Accounts.

C. Next, from the proceeds of the Series 1989 A Bonds, there shall first be credited to the Bond Construction Trust Fund and then paid, any and all borrowings by the Issuer made for the purpose of temporarily financing a portion of the Costs of the Project, including interest accrued thereon to the date of such payment, not otherwise paid from funds of the Issuer.

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

E. The Depository Bank shall act as a trustee and fiduciary for the Bondholder with respect to the Bond Construction Trust Fund and shall comply with all requirements with respect to the disposition of the Bond Construction Trust Fund set forth in the Bond Legislation. Moneys in the Bond Construction Trust Fund shall be used solely to pay Costs of the Project and until so expended, are hereby pledged as additional security for the Series 1989 A Bonds, and thereafter for the Series 1989 B Bonds. In the event that Notes are issued, the disposition of funds in the Bonds Construction Trust Fund

may be modified from that set forth herein, with the written consent of the Authority.

Section 6.02. Disbursements From the Bond Construction Trust Fund. Payments for Costs of the Project shall be made monthly.

Except as provided in Section 6.01 hereof, disbursements from the Bond Construction Trust Fund (except for the costs of issuance of the Original Bonds which shall be made upon request of the Issuer), shall be made only after submission to the Depository Bank of a certificate, signed by an Authorized Officer and the Consulting Engineers, stating:

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

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

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

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

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

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

After completion of the Project, as certified by the Consulting Engineers, the Depository Bank shall transfer any moneys remaining in the Bond Construction Trust Fund to the Series 1989 A Bonds Reserve Account, and when fully funded to the Series 1989 B

Bonds Reserve Account, and when both Reserve Accounts are fully funded, shall return such remaining moneys to the Issuer for deposit in the Revenue Fund. The Issuer shall thereafter, apply such moneys in full, first to the next ensuing interest payments, if any, due on the respective Series of Bonds and thereafter to the next ensuing principal payments due thereon. Notwithstanding the foregoing, if the Authority tenders any of its Series 1989 B Bonds to the Issuer pursuant to the provisions of the Supplemental Loan Agreement, such moneys shall be applied to the purchase of such Series 1989 B Bonds.

ARTICLE VII

ADDITIONAL COVENANTS OF THE ISSUER

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

Until the payment in full of the principal of and interest on the Notes when due, and to the extent they do not materially adversely affect Bondholders, the covenants, agreements and provisions contained in this Bond Legislation shall, where applicable, also inure to the benefit of the Holders of the Notes and the Trustee therefor and constitute valid and legally binding covenants of the Issuer, enforceable in any court of competent jurisdiction by the Trustee or any Holder or Holders of said Notes as prescribed in the Indenture; provided, that Section 7.09 shall not be applied to the Grant Anticipation Notes.

Section 7.02. Bonds and Notes not to be Indebtedness of the Issuer. Neither the Bonds nor the Notes shall be or constitute an indebtedness of the Issuer within the meaning of any constitutional, statutory or charter limitation of indebtedness, but shall be payable solely from the funds pledged for such payment by this Bond Legislation. No Holder or Holders of any Bonds or Notes, shall ever have the right to compel the exercise of the taxing power of the Issuer to pay said Bonds or Notes or the interest thereon.

Section 7.03. Bonds Secured by Subordinate Pledge of Net Revenues; Lien Positions with Respect to Prior Bonds. The payment of the debt service of the Series 1989 A Bonds issued hereunder shall be secured forthwith equally and ratably by a lien on the Net Revenues derived from the operation of the System, but such lien shall be junior and subordinate to the lien on said Net Revenues in favor of the Holders of the Prior Bonds. Payment of the debt service of the Series 1989 B Bonds issued hereunder shall be secured forthwith equally and ratably by a lien on said Net Revenues, but such lien shall be junior and subordinate to the lien on said Net Revenues in favor of the Holders of the Prior Bonds and the Series 1989 A Bonds.

The Revenues derived from the System, in an amount sufficient to pay the principal of and interest on the Prior Bonds and the Bonds and to make the payments into the Sinking Funds, including the Reserve Accounts therein, and all other payments provided for in the Bond Legislation are hereby irrevocably pledged, in the manner provided herein, to the payment of the principal of and interest on the Bonds as the same become due, and for the other purposes provided in the Bond Legislation.

Section 7.04. Initial Schedule of Rates and Charges. The initial schedule of rates and charges for the services and facilities of the System shall be as set forth in the ordinance of the Issuer enacted September 18, 1989.

Section 7.05. Sale of the System. Except as otherwise required by State law, the System may not be sold, mortgaged, leased or otherwise disposed of except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to pay fully all the Bonds and Notes, if any, Outstanding, or to effectively defease this Bond Legislation in accordance with Section 10.01 hereof and, if entered into and not previously defeased, the Indenture in accordance with Section 8.01 thereof. The proceeds from any such sale, mortgage, lease or other disposition of the System shall, with respect to the Bonds, immediately be remitted to the Commission for deposit in the Sinking Funds, and, with the written permission of the Authority, or in the event the Authority is no longer a Bondholder, the Issuer shall direct the Commission to apply such proceeds to the payment of principal at maturity of and interest on the Bonds. Any balance remaining after the payment of all the Bonds and interest thereon shall be remitted to the Issuer by the Commission unless necessary for the payment of other obligations of the Issuer payable out of the revenues of the System. With respect to the Notes, such proceeds in an amount sufficient to pay the Notes in full shall be applied to the payment of the Notes, either at maturity or, if allowable under the Supplemental Resolution or Indenture, prior thereto.

The foregoing provision notwithstanding, the Issuer shall have and hereby reserves the right to sell, lease or otherwise dispose of any of the property comprising a part of the System hereinafter determined in the manner provided herein to be no longer necessary, useful or profitable in the operation thereof. Prior to any such sale, lease or other disposition of such property, if the amount to be received therefor, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, is not in excess of $10,000, the Issuer shall, by resolution, determine that such property comprising a part of the System is no longer necessary, useful or profitable in the operation

thereof and may then provide for the sale of such property. The proceeds of any such sale shall be deposited in the Depreciation Fund. If the amount to be received from such sale, lease or other disposition of said property, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, shall be in excess of $10,000 but not in excess of $50,000, the Issuer shall first, determine upon consultation with the Consulting Engineers that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then, if it be so advised, by resolution duly adopted, authorize such sale, lease or other disposition of such property upon public bidding. The proceeds derived from any such sale, lease or other disposition of such property, aggregating during such Fiscal Year in excess of $10,000 and not in excess of $50,000, shall with the written consent of the Authority, be remitted by the Issuer to the Commission for deposit in the Sinking Fund and shall be applied only to the purchase of Bonds of the last maturities then Outstanding at prices not greater than the par value thereof plus 3% of such par value or otherwise. Such payment of such proceeds into the Sinking Fund or the Depreciation Fund shall not reduce the amounts required to be paid into said funds by other provisions of this Bond Legislation. No sale, lease or other disposition of the properties of the System shall be made by the Issuer if the proceeds to be derived therefrom, together with all other amounts received during the same Fiscal Year for such sales, leases, or other dispositions of such properties, shall be in excess of $50,000 and insufficient to pay all Bonds then Outstanding without the prior approval and consent in writing of the Holders, or their duly authorized representatives, of over 50% in amount of the Bonds then Outstanding and the Consulting Engineers. The Issuer shall prepare the form of such approval and consent for execution by the then Holders of the Bonds for the disposition of the proceeds of the sale, lease or other disposition of such properties of the System.

Section 7.06. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances. Except as provided in this Section 7.06 and in Section 7.07B, the Issuer shall not issue any obligations whatsoever with a lien on or otherwise payable from any source of payment pledged originally to the Notes issued under the Indenture or supplemental resolution prior to or on a parity with the lien on behalf of such Notes until such Notes have been defeased in accordance with the provisions of the Indenture and the Bond Legislation; and, so long as any of the Bonds are Outstanding, the Issuer shall not issue any other obligations whatsoever payable from the revenues of the System which rank prior to, or equally, as to lien on and source of and security for payment from such revenues with the Bonds; provided, however, that additional Bonds on a parity with the Series 1989 B Bonds only may be issued as

provided for in Section 7.07 hereof. All obligations issued by the Issuer after the issuance of the Bonds and payable from the revenues of the System, except such additional parity Bonds, shall contain an express statement that such obligations are junior and subordinate, as to lien on and source of and security for payment from such revenues and in all other respects, to the Series 1989 A Bonds and the Series 1989 B Bonds; provided, that no such subordinate obligations shall be issued unless all payments required to be made into the Reserve Accounts, the Depreciation Fund and/or the Renewal and Replacement Fund at the time of the issuance of such subordinate obligations have been made and are current.

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

Section 7.07. Parity Bonds. A. No Parity Bonds, payable out of the revenues of the System, shall be issued after the issuance of any Bonds pursuant to this Bond Legislation, except under the conditions and in the manner herein provided.

All Parity Bonds issued hereunder shall be on a parity in all respects with the Series 1989 B Bonds. No Parity Bonds shall be issued which shall be payable out of the revenues of the System on a parity with the Series 1989 A Bonds, unless the Series 1989 B Bonds are no longer outstanding.

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

No Parity Bonds shall be issued at any time, however, unless there has been procured and filed with the Recorder a written statement by the Independent Certified Public Accountants, based upon the necessary investigation and certification by the Consulting Engineers, reciting the conclusion that the Net Revenues actually derived, subject to the adjustments hereinafter provided for, from the System during any 12 consecutive months, within the 18 months immediately preceding the date of the actual issuance of such Parity Bonds, plus the estimated average increased annual Net Revenues to be received in each of the 3 succeeding years after the completion of the improvements to be financed by such Parity Bonds, shall not be less

than 115% of the largest aggregate amount that will mature and become due in any succeeding Fiscal Year for principal of and interest on the following:

(1) The Prior Bonds and any other obligations with a lien on the Net Revenues prior to that of the Bonds;

(2) The Bonds then Outstanding;

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

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

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

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

Not later than simultaneously with the delivery of such Parity Bonds, the Issuer shall have entered into written contracts for the immediate construction or acquisition of such additions, betterments or improvements, if any, to the System that are to be financed by such Parity Bonds.

All covenants and other provisions of this Bond Legislation (except as to details of such Parity Bonds inconsistent herewith) shall be for the equal benefit, protection and security of the Holders of the Bonds and the Holders of any Parity Bonds subsequently issued from time to time within the limitations of and in compliance with

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

All Parity Bonds shall mature on the day of the years of maturities, and the semiannual interest thereon shall be payable on the days of each year, specified in a Supplemental Resolution.

Parity Bonds shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien of which on the revenues of the System is subject to the prior and superior liens of the Series 1989 A Bonds and the Series 1989 B Bonds on such revenues. The Issuer shall not issue any obligations whatsoever payable from the revenues of the System, or any part thereof, which rank prior to or, except in the manner and under the conditions provided in this section, equally, as to lien on and source of and security for payment from such revenues, with the Series 1989 A Bonds or the Series 1989 B Bonds.

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

B. Notwithstanding the foregoing, or any provision of Section 7.06 to the contrary, additional Bonds may be issued solely for the purpose of completing the Project as described in the application to the Authority submitted as of the date of the Loan Agreement without regard to the restrictions set forth in this Section 7.07, if there is first obtained by the Issuer the written consent of the Authority to the issuance of bonds on a parity with the Bonds.

Section 7.08. Books and Records. The Issuer will keep books and records of the System, which shall be separate and apart from all other books, records and accounts of the Issuer, in which complete and correct entries shall be made of all transactions relating to the System, and any Holder of a Bond or Bonds or of a Note or Notes issued pursuant to this Bond Legislation or the Trustee shall have the right at all reasonable times to inspect the System and all

parts thereof and all records, accounts and data of the Issuer relating thereto.

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

The Issuer shall file with the Consulting Engineers, the Trustee and the Authority, or any other original purchaser of the Bonds, and shall mail in each year to any Holder or Holders of Bonds or Notes, as the case may be, requesting the same, an annual report containing the following:

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

(B) A balance sheet statement showing all deposits in all the funds and accounts provided for in this Bond Legislation and the Indenture with respect to said Bonds or Notes, as the case may be, and the status of all said funds and accounts.

(C) The amount of any Bonds, Notes or other obligations outstanding.

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

Section 7.09. Rates. Equitable rates or charges for the use of and service rendered by the System have been established all

in the manner and form required by law, and copies of such rates and charges so established will be continuously on file with the Recorder, which copies will be open to inspection by all interested parties. The schedule of rates and charges shall at all times be adequate to produce Gross Revenues from said System sufficient to pay Operating Expenses and to make the prescribed payments into the funds created hereunder. Such schedule of rates and charges shall be changed and readjusted whenever necessary so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant, with a margin for contingencies and temporary unanticipated reduction in income and revenues, the Issuer hereby covenants and agrees that the schedule of rates or charges from time to time in effect shall be sufficient, together with other revenues of the System (i) to provide for all reasonable expenses of operation, repair and maintenance of the System and (ii) to leave a balance each year equal to at least 115% of the maximum amount required in any year for payment of principal of and interest on the Bonds and all other obligations secured by a lien on or payable from such revenues prior to or on a parity with the Bonds, including the Prior Bonds; provided that, in the event that amounts equal to or in excess of the Reserve Requirements are on deposit respectively in the Reserve Accounts and reserve accounts for obligations prior to or on a parity with the Bonds (including the Prior Bonds) are funded at least at the requirement therefor, such balance each year need only equal at least 110% of the maximum amount required in any year for payment of principal of and interest on the Bonds and all other obligations secured by a lien on or payable from such revenues prior to or on a parity with the Bonds. In any event, the Issuer shall not reduce the rates or charges for services set forth in the rate ordinance described in Section 7.04.

Section 7.10. Operating Budget and Audit. The Issuer shall annually, at least 45 days preceding the beginning of each Fiscal Year, prepare and adopt by resolution a detailed, balanced budget of the estimated expenditures for operation and maintenance of the System during the succeeding Fiscal Year. No expenditures for the operation and maintenance of the System shall be made in any Fiscal Year in excess of the amounts provided therefor in such budget without a written finding and recommendation by the Consulting Engineers, which finding and recommendation shall state in detail the purpose of and necessity for such increased expenditures for the operation and maintenance of the System, and no such increased expenditures shall be made until the Issuer shall have approved such finding and recommendation by a resolution duly adopted. No increased expenditures in excess of 10% of the amount of such budget shall be made except upon the further certificate of the Consulting Engineers that such increased expenditures are necessary for the continued operation of the System. The Issuer shall mail copies of such annual

budget and all resolutions authorizing increased expenditures for operation and maintenance to the Trustee and the Authority and to any Holder of any Bonds or Notes, as the case may be, who shall file his or her address with the Issuer and request in writing that copies of all such budgets and resolutions be furnished him or her and shall make available such budgets and all resolutions authorizing increased expenditures for operation and maintenance of the System at all reasonable times to the Trustee and to any Holder of any Bonds or Notes, as the case may be, or anyone acting for and in behalf of such Holder of any Bonds or Notes, as the case may be.

In addition, the Issuer shall annually cause the records of the System to be audited by an independent certified public accountant, the report of which audit shall be submitted to the Authority and which audit report shall include a statement that the Issuer is in compliance with the terms and provisions of this Bond Legislation and the Loan Agreement.

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

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

Whenever any fees, rates, rentals or other charges for the services and facilities of the System shall remain unpaid for a period of 30 days after the same shall become due and payable, the property and the owner thereof, as well as the user of the services and facilities, shall be delinquent until such time as all such rates and charges are fully paid. To the extent authorized by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, rates, rentals and other charges, if not paid, when due, shall become a lien on the premises served by the System. The Issuer further covenants and agrees that, it will, to the full extent permitted by law and the rules and regulations promulgated by the Public Service Commission of West Virginia, discontinue and shut off the services of the System and any services and facilities of the water system, if so owned by the Issuer, to all users of the services

of the System delinquent in payment of charges for the services of the System and will not restore such services of either system until all delinquent charges for the services of the System, plus reasonable interest and penalty charges for the restoration of service, have been fully paid and shall take all further actions to enforce collections to the maximum extent permitted by law.

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

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

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

order of the Authority, the Issuer, the contractors and subcontractors, as their interests may appear.

(2) PUBLIC LIABILITY INSURANCE, with limits of not less than $1,000,000 per occurrence to protect the Issuer from claims for bodily injury and/or death and not less than $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, to the extent available at reasonable cost to the Issuer.

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

B. The Issuer shall also require all contractors engaged in the construction of the Project to carry such worker's compensation coverage for all employees working on the Project and public liability insurance, vehicular liability insurance and property damage insurance in amounts adequate for such purposes and as is customarily carried with respect to works and properties similar to the Project. In the event the Loan Agreement so requires, such insurance shall be made payable to the order of the Authority, the Issuer, the prime contractor and all subcontractors, as their interests may appear.

Section 7.15. Mandatory Connections. The mandatory use of the System is essential and necessary for the protection and preservation of the public health, comfort, safety, convenience and welfare of the inhabitants and residents of, and the economy of, the Issuer and in order to assure the rendering harmless of sewage and water-borne waste matter produced or arising within the territory served by the System. Accordingly, every owner, tenant or occupant of any house, dwelling or building located near the System, where sewage will flow by gravity or be transported by such other methods

approved by the State Department of Health from such house, dwelling or building into the System, to the extent permitted by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, shall connect with and use the System and shall cease the use of all other means for the collection, treatment and disposal of sewage and waste matters from such house, dwelling or building where there is such gravity flow or transportation by such other method approved by the State Department of Health and such house, dwelling or building can be adequately served by the System, and every such owner, tenant or occupant shall, after a 30 day notice of the availability of the System, pay the rates and charges established therefor.

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

Section 7.16. Completion of Project. The Issuer will complete the Project and operate and maintain the System in good condition.

Section 7.17. Tax Covenants. The Issuer hereby further covenants and agrees as follows:

A. PRIVATE BUSINESS USE LIMITATION. The Issuer shall assure that (i) not in excess of 10% of the Net Proceeds of the Bonds are used for Private Business Use if, in addition, the payment of more than 10% of the principal or 10% of the interest due on the Bonds during the term thereof is, under the terms of the Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for a Private Business Use or in payments in respect of property used or to be used for a Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for a Private Business Use; and (ii) and that, in the event that both (A) in excess of 5% of the Net Proceeds of the Bonds are used for a Private Business Use, and (B) an amount in excess of 5% of the principal or 5% of the interest due on the Bonds during the term thereof is, under the terms of the Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for said Private Business Use or in payments in respect of property used or to be used for said Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used

for said Private Business Use, then said excess over said 5% of Net Proceeds of the Bonds used for a Private Business Use shall be used for a Private Business Use related to the governmental use of the Project, or if the Bonds are for the purpose of financing more than one project, a portion of the Project, and shall not exceed the proceeds used for the governmental use of that portion of the Project to which such Private Business Use is related.

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

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

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

E. FURTHER ACTIONS. The Issuer will take any and all actions that may be required of it (including those deemed necessary by the Authority) so that the interest on the Bonds will be and remain excludable from gross income for federal income tax purposes, and will not take any actions, or fail to take any actions (including those determined by the Authority) which would adversely affect such exclusion.

ARTICLE VIII

INVESTMENT OF FUNDS; NON ARBITRAGE

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

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

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

Section 8.02. Arbitrage. The Issuer covenants that (i) it will restrict the use of the proceeds of the Bonds in such manner and to such extent as may be necessary, in view of the Issuer's reasonable expectations at the time of issuance of the Bonds, so that the Bonds will not constitute "arbitrage bonds" under Section 148 of the Code and Regulations, and (ii) it will take all actions that may be required of it (including, without implied limitation, the timely filing of a Federal information return with respect to the Bonds) so that the interest on the Bonds will be and remain excluded from gross income for Federal income tax purposes, and will not take any actions which would adversely affect such exclusion.

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

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

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

funds referenced in Subsection C(5) of this Section if such earnings in any Bond Year are less than $500,000, provided that, if the Bonds are not private activity bonds (including any "qualified 501(c)(3) bond" as defined under Section 145 of the Code), if the average maturity of the issue of the Bonds (determined in accordance with Section 147(b)(2)(A) of the Code) is at least 5 years and if the rate of interest on the issue of the Bonds does not vary during the term of the issue, then this clause (i) of this Section 8.03A shall be applied without regard to such dollar limitation, (ii) interest earnings and profits on amounts in funds and accounts which do not constitute Gross Proceeds, (iii) interest earnings and profits on the Rebate Fund, and (iv) interest earnings and profits on amounts in funds and accounts otherwise excepted under the Regulations shall, upon receipt by the Depository Bank, be deposited in the Earnings Fund. In addition, all interest earnings and profits on Gross Proceeds in funds held by the Issuer shall, upon receipt, be paid to the Depository Bank for deposit in the Earnings Fund. Annually, before the 30th day following the end of each Bond Year or on the preceding business day in the event that such last day is not a business day, or such earlier date as may be required under the Code, the Depository Bank shall transfer from the Earnings Fund to the Rebate Fund for purposes of ultimate payment to the United States an amount equal to Excess Investment Earnings, all as more particularly described in this Section. Following the transfer referenced in the preceding sentence, the Depository Bank shall transfer all amounts remaining in the Earnings Fund to be used for the payment of Debt Service on the next interest payment date and for such purpose, Debt Service due from the Issuer on such date shall be credited by an amount equal to the amount so transferred.

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

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

Issuer in accordance with the following, or in accordance with such other requirements as may be applicable under the Regulations:

(1) Except as provided in (2), in determining the amount described in clause A(i) of the definition of Excess Investment Earnings, the aggregate amount earned on Nonpurpose Investments shall include (i) all income realized under federal income tax accounting principles (whether or not the person earning such income is subject to federal income tax) with respect to such Nonpurpose Investments and with respect to the reinvestment of investment receipts from such Nonpurpose Investments (without regard to the transaction costs incurred in acquiring, carrying, selling or redeeming such Nonpurpose Investments), including, but not limited to, gain or loss realized on the disposition of such Nonpurpose Investments (without regard to when such gains are taken into account under Section 453 of the Code relating to taxable year of inclusion of gross income), and income under Section 1272 of the Code (relating to original issue discount) and (ii) any unrealized gain or loss as of the date of retirement of the Bonds in the event that any Nonpurpose Investment is retained after such date.

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

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

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

(5) In determining the amount of Excess Investment Earnings, there shall be excluded any amount

earned on any fund or account which is used primarily to achieve a proper matching of revenues and Debt Service within each Bond Year and which is depleted at least once a year except for a reasonable carryover amount not in excess of the greater of 1 year's earnings on such fund or account or 1/12th of annual Debt Service (which may include a portion of a fund or account, although not a separate and distinct fund or account) as well as amounts earned on said earnings if the gross earnings on such fund or account for the Bond Year is less than $500,000, provided that, if the Bonds are not private activity bonds (including any "qualified 501(c)(3) bond" as defined under Section 145 of the Code), if the average maturity of the issue of the Bonds (determined in accordance with Section 147(b)(2)(A) of the Code) is at least 5 years and if the rate of interest on the issue of the Bonds does not vary during the term of the issue, then all amounts earned on such fund or account as well as amounts earned on said earnings shall be excluded in determining the amount of Excess Investment Earnings.

D. PAYMENT TO THE UNITED STATES. The Issuer shall direct the Depository Bank to pay from the Rebate Fund an amount equal to Excess Investment Earnings to the United States in installments with the first payment to be made not later than 30 days after the end of the 5th Bond Year and with subsequent payments to be made not later than 5 years after the preceding payment was due, except to the extent otherwise required under the Regulations. The Issuer shall assure that each such installment is in an amount equal to at least 90% of the Excess Investment Earnings with respect to the Gross Proceeds as of the close of the computation period or other period required under the Regulations. Not later than 60 days after the retirement of the Bonds, the Issuer shall direct the Depository Bank to pay from the Rebate Fund to the United States 100% of the theretofore unpaid Excess Investment Earnings in the Rebate Fund. In the event that there are any amounts remaining in the Rebate Fund following the payment required by the preceding sentence, the Depository Bank shall pay said amounts to the Issuer to be used for any lawful purpose of the System. The Issuer shall remit payments to the United States at the address prescribed by the Regulations as the same may be in time to time in effect with such reports and statements as may be prescribed by such Regulations. In the event that, for any reason, amounts in the Rebate Fund are insufficient to make the payments to the United States which are required by this Subsection D, the Issuer shall assure that such payments are made by the Issuer to the United States, on a timely basis, from any funds lawfully available therefor.

E. FURTHER OBLIGATIONS OF ISSUER. The Issuer shall assure that Excess Investment Earnings are not paid or disbursed except as

required in this Section. To that end the Issuer shall assure that investment transactions are on an arm's length basis and that Nonpurpose Investments are acquired at their fair market value. In the event that Nonpurpose Investments consist of certificates of deposit or investment contracts, investment in such Nonpurpose Investments shall be made in accordance with the procedures described in applicable Regulations as from time to time in effect. The Depository Bank shall keep the moneys in the Earnings Fund and Rebate Fund invested and reinvested to the fullest extent practicable in Government Obligations with maturities consonant with the required use thereof and investment profits and earnings shall be credited to the account of such fund on which earned.

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

G. INDEPENDENT CONSULTANTS. In order to provide for the administration of this Section 8.03, the Issuer and the Depository Bank (at the expense of the Issuer) may provide for the employment of independent attorneys, accountants or consultants compensated on such reasonable basis as the Issuer or the Depository Bank may deem appropriate.

H. FURTHER AGREEMENT. Notwithstanding the foregoing, the Issuer further covenants to comply with all Regulations from time to time in effect and applicable to the Bonds, as may be necessary in order to fully comply with Section 148(f) of the Code.

I. REPORTING TO AUTHORITY. The Issuer shall furnish to the Authority, annually, at such time as it is required to perform its rebate calculations under the Code, a certificate with respect to its rebate calculations and, at any time, any additional information relating thereto as may be requested by the Authority. In addition, the Issuer shall cooperate with the authority in preparing rebate calculations and in all other respects in connection with rebates and hereby consents to the performance of all matters in connection with such rebates by the Authority at the expense of the Issuer.

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

ARTICLE IX

DEFAULT AND REMEDIES

Section 9.01. Events of Default. A. Each of the following events shall constitute an "Event of Default" with respect to the Notes:

(1) If default occurs in the due and punctual payment of the principal of or interest on any Notes; or

(2) If default occurs in the Issuer's observance of any of the covenants, agreements or conditions on its part relating to the Notes set forth in this Bond Legislation, any supplemental resolution, the Indenture or in the Notes, and such default shall have continued for a period of 30 days after the Issuer shall have been given written notice of such default by the Trustee, any other bank or banking association holding any fund or account hereunder or a Holder of a Note; or

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

B. Each of the following events shall constitute an "Event of Default" with respect to the Bonds:

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

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

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

Section 9.02. Remedies. Upon the happening and continuance of any Event of Default, any Registered Owner of a Note or Bond, as the case may be, may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his or her rights and, in particular, (i) bring suit for any unpaid principal or interest then due, (ii) by mandamus or other appropriate proceeding enforce all rights of such Registered Owners including the right to require the Issuer to perform its duties under the Act and the Bond Legislation relating thereto, including but not limited to the making and collection of sufficient rates or charges for services rendered by the System, (iii) bring suit upon the Notes or Bonds, as the case may be, (iv) by action at law or bill in equity require the Issuer to account as if it were the trustee of an express trust for the Registered Owners of the Notes or Bonds, as the case may be, and (v) by action or bill in equity enjoin any acts in violation of the Bond Legislation with respect to the Notes or Bonds, or the rights of such Registered Owners, provided however, that no remedy herein stated may be exercised by a Noteholder in a manner which adversely affects any remedy available to the Bondholders, and provided further, that all rights and remedies of the Holders of the Series 1989 B Bonds shall be subject to those of the Holders of the Series 1989 A Bonds and all rights and remedies of the Holders of the Original Bonds shall be subject to those of the Holders of the Prior Bonds.

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

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

and powers of the Issuer with respect to said facilities as the Issuer itself might do.

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

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

Any receiver appointed as provided herein shall hold and operate the System in the name of the Issuer and for the joint protection and benefit of the Issuer and Registered Owners of the Bonds. Such receiver shall have no power to sell, assign, mortgage or otherwise dispose of any assets of any kind or character belonging or pertaining to the System, but the authority of such receiver shall be limited to the possession, operation and maintenance of the System for the sole purpose of the protection of both the Issuer and Registered Owners of such Bonds and the curing and making good of any Event of Default with respect thereto under the provisions of this Bond Legislation, and the title to and ownership of said System shall remain in the Issuer, and no court shall have any jurisdiction to enter any order or decree permitting or requiring such receiver to sell, assign, mortgage or otherwise dispose of any assets of the System.

ARTICLE X

DEFEASANCE

Section 10.01. Defeasance of Series 1989 A Bonds. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the respective Holders of all Series 1989 A Bonds, the principal of and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Bond Legislation, then with respect to the Series 1989 A Bonds only, the pledge of Net Revenues and other moneys and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owners of the Series 1989 A Bonds shall thereupon cease, terminate and become void and be discharged and satisfied.

Series 1989 A Bonds for the payment of which either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with the moneys, if any, deposited with the Paying Agents at the same or earlier time, shall be sufficient, to pay as and when due either at maturity or at the next redemption date, the principal installments of and interest on such Series 1989 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 1989 A Bonds shall, prior to the maturity thereof, be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section if there shall have been deposited with the Commission or its agent, either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with other moneys, if any, deposited with the Commission at the same time, shall be sufficient to pay when due the principal installments of and interest due and to become due on said Series 1989 A Bonds on and prior to the next redemption date or the maturity dates thereof. Neither securities nor moneys deposited with the Commission pursuant to this section nor principal or interest payments on any such securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal installments of and interest on said Series 1989 A Bonds; provided, that any cash received from such principal or interest payments on such securities deposited with the Commission or its agent, if not then needed for such purpose, shall, to the extent practicable, be reinvested in securities maturing at times and in amounts sufficient to pay when due the principal installments of and interest to become due on said Bonds on and prior to the next redemption date or the maturity dates thereof, and interest earned from such reinvestments shall be paid over to the

Issuer as received by the Commission or its agent, free and clear of any trust, lien or pledge. For the purpose of this section, securities shall mean and include only Government Obligations.

Section 10.02. Defeasance of Series 1989 B Bonds. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the respective Holders of all Series 1989 B Bonds, the principal due or to become due thereon, at the times and in the manner stipulated therein and in this Bond Legislation, then with respect to the Series 1989 B Bonds only, the pledge of Net Revenues and other moneys and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owners of the Series 1989 B Bonds shall thereupon cease, terminate and become void and be discharged and satisfied.

Series 1989 B Bonds for the payment of which either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with the moneys, if any, deposited with the Paying Agents at the same or earlier time, shall be sufficient, to pay as and when due either at maturity or at the next redemption date the principal installments of such Series 1989 B Bonds shall be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section. All Series 1989 B Bonds shall, prior to the maturity thereof, be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section if there shall have been deposited with the Commission or its agent, either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with other moneys, if any, deposited with the Commission at the same time, shall be sufficient to pay when due the principal installments of said Series 1989 B Bonds on and prior to the next redemption date or the maturity dates thereof. Neither securities nor moneys deposited with the Commission pursuant to this section nor principal or interest payments on any such securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal installments of said Series 1989 B Bonds; provided, that any cash received from such principal or interest payments on such securities deposited with the Commission or its agent, if not then needed for such purpose, shall, to the extent practicable, be reinvested in securities maturing at times and in amounts sufficient to pay when due the principal installments of said Bonds on and prior to the next redemption date or the maturity dates thereof, and interest earned from such reinvestments shall be paid over to the Issuer as received by the Commission or its agent, free and clear of any trust, lien or pledge. For the purpose of this section, securities shall mean and include only Government Obligations.

Section 10.03. Defeasance of Notes. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the respective Holders of any series of Notes, the principal of and interest due or to become due thereon, at the times and in the manner set forth in the Indenture, then with respect to such Notes only, this Bond Legislation, the Indenture, if any, and the pledges of Grant Receipts and other moneys and securities pledged thereby, and all covenants, agreements and other obligations of the Issuer to the Holders of the Notes shall thereupon cease, terminate and become void and be discharged and satisfied.

ARTICLE XI

MISCELLANEOUS

Section 11.01. Amendment or Modification of Bond Legislation. No material modification or amendment of this Bond Legislation, or of any resolution amendatory or supplemental hereto, that would materially and adversely affect the respective rights of Registered Owners of the Notes or Bonds shall be made without the consent in writing of the Registered Owners of 66-2/3% or more in principal amount of the Notes, the Series 1989 A Bonds or the Series 1989 B Bonds so affected and then Outstanding; provided, that no change shall be made in the maturity of any Bond or Bonds or any Note or Notes or the rate of interest thereon, or in the principal amount thereof, or affecting the unconditional promise of the Issuer to pay such principal and interest out of the funds herein respectively pledged therefor without the consent of the respective Registered Owner thereof. No amendment or modification shall be made that would reduce the percentage of the principal amount of Bonds or Notes respectively, required for consent to the above-permitted amendments or modifications. Notwithstanding the foregoing, this Bond Legislation may be amended without the consent of any Bondholder or Noteholder as may be necessary to assure compliance with Section 148(f) of the Code relating to rebate requirements or otherwise as may be necessary to assure the excludability of interest on the Bonds and the Notes from gross income of the holders thereof.

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

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

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

Section 11.05. Conflicting Provisions Repealed. All ordinances, orders or resolutions and or parts thereof in conflict with the provisions of this Ordinance are, to the extent of such conflict, hereby repealed, provided that, in the event of any conflict between this Ordinance and the Prior Ordinances, the Prior Ordinances shall control (unless less restrictive), so long as the Prior Bonds or any portion thereof are Outstanding.

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

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

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

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

Passed on First Reading	-	December 4, 1989
Passed on Second Reading	-	December 11, 1989
Passed on Final Reading Following Public Hearing	-	December 27, 1989

Raymond Peck
Mayor

Linda L Gibson
Recorder

CERTIFICATION

Certified a true copy of an Ordinance duly enacted by the Council of the CITY OF HURRICANE on the 27th day of December, 1989.

Dated: December 28, 1989

[SEAL]

Linda L Gibson
Recorder

12/27/89
HURRS.A4
43563/88001

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

EO 11-16

CITY OF HURRICANE

Sewer Revenue Bonds,
Series 1989 A and Series 1989 B

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNTS, DATES, MATURITIES, INTEREST RATES, PRINCIPAL PAYMENT SCHEDULES, SALE PRICES AND OTHER TERMS OF THE SEWER REVENUE BONDS, SERIES 1989 A AND SERIES 1989 B OF THE CITY OF HURRICANE; AUTHORIZING AND APPROVING A LOAN AGREEMENT AND SUPPLEMENTAL LOAN AGREEMENT RELATING TO SUCH BONDS AND THE SALE AND DELIVERY OF SUCH BONDS TO WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; AND MAKING OTHER PROVISIONS AS TO THE BONDS

WHEREAS, the city council (the "Governing Body") of the City of Hurricane (the "Issuer"), has duly and officially enacted a bond ordinance, effective December 27, 1989 (the "Bond Ordinance"), entitled:

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF ADDITIONS, BETTERMENTS AND IMPROVEMENTS FOR THE EXISTING PUBLIC SEWERAGE FACILITIES OF THE CITY OF HURRICANE AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN $2,500,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 1989 A, NOT MORE THAN $1,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 1989 B, AND NOT MORE THAN $3,500,000 INTERIM CONSTRUCTION FINANCING, CONSISTING OF BOND ANTICIPATION NOTES, GRANT ANTICIPATION NOTES OR A LINE OF CREDIT EVIDENCED BY NOTES, OR ANY COMBINATION OF THE FOREGOING; PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS AND NOTES; AUTHORIZING EXECUTION AND DELIVERY OF A TRUST INDENTURE SECURING THE NOTES; APPROVING AND RATIFYING A LOAN AGREEMENT AND SUPPLEMENTAL LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND

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

WHEREAS, the Bond Ordinance provides for the issuance of Sewer Revenue Bonds of the Issuer (the "Bonds"), in an aggregate principal amount not to exceed $3,500,000, to be issued in two series, the Series 1989 A Bonds to be in an aggregate principal amount of not more than $2,500,000 (the "Series 1989 A Bonds") and the Series 1989 B Bonds to be in an aggregate principal amount of not more than $1,000,000 (the "Series 1989 B Bonds"), and has preliminarily authorized the execution and delivery of a loan agreement relating to the Series 1989 A Bonds to be dated December 28, 1989, and a supplemental loan agreement relating to the Series 1989 B Bonds, also to be dated December 28, 1989 (sometimes collectively referred to herein as the "Loan Agreement"), by and between the Issuer and West Virginia Water Development Authority (the "Authority"), all in accordance with Chapter 16, Article 13 of the West Virginia Code of 1931, as amended (the "Act"); and in the Bond Ordinance it is provided that the form of the Loan Agreement and the exact principal amounts, maturity dates, interest rates, interest and principal payment dates, sale prices and other terms of the Bonds should be established by a supplemental resolution pertaining to the Bonds; and that other matters relating to the Bonds be herein provided for;

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

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

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

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

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

(A) The Sewer Revenue Bonds, Series 1989 A, of the Issuer, originally represented by a single Bond, numbered AR-1, in the principal amount of $2,331,211. The Series 1989 A Bonds shall be dated the date of delivery thereof, shall finally mature October 1, 2018, shall bear interest at the rate of 7.85% per annum, payable semiannually on April 1 and October 1 of each year, first interest payable April 1, 1990, shall be subject to redemption upon the written consent of the Authority, and upon payment of the interest and redemption premium, if any, and otherwise in compliance with the Loan Agreement, as long as the Authority shall be the registered owner of the Series 1989 A Bonds, and shall be payable in installments of principal on October 1 of each of the years and in the amounts as set forth in "Schedule X," attached thereto and to the Loan Agreement and incorporated therein by reference.

(B) The Sewer Revenue Bonds, Series 1989 B, of the Issuer, originally represented by a single Bond, numbered BR-1, in the principal amount of $108,789. The Series 1989 B Bonds shall be dated the date of delivery thereof, shall finally mature October 1, 2018, shall be interest free, shall be subject to redemption upon the written consent of the Authority, and otherwise in compliance with the Loan Agreement, as long as the Authority shall be the registered owner of the Series 1989 B Bonds, and shall be payable in installments of principal on October 1 of each of the years and in the amounts as set forth in "Schedule X," attached thereto and to the Supplemental Loan Agreement and incorporated therein by reference.

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

Section 3. The Issuer does hereby authorize, approve and accept the Loan Agreement, copies of which are incorporated herein by reference, and the execution and delivery by the Mayor of the Loan Agreement, and the performance of the obligations contained therein, on behalf of the Issuer are hereby authorized, directed and approved. The price of the Bonds shall be 100% of par value, there being no interest accrued thereon.

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

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

Section 6. The Issuer does hereby appoint Putnam County Bank, Hurricane, West Virginia, as Depository Bank under the Bond Ordinance.

Section 7. Series 1989 A Bonds proceeds in the amount of $101,080 shall be deposited in the Series 1989 A Bonds Sinking Fund as capitalized interest on the Series 1989 A Bonds.

Section 8. Series 1989 A Bonds proceeds in the amount of $208,077 shall be deposited in the Series 1989 A Bonds Reserve Account and Series 1989 B Bonds proceeds in the amount of $3,886 shall be deposited in the Series 1989 B Bonds Reserve Account.

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

Section 10. The Issuer hereby determines to pay, on the date of delivery of the Bonds and receipt of proceeds thereof, all borrowings of the Issuer heretofore incurred for the purpose of temporarily financing a portion of the Costs of the Project, including, but not limited to, all borrowings from West Virginia Water Development Authority.

Section 11. The Mayor and Recorder are hereby authorized and directed to execute and deliver such other documents and certificates required or desirable in connection with the Bonds hereby and by the Bond Ordinance approved and provided for, to the end that the Bonds may be delivered on or about December 28, 1989, to the Authority pursuant to the Loan Agreement.

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

Section 13. The Issuer hereby determines that it is in the best interest of the Issuer to invest all moneys in the funds and accounts established by the Bond Ordinance in time accounts secured by a pledge of Government Obligations with the Depository Bank, and therefore the Issuer hereby directs the Depository Bank and the Paying Agent to take such actions as may be necessary to cause such moneys to be invested in such time accounts, until further directed by the Issuer.

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

Section 15. The Issuer has general taxing powers to finance operations of or facilities of the nature of the System, and the Issuer and all subordinate entities reasonably expect to issue less than $5,000,000 aggregate principal amount of tax-exempt obligations during the calendar year 1989, being the calendar year in which the Bonds are to be issued.

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

Adopted this 27th day of December, 1989.

CITY OF HURRICANE

Raymond Peck

Mayor

12/18/89
HURRS.B1
43563/88001

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

ED 11-1C

WDA-5
(December 1989)

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").

W I T N E S S E T H:

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

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

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

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

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

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

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

ARTICLE I

Definitions

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

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

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

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

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

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

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

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

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

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

ARTICLE II

The Project and the System

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE III

Conditions to Loan; Issuance of Local Bonds

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE IV

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

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

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

(b) Covenants substantially as follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

4.7 The Governmental Agency agrees to expend the net proceeds of the Local Bonds for the Project within the following periods commencing on the date of issuance of the Local Bonds:

10 percent within 6 months

45 percent within 1 year

75 percent within 18 months

100 percent within 2 years

(except for a reasonable retainage not exceeding 5% which will be spent within 3 years). The Governmental Agency agrees, within 30 days after the end of each six month period described above, and every six month period thereafter until all the

proceeds of the Local Bonds have been expended for the Project, to certify to the Authority the amount of expenditure from Local Bond proceeds as of the end of such period, and to the extent that expenditures do not meet the required levels, agrees to remit an amount to the Authority equal to 1.5% of such shortfall.

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, as set forth in the Local Act and in compliance with the provisions of Subsection 4.1(b)(ii) hereof.

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

5.3 In the event the Governmental Agency defaults in the payment of any fees due to the Authority pursuant to Sec-

tion 4.6 hereof, the amount of such default shall bear interest at the interest rate of the installment of the Loan next due, from the date of the default until the date of the payment thereof.

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

ARTICLE VI

Other Agreements of the Governmental Agency

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

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

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

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

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

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

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

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

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

ARTICLE VII

Miscellaneous

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

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

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

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

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

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

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

7.8 This Loan Agreement shall terminate upon the earlier of:

(i) the end of ninety (90) days after the date of execution hereof by the Authority if the Governmental Agency has failed to deliver the Local Bonds to the Authority;

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

( ) payment in full of t 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 Hurricane
[Proper Name of Governmental Agency]

(SEAL)

By Raymond Beck
Its Mayor

Attest:

Date: December 28, 1989

Linda L Gibson
Its Recorder

WEST VIRGINIA WATER
DEVELOPMENT AUTHORITY

(SEAL)

By Daniel B. Yankoskey
Director

Attest:

Date: December 28, 1989

Barbara B. Meadows
Secretary-Treasurer

EXHIBIT A

[Opinion of Bond Counsel for Governmental Agency]

[To Be Dated as of Date of Loan Closing]

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

Gentlemen:

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

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

Year	Installment	Interest Rate

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

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

bond _____ duly enacted by the Governmental Agency on _____ (the "Local Act"), pursuant to and under which Local Statute and Local Act the Local Bonds are authorized and issued, and the Loan Agreement that has been undertaken. The Local Bonds are subject to redemption prior to maturity to the extent, at the time, under the conditions and subject to the limitations set forth in the Local Act and the Loan Agreement.

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

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

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

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

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

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

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

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

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

Very truly yours,

1868M

WDA-5X
(March 1988)

SCHEDULE X
DESCRIPTION OF LOCAL BONDS

Principal Amount of Local Bonds $2,331,211.00

Purchase Price of Local Bonds $2,331,211.00

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 7.85 % per annum. Principal of the Local Bonds is payable on October 1 in each year as set forth on Exhibit 1 attached hereto and incorporated herein by reference.

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

As of the date of the Loan Agreement, the Local Bonds are subordinate as to source of and security for payment to the following obligations:

EXHIBIT A

SCHEDULE OF ANNUAL DEBT SERVICE

City of Hurricane
Debt Service Schedule
Analysis of Borrowing from Series 1989 Pool
28 Principal Payments
Closing Date: 28-Dec-89

Date	Coupon	Principal	Interest	Debt Service 7.85% Bonds
01-Oct-90			138,775.05	138,775.05
01-Oct-91	7.85%	25,076.00	183,000.06	208,076.06
01-Oct-92	7.85%	27,044.00	181,031.60	208,075.60
01-Oct-93	7.85%	29,167.00	178,908.64	208,075.64
01-Oct-94	7.85%	31,457.00	176,619.03	208,076.03
01-Oct-95	7.85%	33,926.00	174,149.66	208,075.66
01-Oct-96	7.85%	36,590.00	171,486.47	208,076.47
01-Oct-97	7.85%	39,462.00	168,614.15	208,076.15
01-Oct-98	7.85%	42,560.00	165,516.39	208,076.39
01-Oct-99	7.85%	45,901.00	162,175.43	208,076.43
01-Oct-2000	7.85%	49,504.00	158,572.20	208,076.20
01-Oct-2001	7.85%	53,390.00	154,686.13	208,076.13
01-Oct-2002	7.85%	57,581.00	150,495.02	208,076.02
01-Oct-2003	7.85%	62,101.00	145,974.91	208,075.91
01-Oct-2004	7.85%	66,976.00	141,099.98	208,075.98
01-Oct-2005	7.85%	72,234.00	135,842.37	208,076.37
01-Oct-2006	7.85%	77,904.00	130,172.00	208,076.00
01-Oct-2007	7.85%	84,020.00	124,056.53	208,076.53
01-Oct-2008	7.85%	90,615.00	117,460.96	208,075.96
01-Oct-2009	7.85%	97,728.00	110,347.69	208,075.69
01-Oct-2010	7.85%	105,400.00	102,676.04	208,076.04
01-Oct-2011	7.85%	113,674.00	94,402.14	208,076.14
01-Oct-2012	7.85%	122,597.00	85,478.73	208,075.73
01-Oct-2013	7.85%	132,221.00	75,854.86	208,075.86
01-Oct-2014	7.85%	142,601.00	65,475.52	208,076.52
01-Oct-2015	7.85%	153,795.00	54,281.34	208,076.34
01-Oct-2016	7.85%	165,868.00	42,208.43	208,076.43
01-Oct-2017	7.85%	178,888.00	29,187.79	208,075.79
01-Oct-2018	7.85%	192,931.00	15,145.08	208,076.08
		2,331,211.00	3,633,694.19	5,964,905.19

SCHEDULE Y
REVENUES

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

(i) to pay Operating Expenses of the System;

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

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

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

SCHEDULE Z

Additional and Supplemental Definitions

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

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

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

Additional Conditions and Covenants

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

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

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

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

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

WDA-Supp. 5
(March 1988)

SUPPLEMENTAL LOAN AGREEMENT

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

City of Hurricane
(Name of Governmental Agency)

W I T N E S S E T H:

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

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

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

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

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

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

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

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

ARTICLE I

Definitions; Loan Agreement

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

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

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

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

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

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

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

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

ARTICLE II

The Project and the System

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE III

Conditions to Supplemental Loan; Issuance of Supplemental Bonds

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE IV

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

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

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

(b) Covenants substantially as follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

4.4 The Supplemental Loan shall not bear interest.

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

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

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

ARTICLE V

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

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

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

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

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

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

ARTICLE VI

Other Agreements of the Governmental Agency

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

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

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

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

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

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

ARTICLE VII

Miscellaneous

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

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

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

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

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

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

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

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

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

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

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

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

City of Hurricane
[Proper Name of Governmental Agency]

(SEAL)

By Raymond Beck
Its Mayor

Attest:

Date: December 28, 1989

Linda L Gibson
Its Recorder

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

(SEAL)

By Daniel B. Yankoski
Director

Attest:

Date: December 28, 1989

Barbara B Meadows
Secretary-Treasurer

WDA-Supp. 5X
(March 1988)

SCHEDULE X
DESCRIPTION OF SUPPLEMENTAL BONDS

Principal Amount of Supplemental Bonds	$ 108,789.00
Purchase Price of Supplemental Bonds	$ 108,789.00

Principal of the Supplemental Bonds is payable on October 1 in each year as set forth on Exhibit 1 attached hereto and incorporated herein by reference. The Supplemental Bonds bear no interest.

As of the date of the Supplemental Loan Agreement, the Supplemental Bonds are on a parity as to source of and security for payment with the following obligations:

As of the date of the Supplemental Loan Agreement, the Supplemental Bonds are subordinate as to source of and security for payment to the following obligations, in addition to the Local Bonds:

EXHIBIT A

SCHEDULE OF ANNUAL DEBT SERVICE

City of Hurricane
Debt Service Schedule
Analysis of Borrowing from Series 1989 Pool
28 Principal Payments
Closing Date: 28-Dec-89

Date	Interest Free Loan
01-Oct-90	
01-Oct-91	3,885.36
01-Oct-92	3,885.32
01-Oct-93	3,885.32
01-Oct-94	3,885.32
01-Oct-95	3,885.32
01-Oct-96	3,885.32
01-Oct-97	3,885.32
01-Oct-98	3,885.32
01-Oct-99	3,885.32
01-Oct-2000	3,885.32
01-Oct-2001	3,885.32
01-Oct-2002	3,885.32
01-Oct-2003	3,885.32
01-Oct-2004	3,885.32
01-Oct-2005	3,885.32
01-Oct-2006	3,885.32
01-Oct-2007	3,885.32
01-Oct-2008	3,885.32
01-Oct-2009	3,885.32
01-Oct-2010	3,885.32
01-Oct-2011	3,885.32
01-Oct-2012	3,885.32
01-Oct-2013	3,885.32
01-Oct-2014	3,885.32
01-Oct-2015	3,885.32
01-Oct-2016	3,885.32
01-Oct-2017	3,885.32
01-Oct-2018	3,885.32
	108,789.00

SCHEDULE Y
REVENUES

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

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

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

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

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

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

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

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

SCHEDULE Z

Additional and Supplemental Definitions

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

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

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

Additional Conditions and Covenants

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

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

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

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

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

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

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

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

Entered: December 15, 1989

CASE NO. 89-597-S-CN

SANITARY BOARD OF CITY OF HURRICANE
Application for a certificate of convenience and necessity to construct, operate and maintain improvements to its present wastewater treatment plant at Hurricane, Putnam County.

FINAL ORDER

On August 31, 1989, the Sanitary Board of the City of Hurricane (City or Hurricane), a municipal corporation, Putnam County, filed an application, duly verified, for a certificate of convenience and necessity to construct, operate and maintain improvements to its present wastewater treatment plant at Hurricane, Putnam County.

The expansion of said wastewater treatment plant is required to enable Hurricane to comply with a certain consent decree entered into between Hurricane and the United States of America in Civil Action No. 2:87-0725 in the U.S. District Court for the Southern District of West Virginia. According to the application, financing for the project is being funded by the following: (1) EPA Grant of $5,006,770; (2) a bond issuance from the West Virginia Water Development Authority (WDA) for $2,440,000; and (3) the balance of required funding will be available from interest earnings during construction and the additional revenue generated by Hurricane's rate ordinance in effect prior to project completion.

By Order entered on September 1, 1989, the City was ordered to give notice of the filing of the application by publishing a copy of the Public Service Commission's Order once in a newspaper, duly qualified by the Secretary of State, published and of general circulation in Putnam County, making due return to the Commission of proper certification of publication immediately thereafter. Anyone desiring to make written objection to the application was given leave to do so, within thirty (30) days after the date of publication of the notice of filing. The Order further provided that, if no protests were received within the 30-day period, the Commission could waive formal hearing and grant the application of the City, based upon the evidence submitted with the application and the Commission's review thereof.

On August 31, 1989, the City submitted a municipal ordinance which was passed and has become effective, raising the rates and charges for sewer service as follows: The monthly sewer bill of an average

residential customer using 4,500 gallons of water would increase from $17.18 to $20.55, an increase of $3.37, or 19.6%.

On September 14, 1989, the City filed an Affidavit of Publication from the Hurricane Breeze, a newspaper published and of general circulation in the City of Hurricane, Putnam County, indicating that the notice of filing of the application was given as required by the Commission's Order of September 1, 1989, on September 7, 1989. The 30-day period in which to file written protest expired on October 8, 1989, with no protests having been filed with the Public Service Commission at that time, or as of the date of this Order.

On October 6, 1989, South Putnam Public Service District, whose sewage is treated by the City of Hurricane, filed a petition to intervene in this proceeding to protect its interests and to be fully informed of the project's impact on the District and its customers. However, South Putnam PSD did not specifically object to the proposed project and rates, as filed.

Included with the application was a preliminary design report submitted by Shaw, Weiss and DeNaples, Consulting Engineers, a copy of the Notice of Rate Ordinance passed by the City of Hurricane, and Certificates of Approval by the State Department of Natural Resources and the State Department of Health.

Pursuant to standard Commission policy, this application was submitted to the Commission's various operating divisions for their respective review and recommendations. A review of the case file indicates that Staff has made a thorough and detailed examination of this application and its recommendations are contained in a Joint Staff Memorandum prepared by Thomas Sayre, Staff Attorney, dated December 11, 1989. Attached to the Joint Staff Memorandum was an Internal Memorandum prepared by Woody Bare, Financial Analyst, and Ingrid Ferrell, Staff Engineer, dated December 7, 1989, stating that Hurricane needs to have its plant upgraded because its present treatment plant has inadequate capacity and is not functioning properly. Staff has reviewed the estimated operation and maintenance expenses and has found them to be reasonable and consistent with the proposed system. The approved rates should result in adequate revenues to meet the estimated increases in operation and maintenance expenses and debt service.

The City has passed a rate ordinance on September 18, 1989. As there were no protests to the rate ordinance, the rate variance has not been validated by a class cost of service study. The monthly sewer bill of an average residential customer using 4,500 gallons of water would increase from $17.18 to $20.55, an increase of $3.37, or 19.6%. The rate ordinance exceeds the operation and maintenance expenses submitted by the City.

Staff observed that no protests were filed in regard to the proposed project, but South Putnam Public Service District filed a petition to intervene. Staff represented that the primary concern of the Intervenor was to the overall financial feasibility of the project and particularly in regard to its rates. Staff represented that the Intervenor's concerns were satisfied because the cost that South Putnam would pay is determined

from the actual cost of treatment and is calculated in accordance with a contract between the parties. The estimated revenues will exceed the operation and maintenance expenses submitted by the City. Staff believes that these rates will be adequate to properly operate and maintain the system. As no protest has been filed in regard to this case, Staff, based upon review of the data submitted by the City and subject to no increase in proposed debt service due to the actual bids, recommends approval of the certificate of convenience and necessity and that a hearing not be required.

Upon consideration of all of the above, the Administrative Law Judge (ALJ) is of the opinion that a certificate of convenience and necessity should be granted to the City of Hurricane to construct, operate and maintain improvements to its present wastewater treatment plant in Hurricane, Putnam County, as described in its application filed in this proceeding on August 31, 1989. The need for the project is adequately demonstrated by the West Virginia Department of Natural Resources issuing Permit No. WV 0028151 to construct this project. The project is adequately financed through grants and loans, as indicated by the supporting information in the Joint Staff Memorandum. Adequate notice of the project was given by the City of Hurricane, and no protests were filed in response thereto, indicating public support for the project. Finally, the City has enacted a municipal rate ordinance to which no municipal appeal was taken, which will provide funds to adequately cover operation and maintenance expenses and debt service requirement resulting from the project.

FINDINGS OF FACT

1. On August 31, 1989, the Sanitary Board of the City of Hurricane filed an application for a certificate of convenience and necessity to construct, operate and maintain improvements to its present wastewater treatment plant. (Application filed August 31, 1989).

2. The total estimated project cost will be $7,016,900, and will be financed as follows: (1) EPA Grant of $5,006,770; (2) a bond issuance from the West Virginia Water Development Authority of $2,240,000; and (3) the balance of required funding will be available from interest earnings during construction and the additional revenue generated by Hurricane's rate ordinance in effect prior to project completion. (See, application filed August 31, 1989; Joint Staff Memorandum dated December 11, 1989).

3. The City gave notice of the filing of the application, as well as the estimated cost of the project and its financing, by publication, on September 7, 1989, and no protest has been received by the Commission in response thereto. (Affidavit of Publication filed September 14, 1989).

4. The City has enacted a valid municipal ordinance reflecting increased rates and charges for water service, which are sufficient to cover the operation and maintenance expenses of the City, following construction of the proposed project. (See, letter dated October 27, 1989, from Thomas N. Hanna, attorney for the Sanitary Board of the City of Hurricane).

5. Commission Staff has reviewed the project which is the subject of this proceeding and has recommended that a certificate of convenience and necessity be granted and that the associated funding, as described in the Joint Staff Memorandum of December 11, 1989, be approved. (Joint Staff Memorandum filed December 11, 1989).

CONCLUSIONS OF LAW

The Administrative Law Judge is of the opinion and finds that:

1. The public convenience and necessity require the proposed improvements to the wastewater treatment plant at Hurricane, Putnam County, as applied for by the City of Hurricane, and said project should be approved.

2. The City of Hurricane has provided adequate and proper notice to the public of the proposed project and no protests have been filed in response thereto.

3. The project is adequately funded through grants and loans.

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

5. The issuance of the certificate of convenience and necessity should be valid for the project, as proposed, and any substantial changes in the scope of this project and/or funding after the granting of the certificate will require further Commission approval.

ORDER

IT IS, THEREFORE, ORDERED that:

1. A certificate of convenience and necessity be, and it hereby is, granted to the City of Hurricane to construct, operate and maintain improvements to its present wastewater treatment plant in Hurricane, Putnam County, as set out in the application filed herein on August 31, 1989.

2. The proposed funding of this project be, and it hereby is, approved.

3. Formal hearing on this matter be waived, pursuant to West Virginia Code §24-2-11, for the reasons that no protests were received after publication and there remain no outstanding issues to be litigated.

4. If any substantial change in the scope of this project and/or funding becomes necessary, the City of Hurricane shall apply to the Commission for approval of the same.

5. Upon substantial completion of the project, the City of Hurricane shall provide notification of the same to the Commission, and

upon the full completion, the City shall inform the Commission of the project's final cost.

IT IS FURTHER ORDERED that the Executive Secretary of the Commission shall serve a copy of this order upon the City of Hurricane by United States First Class Mail and upon Commission Staff by hand delivery.

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

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

Miles C. Cary
Miles C. Cary
Administrative Law Judge

MCC:cjf

Public Service Commission
Of West Virginia

Richard E. Hitt
General Counsel

Phone: (304) 341-0317
FAX (304) 341-0325

December 19, 1989

Francesca Tan, Esquire
Steptoe & Johnson
P. O. Box 2190
Clarksburg, WV 26301

Dear Ms. Tan:

Please be notified that the Public Service Commission of West Virginia will not file a petition for reopening or appeal the Final Order entered on December 15, 1989, in Case No. 89-597-S-CN (Sanitary Board of City of Hurricane).

Francesca, I stand corrected, this is a Final Order of the Commission and a party may appeal directly to the Supreme Court pursuant to Code §24-5-1. However, an aggreived party should petition the Commission within 10 days after this order was mailed.

Respectfully submitted,

Thomas Sayre
Staff Attorney

TS/cbd

4B

South Putnam Public Service District

P.O. Box 147•Scott Depot, WV 25560

(304)757-6551

December 27, 1989

PUBLIC SERVICE COMMISSION OF WEST VIRGINIA
CASE NO. 89-597 S-CN

Sanitary Board of the City of Hurricane
P.O. Box 186
Hurricane, West Virginia 25526

Ladies and Gentlemen:

Please be advised that we have reviewed the Final Order of the Public Service Commission of West Virginia (the "Order") entered December 15, 1989, in Case No. 89 597-S-CN, whereby the City of Hurricane was granted a certificate of convenience and necessity to construct, operate and maintain improvements for its existing wastewater treatment plant and we do not intend to appeal the Order or file a petition for further hearing, reopening or rehearing thereof.

SOUTH PUTNAM PUBLIC SERVICE DISTRICT

By _____
Its Chairman

12/19/89
HURRD.W1
43563/88001

4C

CITY OF HURRICANE

Sewer Revenue Bonds,
Series 1989 A and Series 1989 B

CROSS-RECEIPT FOR BONDS AND BOND PROCEEDS

The undersigned, BARBARA B. MEADOWS, Secretary-Treasurer of West Virginia Water Development Authority, for and on behalf of West Virginia Water Development Authority (the "Authority") and RAYMOND PEAK, Mayor of the City of Hurricane (the "Issuer"), hereby certify as follows:

1. On the 28th day of December, 1989, the Authority received the entire original issue of $2,440,000 in aggregate principal amount of Sewer Revenue Bonds, Series 1989 A and Series 1989 B (collectively, the "Bonds"), issued as a single, fully registered Bond of each Series, numbered AR-1 and BR-1, respectively, both dated December 28, 1989, the Series 1989 A Bond being in the principal amount of $2,331,211 and the Series 1989 B Bond being in the principal amount of $108,789.

2. At the time of such receipt of the Bonds upon original issuance, all of the Bonds had been executed by Raymond Peak, as Mayor of the Issuer, by his manual signature, and by Linda Gibson, as Recorder of the Issuer, by her manual signature, and the official seal of the Issuer had been affixed upon the Bonds.

3. The Issuer has received and hereby acknowledges receipt from the Authority, as the original purchaser of the Bonds, of the proceeds of the Series 1989 A Bonds in the aggregate amount of $2,331,211 and proceeds of the Series 1989 B Bonds in the aggregate principal amount of $108,789 (100% of par value), there being no interest accrued on either series.

IN WITNESS WHEREOF, Barbara B. Meadows duly signed and delivered this receipt on behalf of WEST VIRGINIA WATER DEVELOPMENT AUTHORITY and the CITY OF HURRICANE has caused this receipt to be duly executed and delivered by its Mayor, as of this 28th day of December, 1989.

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

By Barbara B. Meadows
Secretary-Treasurer

CITY OF HURRICANE

By Raymond Peck
Mayor

12/18/89
HURRS.G1
43563\88001

CITY OF HURRICANE

Sewer Revenue Bonds,
Series 1989 A and Series 1989 B

DIRECTION TO AUTHENTICATE AND DELIVER BONDS

One Valley Bank, National Association
Charleston,
West Virginia

Ladies and Gentlemen:

There are delivered to you herewith:

(1) Bond No. AR-1, constituting the entire original issue of the City of Hurricane Sewer Revenue Bonds, Series 1989 A, in the principal amount of $2,331,211 and Bond No. BR-1, constituting the entire original issue of the City of Hurricane Sewer Revenue Bonds, Series 1989 B, in the principal amount of $108,789 both dated December 28, 1989 (collectively, the "Bonds"), executed by the Mayor and Recorder of the City of Hurricane (the "Issuer") and bearing the official seal of the Issuer, authorized to be issued under and pursuant to a Bond Ordinance and Supplemental Resolution duly enacted and adopted by the Issuer (collectively, the "Local Act");

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

(3) Executed counterparts of the loan agreement and the supplemental loan agreement, both dated December 28, 1989, by and between the West Virginia Water Development Authority (the "Authority") and the Issuer (collectively, the "Loan Agreement"); and

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

You are hereby requested and authorized to deliver the Bonds to the Authority upon payment to the account of the Issuer of the sum of $2,440,000, representing the agreed aggregate purchase price of the Bonds, there being no accrued interest thereon. Prior to such delivery of the Bonds, you will please cause the Bonds to be authenticated by an authorized officer, as Bond Registrar, in

accordance with the forms of Certificate of Authentication and Registration thereon.

Dated this 28th day of December, 1989.

CITY OF HURRICANE

By Raymond Peck
Mayor

12/18/89
HURRS.H1
43563\88001

(SPECIMEN SERIES 1989 A BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF HURRICANE
SEWER REVENUE BOND, SERIES 1989 A

No. AR-1 $2,331,211

KNOW ALL MEN BY THESE PRESENTS: That the CITY OF HURRICANE, a municipal corporation and political subdivision of the State of West Virginia in Putnam 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 TWO MILLION THREE HUNDRED THIRTY-ONE THOUSAND TWO HUNDRED ELEVEN DOLLARS ($2,331,211), in installments on October 1 of each year as set forth on the "Schedule of Annual Debt Service" attached as Exhibit A hereto and incorporated herein by reference with interest on each installment at the rate per annum set forth on said Exhibit A.

The interest rate on each installment shall run from the original date of delivery of this Bond to the Authority and payment therefor, and until payment of such installment, and such interest shall be payable on April 1 and October 1 in each year, beginning April 1, 1990. Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent"). The interest on this Bond is payable by check or draft of the Paying Agent mailed to the registered owner hereof at the address as it appears on the books of One Valley Bank, National Association, Charleston, West Virginia, as registrar (the "Registrar") on the 15th day of the month next preceding an interest payment date, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner hereof.

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority, and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement between the Issuer and the Authority, dated December 28, 1989.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain additions, betterments and

improvements for the existing sewerage facilities of the Issuer (the "Project"); (ii) to pay interest on the Bonds of this Series (the "Bonds") during the construction of the Project and for not more than 6 months thereafter; (iii) to fund a reserve account for the Bonds; and (iv) to pay certain costs of issuance hereof and related costs. The existing sewerage system of the Issuer, the Project, and any further additions, betterments or improvements thereto is herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13 of the West Virginia Code of 1931, as amended (the "Act"), and an Ordinance duly enacted by the Issuer on December 27, 1989 and a Supplemental Resolution duly adopted by the Issuer on December 27, 1989 (collectively called the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

This Bond is issued concurrently with the Sewer Revenue Bonds, Series 1989 B, of the Issuer (the "Series 1989 B Bonds"), issued in the aggregate principal amount of $108,789, which Series 1989 B Bonds are junior and subordinate with respect to liens and sources of and security for payment to the Bonds.

THIS BOND IS JUNIOR AND SUBORDINATE WITH RESPECT TO LIENS, PLEDGES AND SOURCES OF AND SECURITY FOR PAYMENT TO CERTAIN OUTSTANDING SEWER REVENUE BONDS OF THE ISSUER AS FOLLOWS:

(i) SEWER REVENUE BONDS, DATED APRIL 1, 1961, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $158,000 (THE "1961 BONDS"), AND

(ii) SEWER REVENUE BONDS, SERIES 1977, DATED APRIL 1, 1977, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $465,000 (THE "1977 BONDS").

The 1961 Bonds and the 1977 Bonds are herein collectively called the "Prior Bonds." This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System after there has first been paid from said Net Revenues all payments then due and owing on account of the Prior Bonds, and from moneys in the Reserve Account created under the Bond Legislation for the Bonds (the "Series 1989 A

Bonds Reserve Account"), and unexpended proceeds of the Bonds and the Series 1989 B Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest hereon except from said special fund provided from the Net Revenues, the moneys in the Series 1989 A Bonds Reserve Account and unexpended proceeds of the Bonds and the Series 1989 B Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest on the Bonds, the Series 1989 B Bonds, and all other obligations secured by a lien on or payable from such revenues prior to or on a parity with the Bonds or the Series 1989 B Bonds, including the Prior Bonds, provided however, that so long as there exists in the Series 1989 A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for the Series 1989 B Bonds and any other obligations outstanding prior to or on a parity with the Bonds or the Series 1989 B Bonds, including the Prior Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

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

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

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

IN WITNESS WHEREOF, the CITY OF HURRICANE has caused this Bond to be signed by its Mayor and its corporate seal to be hereunto affixed and attested by its Recorder, and has caused this Bond to be dated December 28, 1989.

[SEAL]

_____
Mayor

ATTEST:

_____
Recorder

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 1989 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: December 28, 1989

ONE VALLEY BANK, NATIONAL ASSOCIATION,
as Registrar

By _____
Its Authorized Officer

EXHIBIT A

SCHEDULE OF ANNUAL DEBT SERVICE

City of Hurricane
Debt Service Schedule
Analysis of Borrowing from Series 1989 Pool
28 Principal Payments
Closing Date: 28-Dec-89

Date	Coupon	Principal	Interest	Debt Service 7.85% Bonds
01-Oct-90			138,775.05	138,775.05
01-Oct-91	7.85%	25,076.00	183,000.06	208,076.06
01-Oct-92	7.85%	27,044.00	181,031.60	208,075.60
01-Oct-93	7.85%	29,167.00	178,908.64	208,075.64
01-Oct-94	7.85%	31,457.00	176,619.03	208,076.03
01-Oct-95	7.85%	33,926.00	174,149.66	208,075.66
01-Oct-96	7.85%	36,590.00	171,486.47	208,076.47
01-Oct-97	7.85%	39,462.00	168,614.15	208,076.15
01-Oct-98	7.85%	42,560.00	165,516.39	208,076.39
01-Oct-99	7.85%	45,901.00	162,175.43	208,076.43
01-Oct-2000	7.85%	49,504.00	158,572.20	208,076.20
01-Oct-2001	7.85%	53,390.00	154,686.13	208,076.13
01-Oct-2002	7.85%	57,581.00	150,495.02	208,076.02
01-Oct-2003	7.85%	62,101.00	145,974.91	208,075.91
01-Oct-2004	7.85%	66,976.00	141,099.98	208,075.98
01-Oct-2005	7.85%	72,234.00	135,842.37	208,076.37
01-Oct-2006	7.85%	77,904.00	130,172.00	208,076.00
01-Oct-2007	7.85%	84,020.00	124,056.53	208,076.53
01-Oct-2008	7.85%	90,615.00	117,460.96	208,075.96
01-Oct-2009	7.85%	97,728.00	110,347.69	208,075.69
01-Oct-2010	7.85%	105,400.00	102,676.04	208,076.04
01-Oct-2011	7.85%	113,674.00	94,402.14	208,076.14
01-Oct-2012	7.85%	122,597.00	85,478.73	208,075.73
01-Oct-2013	7.85%	132,221.00	75,854.86	208,075.86
01-Oct-2014	7.85%	142,601.00	65,475.52	208,076.52
01-Oct-2015	7.85%	153,795.00	54,281.34	208,076.34
01-Oct-2016	7.85%	165,868.00	42,208.43	208,076.43
01-Oct-2017	7.85%	178,888.00	29,187.79	208,075.79
01-Oct-2018	7.85%	192,931.00	15,145.08	208,076.08
		2,331,211.00	3,633,694.19	5,964,905.19

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:

_____

12/27/89
HURRS.I3
43563\88001

(SPECIMEN SERIES 1989 B BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF HURRICANE
SEWER REVENUE BOND, SERIES 1989 B

No. BR-1 $108,789

KNOW ALL MEN BY THESE PRESENTS: That the CITY OF HURRICANE, a municipal corporation and political subdivision of the State of West Virginia in Putnam County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the West Virginia Water Development Authority (the "Authority") or registered assigns the sum of ONE HUNDRED EIGHT THOUSAND SEVEN HUNDRED EIGHTY-NINE DOLLARS ($108,789), in annual installments on October 1 of each year as set forth on the "Schedule of Annual Debt Service" attached as Exhibit A hereto and incorporated herein by reference, without interest.

Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent").

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority, and upon the terms and conditions prescribed by, and otherwise in compliance with, the Supplemental Loan Agreement between the Issuer and the Authority, dated December 28, 1989.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain additions, betterments and improvements for the existing sewerage facilities of the Issuer (the "Project"); (ii) to fund a reserve account for the Bonds of this Series (the "Bonds"); and (iii) to pay certain costs of issuance hereof and related costs. The existing sewerage system of the Issuer, the Project, and any further additions, betterments or improvements thereto is herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13 of the West Virginia Code of 1931, as amended (the "Act"), and an Ordinance duly enacted by the Issuer on December 27, 1989 and

a Supplemental Resolution duly adopted by the Issuer on December 27, 1989 (collectively called the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS JUNIOR AND SUBORDINATE WITH RESPECT TO LIENS, PLEDGES AND SOURCES OF AND SECURITY FOR PAYMENT TO CERTAIN OUTSTANDING SEWER REVENUE BONDS OF THE ISSUER AS FOLLOWS:

(i) SEWER REVENUE BONDS, DATED APRIL 1, 1961, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $158,000 (THE "1961 BONDS");

(ii) SEWER REVENUE BONDS, SERIES 1977, DATED APRIL 1, 1977, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $465,000 (THE "1977 BONDS"); AND

(iii) SEWER REVENUE BONDS, SERIES 1989 A, ISSUED CONCURRENTLY HEREWITH IN THE AGGREGATE PRINCIPAL AMOUNT OF $2,331,211 AND DESCRIBED IN THE BOND LEGISLATION (THE "SERIES 1989 A BONDS").

The 1961 Bonds and the 1977 Bonds are herein collectively called the "Prior Bonds." This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System after there has first been paid from said Net Revenues all payments then due and owing on account of the Prior Bonds and the Series 1989 A Bonds, all moneys in the reserve account created under the Bond Legislation for the Bonds (the "Series 1989 B Bonds Reserve Account") and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same, except from said special fund provided from the Net Revenues, the moneys in the Series 1989 B Bonds Reserve Account and unexpended Bond proceeds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient,

together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Bonds, the Series 1989 A Bonds and all other obligations secured by a lien on or payable from such revenues prior to or on a parity therewith, including the Prior Bonds, provided however, that so long as there exists in the Series 1989 B Bonds Reserve Account and the reserve account established for the Series 1989 A Bonds, respectively, amounts at least equal to the maximum amount of principal and interest, if any, which will become due on the Bonds and the Series 1989 A Bonds in the then current or any succeeding year, and any reserve account for any such prior or parity obligations, including the Prior Bonds, is funded at least at the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

All money received from the sale of this Bond, after reimbursement and repayment of all amounts advanced for preliminary expenses as provided by law, shall be applied solely to the payment of the Costs of the Project described in the Bond Legislation, and there shall be and hereby is created and granted a lien upon such moneys, until so applied, in favor of the registered owners of the Bonds, which lien is subordinate to the lien in favor of the registered owners of the Series 1989 A Bonds.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Bond have existed, have

happened, and have been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other obligations of the Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia and that a sufficient amount of the revenues of the System has been pledged to and will be set aside into said special fund by the Issuer for the prompt payment of the principal of this Bond.

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

IN WITNESS WHEREOF, the CITY OF HURRICANE has caused this Bond to be signed by its Mayor and its corporate seal to be hereunto affixed and attested by its Recorder, and has caused this Bond to be dated December 28, 1989.

[SEAL]

_____
Mayor

ATTEST:

_____
Recorder

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 1989 B Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: December 28, 1989

ONE VALLEY BANK, NATIONAL ASSOCIATION,
as Registrar

By _____
Its Authorized Officer

EXHIBIT A

SCHEDULE OF ANNUAL DEBT SERVICE

City of Hurricane
Debt Service Schedule
Analysis of Borrowing from Series 1989 Pool
28 Principal Payments
Closing Date: 28-Dec-89

Date	Interest Free Loan
01-Oct-90	
01-Oct-91	3,885.36
01-Oct-92	3,885.32
01-Oct-93	3,885.32
01-Oct-94	3,885.32
01-Oct-95	3,885.32
01-Oct-96	3,885.32
01-Oct-97	3,885.32
01-Oct-98	3,885.32
01-Oct-99	3,885.32
01-Oct-2000	3,885.32
01-Oct-2001	3,885.32
01-Oct-2002	3,885.32
01-Oct-2003	3,885.32
01-Oct-2004	3,885.32
01-Oct-2005	3,885.32
01-Oct-2006	3,885.32
01-Oct-2007	3,885.32
01-Oct-2008	3,885.32
01-Oct-2009	3,885.32
01-Oct-2010	3,885.32
01-Oct-2011	3,885.32
01-Oct-2012	3,885.32
01-Oct-2013	3,885.32
01-Oct-2014	3,885.32
01-Oct-2015	3,885.32
01-Oct-2016	3,885.32
01-Oct-2017	3,885.32
01-Oct-2018	3,885.32
	108,789.00

ASSIGNMENT

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

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

Dated: _____, _____.

_____

In the presence of:

_____

12/19/89
HURRD.J2
43563/88001

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

ED 11-1C

STEPTOE & JOHNSON
ATTORNEYS AT LAW
SIXTH FLOOR
UNION NATIONAL CENTER EAST
P. O. BOX 2190
CLARKSBURG, W. VA. 26302-2190
(304) 624-8000
TELECOPIER (304) 624-8183

CHARLES W. YEAGER
CARL F. STUCKY, JR.
HERBERT G. UNDERWOOD
JACKSON L. ANDERSON
OTIS L. O'CONNOR
ROBERT G. STEELE
JAMES M. WILSON
PATRICK D. DEEM
ROBERT M. STEPTOE, JR.
ANNE R. WILLIAMS
JAMES R. WATSON
JAMES D. GRAY
VINCENT A. COLLINS
JAMES A. RUSSELL
WILLIAM T. BELCHER
MICHAEL L. BRAY
DAVID C. CLOVIS
DANIEL R. SCHUDA
J. GREG GOODYKOONTZ
IRENE M. KEELEY
EVANS L. KING, JR.
WALTER L. WILLIAMS
SUSAN S. BREWER
SPRAGUE W. HAZARD
HERSCHEL H. ROSE III
RONALD H. HANLAN
C. DAVID MORRISON
HARRY P. WADDELL
CLEMENT D. CARTER III
W. HENRY LAWRENCE IV
J. ROBERT GWYNNE
WILLIAM E. GALEOTA
CHRISTOPHER P. BASTIEN
GORDON H. COPLAND

CHARLESTON OFFICE
715 CHARLESTON NATIONAL PLAZA
P. O. BOX 1588
CHARLESTON, W. VA. 25326
(304) 342-2191
TELECOPIER (304) 342-0726

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

RANDALL C. LIGHT
STEVEN P. MCGOWAN
RICHARD M. YURKO, JR.
GARY W. NICKERSON
W. RANDOLPH FIFE
MARTIN R. SMITH, JR.
LOUIS E. ENDERLE, JR.
ROBERT J. SCHIAVONI
JOSEPH R. FERRETTI
MARK E. KINLEY
MARCIA J. POLLARD
BRYAN R. COKELEY
PATRICK D. KELLY
FRANCESCA TAN
CHRISTINE S. VAGLIENTI
DAVID M. HAMMER
WILLIAM F. ROHRBAUGH
CAROLINE J. STAFFORD
MARILYN ANN VROOM
MATTHEW J. MULLANEY
BRENT O. BURTON
PAUL R. CRANSTON
JONATHAN P. JESTER
GRACE J. WIGAL

OF COUNSEL
RALPH BOHANNON

WRITER'S DIRECT DIAL NUMBER

December 28, 1989

City of Hurricane
<u>Sewer Revenue Bonds, Series 1989 A</u>

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

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by the City of Hurricane (the "Issuer"), a municipal corporation and political subdivision organized and existing under the laws of the State of West Virginia, of its $2,331,211 Sewer Revenue Bonds, Series 1989 A, dated the date hereof (the "Local Bonds").

We have examined the law and certified copies of proceedings and other papers relating to the authorization of a loan agreement, dated December 28, 1989, including all schedules and exhibits attached thereto (the "Loan Agreement"), between the Issuer and the West Virginia Water Development Authority (the "Authority") and the Local Bonds, which are to be purchased by the Authority in accordance with the provisions of the Loan Agreement. The Local Bonds are originally issued in the form of one bond, registered as to principal and interest to the Authority, with interest payable April 1 and October 1 of each year, commencing April 1, 1990, at the rate of 7.85% per annum, and with principal installments payable on October 1 in each of the years 1991 through 2018, inclusive, all as set forth in "Schedule X," attached to the Loan Agreement and incorporated in and made a part of the Local Bonds.

The Local Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia including particularly, Chapter 16, Article 13 of the West Virginia Code of 1931, as amended (the "Local Statute"), for the purposes of (i) permanently financing a portion of the costs of acquisition and construction of additions, betterments and improvements for the existing sewerage facilities of the Issuer (the "Project"); (ii) paying interest on the Local Bonds during the period of construction of the Project and for not more than six months thereafter; (iii) funding a reserve account for the Local Bonds; and (iv) paying certain issuance and other costs in connection therewith.

We have also examined the applicable provisions of the Local Statute, the bond ordinance duly enacted by the Issuer on December 27, 1989, as supplemented by a supplemental resolution adopted December 27, 1989 (collectively, the "Local Act"), pursuant to and under which Local Statute and Local Act the Local Bonds are authorized and issued, and the Loan Agreement that has been undertaken. The Local Bonds are subject to redemption prior to maturity to the extent, at the time, under the conditions and subject to the limitations set forth in the Local Act and the Loan Agreement.

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

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

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

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

4. The Local Bonds have been duly authorized, issued, executed and delivered by the Issuer to the Authority and are valid, legally enforceable and binding special obligations of the Issuer, payable from the Net Revenues of the System referred to in the Local Act and secured by a lien on and pledge of the Net Revenues of said System, junior and subordinate with respect to liens and sources of and security for payment, and in all other respects, to the Issuer's outstanding Sewer Revenue Bonds, dated April 1, 1961, issued in the original

aggregate principal amount of $158,000 and to the Issuer's outstanding Sewer Revenue Bonds, Series 1977, dated April 1, 1977, issued in the original aggregate principal amount of $465,000 (herein collectively called the "Prior Bonds"), all in accordance with the terms of the Local Bonds and the Local Act.

5. The interest on the Local Bonds is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, it should be noted that with respect to corporations (as defined for federal income tax purposes), such interest is taken into account in determining adjusted net book income (adjusted current earnings for taxable years beginning after December 31, 1989) for the purpose of computing the alternative minimum tax imposed on such corporations. The opinions set forth in the preceding sentence are subject to the condition that the Issuer comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Local Bonds in order that interest thereon be (or continue to be) excludable from gross income for federal income tax purposes. Failure to comply with such requirements could cause the interest on the Local Bonds to be included in gross income retroactive to the date of issuance of the Local Bonds. The Issuer has covenanted to comply with all such requirements. We express no opinion regarding other federal tax consequences arising with respect to the Local Bonds.

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

7. The time for appeal of the Final Order of the Public Service Commission of West Virginia entered December 15, 1989, (Case No. 89-597-S-CN), granting to the Issuer a Certificate of Convenience and Necessity has not expired prior to the date hereof. However, the staff of the Public Service Commission of West Virginia has stated in a letter dated December 19, 1989, that it does not intend to appeal such Order. South Putnam Public Service District, the only intervenor in this case, has stated in a letter dated December 27, 1989, that it does not intend to appeal such Order. The Issuer has stated that it does not intend to appeal such Order. Such Order is not subject to appeal by any other person.

It is to be understood that the rights of the holders of the Local Bonds and the enforceability of the Local Bonds, the Loan Agreement and the Local Act, and the liens and pledges 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 Local Bond numbered AR-1, and in our opinion the form of said bond and its execution and authentication are regular and proper.

Very truly yours,

Steptoe & Johnson

STEPTOE & JOHNSON

12/26/89
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43563/88001

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OF COUNSEL
RALPH BOHANNON

WRITER'S DIRECT DIAL NUMBER

December 28, 1989

City of Hurricane
Sewer Revenue Bonds, Series 1989 B

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

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by the City of Hurricane (the "Issuer"), a municipal corporation and political subdivision organized and existing under the laws of the State of West Virginia of its $108,789 Sewer Revenue Bonds, Series 1989 B, dated the date hereof (the "Supplemental Bonds").

We have examined the law and certified copies of proceedings and other papers relating to the authorization of a supplemental loan agreement, dated November 22, 1989, including all schedules and exhibits attached thereto (the "Supplemental Loan Agreement"), between the Issuer and the West Virginia Water Development Authority (the "Authority") and the Supplemental Bonds, which are to be purchased by the Authority in accordance with the provisions of the Supplemental Loan Agreement. The Supplemental Bonds are originally issued in the form of one bond registered as to principal to the Authority, without interest thereon, with principal payable in installments on October 1 in each of the years 1991 through 2018, inclusive, all as set forth in "Schedule X," attached to the Supplemental Loan Agreement.

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

The Supplemental Loan Agreement is supplemental to a loan agreement also dated December 28, 1989, between the Issuer and the Authority (collectively, the "Loan Agreement"). The Supplemental Bonds are junior, subordinate and inferior as to liens and sources of and security for payment, and in all other respects, to (i) the bonds issued pursuant to the Loan Agreement and designated "Sewer Revenue Bonds, Series 1989 A" (the "Local Bonds"), which Local Bonds are issued simultaneously herewith, (ii) the Issuer's outstanding Sewer Revenue Bonds, dated April 1, 1961, issued in the original aggregate principal amount of $158,000, and (iii) the Issuer's outstanding Sewer Revenue Bonds, Series 1977, dated April 1, 1977, issued in the original aggregate principal amount of $465,000 (collectively, the "Prior Bonds").

We have also examined the applicable provisions of the Local Statute, the bond ordinance duly enacted by the Issuer on December 27, 1989, as supplemented by a supplemental resolution adopted December 27, 1989 (collectively, the "Local Act"), pursuant to and under which Local Statute and Local Act the Supplemental Bonds are authorized and issued, and the Supplemental Loan Agreement that has been undertaken. The Supplemental Bonds are subject to redemption prior to maturity to the extent, at the time, under the conditions and subject to the limitations set forth in the Local Act and the Supplemental Loan Agreement.

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

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

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

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

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

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

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

7. The time for appeal of the Final Order of the Public Service Commission of West Virginia entered December 15, 1989 (Case No. 89-597-S-CN), granting to the Issuer a Certificate of Convenience and Necessity has not expired prior to the date hereof. However, the staff of the Public Service Commission of West Virginia has stated in a letter dated December 19, 1989, that it does not intend to appeal such Order. South Putnam Public Service District, the only intervenor in this case, has stated in a letter dated December 27, 1989, that it does not intend to appeal such Order. The Issuer has stated that it does not intend to appeal such Order. Such Order is not subject to appeal by any other person.

It is to be understood that the rights of the holders of the Supplemental Bonds and the enforceability of the Supplemental Bonds, the Supplemental Loan Agreement and the Local Act 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 Supplemental Bond numbered BR-1, and in our opinion the form of such bond and its execution and authentication are regular and proper.

Very truly yours,

Steptoe & Johnson

STEPTOE & JOHNSON

12/27/89
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OF COUNSEL
RALPH BOHANNON

WRITER'S DIRECT DIAL NUMBER

December 28, 1989

City of Hurricane
Sewer Revenue Bonds, Series 1989 A

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

Ladies and Gentlemen:

We have examined a transcript of proceedings relating to the issuance of $2,331,211 aggregate principal amount of Sewer Revenue Bonds, Series 1989 A (the "Local Bonds"), of the City of Hurricane (the "Issuer"), and a Certificate as to Arbitrage executed by the Mayor of the Issuer on this date.

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

Accordingly, it is our opinion that, under existing statutes, regulations, rulings and court decisions, the Local Bonds are not "arbitrage bonds" as so defined. It is our further opinion, based upon such Certificate as to Arbitrage and under existing statutes, regulations, rulings and court decisions, that proceeds of the Local Bonds are not subject to the arbitrage rebate requirements set forth in Section 148(f) of the Code.

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The opinions set forth above are subject to the condition that the Issuer comply with all requirements of the Code relating to arbitrage that must be satisfied subsequent to the issuance of the Local Bonds in order that interest thereon be (or continue to be) excludable from gross income for federal income tax purposes. Failure to comply with such requirements could cause the interest on the Local Bonds to be so included in gross income retroactive to the date of issuance of the Local Bonds. The Issuer has covenanted to comply with all such requirements.

Very truly yours,

Steptoe & Johnson

STEPTOE & JOHNSON

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

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December 28, 1989

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

Steptoe and Johnson
Post Office Box 2190
Clarksburg, West Virginia 26301

Re: City of Hurricane Sewer Revenue Bonds, Series 1989 A and Series 1989 B

Ladies and Gentlemen:

I am counsel to the City of Hurricane, in Putnam County, West Virginia (the "Issuer"). As such counsel, I have examined copies of the approving opinions of Steptoe & Johnson, as bond counsel, a loan agreement and supplemental loan agreement, both dated December 28, 1989, by and between the West Virginia Water Development Authority (the "Authority") and the Issuer (collectively, the "Loan Agreement"), the Local Act (as defined therein) and other documents relating to the above-captioned Bonds of the Issuer. Terms used in said opinions, Local Act and Loan Agreement and not otherwise defined herein have the same meanings herein.

I am of the opinion that:

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

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

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

4. The execution and delivery of the Bonds and the Loan Agreement and the consummation of the transactions contemplated by the Loan Agreement, and the carrying out of the terms thereof, do

not and will not in any material respect conflict with or constitute on the part of the Issuer a breach of or default under any agreement of other instrument to which the Issuer is a party of any existing law, regulation, court order or consent decree to which the Issuer is subject.

5. The Issuer has received all permits, licenses, approvals and authorizations necessary for the issuance of the Bonds, constructions of the Project, operation of the System and imposition of rates and charges, including, without limitation, the receipt of all requisite orders and approvals from the Public Service Commission of West Virginia, and has taken any other action required for the imposition of such rates and charges, including, without limitation, the enactment of an ordinance prescribing such rates and charges. The time for appeal of such rate ordinance has expired prior to the date hereof without any appeal. The time for appeal of the Final Order of the Public Service Commission of West Virginia entered December 15, 1989 (Case No. 89-597-S-CN), granting to the Issuer a Certificate of Convenience and Necessity with respect to the Project has not expired prior to the date hereof. However, the Public Service Commission staff has stated in a letter dated December 19, 1989, that it does not intend to appeal such Order. South Putnam Public Service District, the only intervenor in this case, has stated in a letter dated December 27, 1989, that it does not intend to appeal such Order. The Issuer does not intend to appeal such Order. Such Order is not subject to appeal by any other person.

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, construction of the Project, operation of the System or the validity of the Bonds or the collection or pledge of the Net Revenues therefor.

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

Very truly yours,

Franklin L. Gritt, Jr.

Franklin L. Gritt, Jr.

FLG,Jr./ps

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

ED 11-1C

CITY OF HURRICANE

Sewer Revenue Bonds,
Series 1989 A and Series 1989 B

GENERAL CERTIFICATE OF ISSUER AND ATTORNEY ON:

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

We, the undersigned MAYOR and RECORDER of the City of Hurricane, in Putnam County, West Virginia (the "Issuer"), and the undersigned ATTORNEY for the Issuer, hereby certify in connection with the $2,440,000 aggregate principal amount of the City of Hurricane Sewer Revenue Bonds, Series 1989 A and Series 1989 B (collectively, the "Bonds"), as follows:

1. TERMS: All capitalized words and terms used in this General Certificate and not otherwise defined shall have the same meaning as in the Bond Ordinance of the Issuer enacted December 27, 1989, and a Supplemental Resolution adopted December 27, 1989 (collectively, the "Local Act").

2. NO LITIGATION: No controversy or litigation of any nature is now pending or threatened, restraining, enjoining or affecting in any manner the issuance, sale or delivery of the Bonds, construction of the Project, operation of the System, receipt of the Grant Receipts or the Net Revenues, or in any way contesting or affecting the validity of the Bonds or the Grants or any proceedings

of the Issuer taken with respect to the issuance or sale of the Bonds, the pledge or application of the Net Revenues or any other moneys or security provided for the payment of the Bonds or the existence or the powers of the Issuer insofar as they relate to the authorization, sale and issuance of the Bonds, construction of the Project, operation of the System, receipt of the Grant Receipts or such pledge or application of moneys and security or the collection of the Net Revenues or pledge thereof.

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

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

The Issuer has outstanding obligations which will rank senior and prior to the Bonds as to liens and sources of and security of payment, being the Sewer Revenue Bonds, dated April 1, 1961, issued in the original aggregate principal amount of $158,000 and the Sewer Revenue Bonds, dated April 1, 1977, issued in the original aggregate principal amount of $465,000 (the "Prior Bonds"). Except for the Prior Bonds, there are no outstanding debt obligations of the Issuer, which are secured by revenues or assets of the System. The Issuer is not in default under any provision of the Prior Bonds or the Prior Ordinances.

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

Charter of the City of Hurricane.

Oaths of Office of Councilmembers.

Bond Ordinance.

1961 Bond Ordinance.

1977 Bond Ordinance.

Supplemental Resolution.

Rate Ordinance.

Ordinance creating Sanitary Board.

Petition of Sanitary Board.

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

EPA Grant Agreement, with Part B Amendment.

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

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

Loan Agreement.

Public Service Commission Order entered December 15, 1989.

6. INCUMBENCY AND OFFICIAL NAME: The proper name of the Issuer is "City of Hurricane." The Issuer is a municipal corporation in Putnam County and presently existing under the laws of, and a political subdivision of, the State of West Virginia. The governing body of the Issuer is its Council, consisting of a Mayor, a Recorder and 5 councilmembers, whose names and dates of commencement and termination of current terms of office are as follows:

Name			Date of Commencement of Office	Date of Termination of Office
Raymond Peak	-	Mayor	July 1, 1987	June 30, 1991
Linda Gibson	-	Recorder	July 1, 1987	June 30, 1991
Wanda Jackson	-	Councilmember	July 1, 1987	June 30, 1991
Kermit L. McDaniel	-	Councilmember	July 1, 1987	June 30, 1991
Elmer O. Miller	-	Councilmember	July 1, 1987	June 30, 1991
Steve Sovine	-	Councilmember	July 1, 1987	June 30, 1991
Carl Gilfilen	-	Councilmember	July 1, 1987	June 30, 1991

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

Raymond Peak	-	Chairman
Okie Terry	-	Member
George Shaw	-	Member

The duly appointed and acting counsel to the Issuer is Franklin L. Gritt, Esquire, of Winfield, West Virginia.

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

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

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

10. 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; and (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.

11. RATES: The Issuer has duly enacted a rate ordinance on September 18, 1989, setting rates and charges for the services of the System. The time for appeal of such rate ordinance has expired and there has been no appeal thereof.

12. SIGNATURES AND DELIVERY: On the date hereof, the undersigned Mayor did officially sign all of the Bonds of the aforesaid issue, all dated December 28, 1989, by his manual signature, and the undersigned Recorder did officially cause the official seal of the Issuer to be affixed upon each of said Bonds and to be attested by her manual signature, and the Registrar did officially authenticate and deliver the Bonds to a representative of the Authority as the original purchaser of the Bonds under the Loan Agreement. Said official seal is also impressed above the signatures appearing on this certificate.

13. GRANT, ETC.: As of the date hereof, the United States Environmental Protection Agency ("EPA") has committed to the Issuer a grant in the approximate amount of $5,006,620. Investment earnings from the Issuer's construction fund to be used to pay the Project Costs, being $12,000, are lawfully available therefor.

14. BOND PROCEEDS: On the date hereof the Issuer received from the Authority the agreed purchase price of the Bonds, being $2,440,000 (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 a newspaper published and of general circulation in the City of Hurricane, together with a notice to all persons concerned, stating that the Bond Ordinance had been adopted and that the Issuer contemplated the issuance of the Bonds described in such Ordinance, stating that any person interested may appear before the Council at the public hearing held at a public meeting of Council on the 27th day of December, at 7:30 p.m., in the Council Chambers of the City Hall of the City of Hurricane and present protests, and stating that a certified copy of the Bond Ordinance was on file at the office of the Recorder of the Issuer for review by interested parties during the office hours of the Recorder. At such hearing all objections and suggestions were heard by the Governing Body and the Bond Ordinance became finally adopted, enacted and effective as of the date of such public hearing, and remains in full force and effect.

16. PUBLIC SERVICE COMMISSION ORDERS: The Issuer has received a Final Order of the Public Service Commission of West Virginia entered December 15, 1989 (Case No. 89-597-S-CN), granting to the Issuer a Certificate of Convenience and Necessity with respect to the Project. The time for appeal of such Order has not expired prior to the date hereof. However, the Public Service Commission staff has stated in a letter dated December 19, 1989, that it does not intend to appeal such Order. South Putnam Public Service District, the only intervenor in this case, has stated in a letter dated December 27, 1989, that it does not intend to appeal such Order. The Issuer does not intend to appeal such Order. Such Order is not subject to appeal by any other person.

17. PRIVATE USE OF FACILITIES: The Issuer shall at all times take, and refrain from taking, and shall not fail to take, any and all actions necessary in order to assure the initial and continued tax-exempt status of the Bonds and the interest thereon. Less than 10% of the proceeds of the 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 interest on, or the interest on, such issue, under the terms of any underlying arrangement, is, directly or indirectly, secured by any interest in property used, or to be used for a private business use, payments in respect of such property or to be derived from payments (whether or not to the Issuer) in respect of property, or borrowed money, used or to be used for a private business use with respect to such private business use, which is not related to any government use of such proceeds, including the disproportionate business use of the issue of the Bonds. None of the proceeds of the issue of the Bonds will be used, directly or indirectly, to make or finance loans to persons other than governmental units. For purposes of this paragraph, private business use means use, directly or indirectly, in a trade or business carried on by any person other than a governmental unit, other than use as a member of the general public. All of the foregoing shall be determined in accordance with and within the meaning of the Internal Revenue Code of 1986 (the "Code"), as amended, including any successor provisions and rules and regulations thereunder.

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

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

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

WITNESS our signatures and the official seal of the CITY OF HURRICANE on this 28th day of December, 1989.

[CORPORATE SEAL]

SIGNATURE	OFFICIAL TITLE
Raymond Peck	Mayor
Linda L Gibson	Recorder
Franklin R. Pratt, Jr.	Counsel to Issuer

12/27/89
HURRS.02
43563/88001

CITY OF HURRICANE

Sewer Revenue Bonds,
Series 1989 A

CERTIFICATE AS TO ARBITRAGE

I, RAYMOND PEAK, Mayor of the City of Hurricane, in Putnam County, West Virginia (the "Issuer"), being one of the officials of the Issuer duly charged with the responsibility for the issuance of $2,331,211 aggregate principal amount of Sewer Revenue Bonds, Series 1989 A, of the Issuer, dated December 28, 1989 (the "Local Bonds"), hereby certify as follows:

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

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

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

4. This certificate is based upon facts, circumstances, estimates and expectations of the Issuer in existence on December 28, 1989, the date on which the Local Bonds are to be physically delivered in exchange for the issue price thereof, and to the best of my knowledge and belief, the expectations of the Issuer set forth herein are reasonable.

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

6. The Local Bonds and the Series 1989 B Bonds (the "Supplemental Bonds"), which bear no interest, were sold on December 28, 1989, to the West Virginia Water Development Authority

(the "Authority") for an aggregate purchase price of $2,440,000 (100% of par).

7. The Local Bonds are being delivered simultaneously with the delivery of this certificate and are issued for the purposes of (i) paying a portion of the costs of acquisition and construction of certain additions, betterments and improvements for the existing sewerage facilities of the Issuer (the "Project"); (ii) paying interest on the Local Bonds during the construction period and for not more than six months thereafter; (iii) funding a reserve account for the Local Bonds; and (iv) paying costs of issuance of the Local Bonds.

8. The Issuer shall, within 30 days following delivery of the Local Bonds, enter into agreements which require the Issuer to expend in excess of $100,000 on the Project constituting a substantial binding commitment or has already done so. Acquisition, construction and equipping of the Project will proceed with due diligence to completion, and, with the exception of proceeds constituting capitalized interest and proceeds deposited in a reserve account for the Local Bonds, all of the proceeds from the sale of the Local Bonds, together with any investment earnings thereon, will be expended for payment of Costs of the Project on or before June, 1991. Construction of the Project is expected to be completed by June, 1991.

9. The total cost of the Project (including all costs of issuance of the Bonds) is estimated at $7,458,620. Sources and uses of funds for the Project are as follows:

SOURCES

Gross Proceeds of Local Bonds	$ 2,331,211
Gross Proceeds of Supplemental Bonds	108,789
EPA Grant	5,006,620
Investment Earnings	12,000
Total Sources	$ 7,458,620

USES

Design, Acquisition and Construction of Project	$ 7,127,577
Capitalized Interest on Local Bonds	101,080
Funded Reserve for Local Bonds	208,077
Funded Reserve for Supplemental Bonds	3,886
Other Costs of Issuance	18,000
Total Uses	$ 7,458,620

The amount of Project costs not expected to be reimbursed or paid from the EPA Grant, Supplemental Bond proceeds and interest earnings of the Issuer lawfully available therefor is estimated to be at least equal to the gross proceeds of the Local Bonds. Except for the proceeds of the Local Bonds, the Supplemental Bonds, the EPA Grant and interest earnings during construction, no other funds of the Issuer will be available to meet costs of the Project, and no balances are available to meet such costs in any account which may, without legislative or judicial action, be invaded to pay such expenditures without a legislative, judicial or contractual requirement that such account be reimbursed.

10. Pursuant to Article V of the Local Act, the following special funds or accounts have been created or continued from prior ordinances:

(1) Revenue Fund;

(2) Operation and Maintenance Fund;

(3) Depreciation Fund;

(4) Renewal and Replacement Fund;

(5) Bond Construction Trust Fund;

(6) Prior Bonds Sinking Fund;

(7) Series 1989 A Bonds Sinking Fund, and within the Series 1989 A Bonds Sinking Fund the Series 1989 A Bonds Reserve Account; and

(8) Series 1989 B Bonds Sinking Fund, and within the Series 1989 B Bonds Sinking Fund the Series 1989 B Bonds Reserve Account.

11. Pursuant to Article VI of the Local Act, the proceeds of the Local Bonds (and the Supplemental Bonds) will be deposited as follows:

(1) Local Bonds proceeds in the amount of $101,080 will be deposited in the Series 1989 A Bonds Sinking Fund, as capitalized interest on the Local Bonds.

(2) Local Bonds proceeds in the amount of $208,077 and Supplemental Bonds proceeds in the amount of $3,886 will be deposited in the Series 1989 A Bonds Reserve Account and the Series 1989 B Bonds Reserve Account, respectively.

(3) The balance of the proceeds of the Local Bonds and the Supplemental Bonds will be deposited in the Bond Construction Trust Fund and applied solely to payment of Costs of the Project including costs of issuance of the Bonds and related costs.

12. Moneys held in the Series 1989 A Bonds Sinking Fund will be used solely to pay principal of and interest on the Local Bonds and will not be available to meet costs of construction of the Project. All investment earnings on moneys in the Series 1989 A Bonds Sinking Fund and Series 1989 A Bonds Reserve Account will be withdrawn therefrom and deposited into the Bond Construction Trust Fund until completion of the Project, and thereafter will be deposited, not less than once each year, in the Revenue Fund, and such amounts will be applied as set forth in the Local Act.

13. Except for the Series 1989 A Bonds Sinking Fund, there are no other funds or accounts established or held by the Issuer which are reasonably expected to be used to pay debt service on the Local Bonds or which are pledged as collateral for the Local Bonds and for which there is a reasonable assurance that amounts therein will be available to pay debt service on the Local Bonds, if the Issuer encounters financial difficulties. The Issuer does not expect that

moneys in the Depreciation Fund and/or the Renewal and Replacement Fund will be used or needed for payments upon the Local Bonds. Except as provided herein, no funds which have been or will be used to acquire directly or indirectly securities, obligations, annuity contracts or other investment-type property producing a yield in excess of the yield on the Local Bonds have been or will be pledged to payment of the Local Bonds. Less than 10% of the moneys received from the sale of the Local Bonds will be deposited in the Series 1989 A Bonds Reserve Account or any other reserve or replacement fund. The amounts deposited in the Series 1989 A Bonds Reserve Account from time to time by the Issuer will not exceed the maximum annual principal and interest on the Local Bonds and will not exceed 125% of average annual principal and interest on the Local Bonds. Amounts in the Series 1989 A Bonds Reserve Account, not to exceed 10% of the proceeds of the Local Bonds, if invested, will be invested without yield limitation. The establishment of the Series 1989 A Bonds Reserve Account is required by the Authority, is vital to its purchase of the Local Bonds and is reasonably required to assure payments of debt service on the Local Bonds.

14. The Issuer expects to enter into a contract within 30 days of the date hereof for the construction of the Project, and the amount to be expended pursuant to such contract exceeds the lesser of 2 1/2% of the estimated total Project cost financed with proceeds from the sale of the Bonds or $100,000.

15. Work with respect to the construction of the Project will proceed with due diligence to completion. Construction is expected to be completed within 18 months.

16. The Issuer will expend the net proceeds of the Local Bonds for the Project within the following periods commencing on the date of issuance of the Local Bonds (but no later than December 27, 1990):

10 percent within 6 months

45 percent within 1 year

75 percent within 18 months

100 percent within 2 years

(except for a reasonable retainage not exceeding 5% which will be spent within 3 years). The Issuer shall, within 30 days after the end of each six month period described above, and every six month period thereafter until all the proceeds of the Local Bonds have been expended for the Project, certify to the Authority the amount of

expenditure from Local Bond proceeds as of the end of such period, and to the extent that expenditures do not meet the required levels, will remit an amount to the Authority equal to 1.5% of such shortfall.

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 1989 A Bonds Sinking Fund for payment of interest on the Local Bonds and the amount deposited in the Series 1989 A Bonds Reserve Account, all of the proceeds of the Local Bonds will be expended on the Project within 18 months from the date of issuance thereof.

19. Any money deposited in the Series 1989 A Bonds Sinking Fund for payment of the principal of or interest on the Local Bonds (other than the Series 1989 A Bonds Reserve Account therein) will be spent within a 13-month period beginning on the date of receipt.

20. All the proceeds of the Local Bonds which were used for the payment of costs of the Project will be expended for such purposes within three years of December 27, 1989.

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

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

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

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

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

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

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

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

29. The Issuer has general taxing powers to finance operations of or facilities of the nature of the System, and the Issuer and all subordinate entities reasonably expect to issue less than $5,000,000 of tax-exempt obligations during the calendar year 1989, excluding "private activity bonds" as such term is defined in the Code.

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

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

32. The Issuer has either (a) funded the Series 1989 A Bonds Reserve Account at the maximum amount of principal and interest which will mature and become due on the Local Bonds in the then current or any succeeding year with the proceeds of the Local Bonds, or (b) created the Series 1989 A Bonds Reserve Account which will be funded with equal payments made on a monthly basis over a 10 year period until such Series 1989 A Bonds Reserve Account holds an amount equal to the maximum amount of principal and interest which will mature and become due on the Local Bonds in the then current or any succeeding year. Moneys in the Series 1989 A Bonds Reserve Account and the Series 1989 A Bonds Sinking Fund (established for the annual payment of principal and interest) will be used solely to pay principal of and interest on the Local Bonds and will not be available to pay costs of the Project.

33. The Issuer shall submit to the Authority within 15 days following the end of the Issuer's bond year a certified copy of its rebate calculation or if the Issuer qualifies for the small

governmental issuer exception to rebate, then the Issuer shall submit to the Authority a certificate stating that it is exempt from the rebate provisions and that no event has occurred to its knowledge during the bond year which would make the Local Bonds subject to rebate.

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

35. The Issuer expects that no part of the Project financed by the Local Bonds will be sold or otherwise disposed of prior to the last maturity date of the Local Bonds.

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

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

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

IN WITNESS WHEREOF, I have set my hand this 28th day of December, 1989.

CITY OF HURRICANE

By Raymond Peck
Mayor

12/27/89
HURRS.P2
43653/88001

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

ED 11-1C

CITY OF HURRICANE

Sewer Revenue Bonds,
Series 1989 A and Series 1989 B

ENGINEER'S CERTIFICATE

I, GEORGE B. SHAW, Registered Professional Engineer, West Virginia License No. 8154, and President of Shaw, Weiss & De Naples (the "Company"), Consulting Engineers, of Dayton, Ohio, hereby certify as follows:

1. My Company is consulting engineer for the design of certain additions, betterments, and improvements (the "Project") for the existing wastewater treatment plant of the City of Hurricane in Putnam County, West Virginia (the "Issuer"). Certain costs of such additions, betterments, and improvements are being financed by proceeds of the above-captioned bonds (the "Bonds") anticipated to be purchased by the West Virginia Water Development Authority (the "Authority") and certain grant proceeds from the Environmental Protection Agency.

2. To the best of my knowledge, information, and belief (i) the Project will be constructed in accordance with the approved plans, specifications and designs prepared by my firm, or amendments thereto and as described in the Application submitted to the Authority and approved by all necessary governmental bodies and is situate wholly or chiefly within the boundaries of the City of Hurricane; (ii) the Project is adequate for the purpose for which it was designed and all necessary governmental approvals for the construction thereof have been or will be obtained; (iii) the Company has examined and reviewed the plans, specifications, bid documents and construction contracts relating to the Project and all bids for construction of the Project have been received in an amount and are otherwise compatible with the plan of financing described in said Application and provide that the contractor has made required provisions for all insurance and payment and performance bonds and such insurance policies or binders and such bonds will be verified for accuracy and completeness prior to commencement of construction of the Project; (iv) subject to normal repair and replacement, the useful life of the facilities constituting the Project is not less than 28 years; (v) the net proceeds of the Bonds, together with the proceeds of grants and other monies of the Issuer on deposit or to be simultaneously deposited and irrevocably pledged thereto and

committed ther or, will be sufficient pay the costs of acquisition and construction of the Project as set forth in the application submitted to the Authority as of the date of the Loan Agreement; (vi) the Issuer has obtained all permits required by the laws of the State of West Virginia and the United States of America necessary for the construction of the project; (vii) the construction and funding for the Project should proceed to a successful conclusion within the time schedules proposed provided the contractor complies with the construction contract; (viii) the rates and charges for the sewerage system of the Issuer comply with the applicable provisions of the Loan Agreement and Supplemental Loan Agreement by and between the Authority and the Issuer; and (ix) attached hereto as Exhibit A is the final amended "Schedule A - Total Cost of Project and Sources of Funds" for the Project.

WITNESS my signature on this 28th day of December, 1989.

SHAW, WEISS & DE NAPLES

By _____
Reg Engineer 8154

12/22/89

DATE: 12/23/89

AMENDED SCHEDULE A

NAME OF GOVERNMENTAL AGENCY: City of Hurricane, West Virginia

TOTAL COST OF PROJECT AND SOURCES OF FUNDS

A. Cost of Project

1.	Construction	$ 6,090,000	
2.	Technical Services	$ 685,170	
3.	Legal and Fiscal	$ 29,000	
4.	Administrative	$ 30,000	
5.	Site and Other Lands	$ -0-	
6.	Step I and/or Step II Design or Other Loan Repayment (Specify Type: _____)	$ -0-	
7.	Interim Financing Costs	$ 20,000	
8.	Contingency	$ 273,407	
9.	Total of Lines 1 through 8		$ 7,127,577

B. Sources of Funds

10.	Federal Grants:[1] (Specify Source)	$ 5,006,620	
11.	State Grants:[1] (Specify Source)		
12.	Other Grants:[1] (Specify Source)		
13.	Any Other Source[2] (Specify) Investment earnings	$ 12,000	
14.	Total of Lines 10 through 13		$ 5,018,620
15.	Proceeds Required from Bond Issue (Line 9 less Line 14)		$ 2,108,957

C. Cost of Financing

16.	Capitalized Interest (construction period plus six months)	$ 101,080	
17.	Funded Reserve Account[3]	$ 211,963	
18.	Other Costs[4]	$ 18,000	
19.	Total Cost of Financing		$ 331,043
20.	Size of Bond Issue (Line 15 plus Total from Line 19)		$ 2,440,000

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[1] Attach supporting documentation not previously submitted. If not yet available, state such and expectations as to availability.

[2] For example, interest earnings during construction, if applicable. Include the proceeds of any parity or subordinate bond issue to be used for such purpose and attach supporting documentation if available (if not yet available, state such and expectations as to availability).

[3] Consult with bond counsel and the Authority before assuming a funded reserve.

[4] For example, fees of bond counsel for the Governmental Agency.

Additional or explanatory material may be provided on additional sheets attached to Amended Schedule A.

SHAW, WEISS & DE NAPLES

Raymond Peck
APPLICANT

CONSULTING ENGINEER

Kenneth E. Plants
PUBLIC ACCOUNTANT
801 OAKBRIDGE DRIVE
HURRICANE, WV 25526

304/757-7110

December 28, 1989

City of Hurricane
Sewer Revenue Bonds,
Series 1989 A and Series 1989 B

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

Ladies and Gentleman:

Based upon the rates and charges as set forth in the ordinance of the **City of Hurricane** enacted September 18, 1989, and projected operation and maintenance expenses and anticipated customer usage as furnished to us by **Shaw, Weiss & De Naples**, consulting engineers, it is our opinion that such rates and charges will be sufficient to provide revenues which, together with other revenues of the sewerage system of the **City of Hurricane**, will pay all repair, operation and maintenance expenses and leave a balance each year equal to at least 110% of the maximum amount required in any year for debt service on the Sewer Revenue Bonds, Series 1989 A and Series 1989 B, to be issued to **West Virginia Water Development Authority** and all other obligations secured by or payable from the revenues of the System prior to or on a parity with such Bonds, including the Prior Bonds, as defined in the Ordinance.

Very truly yours,

Kenneth E. Plants P.a.

Kenneth E. Plants
Public Accountant

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

ED 11-10

West Virginia

At a circuit court continued and held in and for the county of Putnam, at the court House thereof on Tuesday the 25th day of September 1888.

W. S. Tinsley, R. V. Dorsey
S. W. Blair and W. H. McCallister

Ex parte

A certificate under oath of C. W. Taylor, A. B. Burgess and J. H. Nymes ~~was this day filed showing that a~~ majority of all the qualified voters residing in the following boundary, to wit; Beginning at the north west corner of the Baptist church lot, thence S 34° E 49 poles to a stake, thence N 64° E 200 poles to a stake, thence N 34° W. 128 poles to a stake thence S 64° W. 200 poles to a stake thence S 34° E 79 poles to the beginning, have been given in due form of law in favor of the incorporation of the Town of Hurricane in the county of Putnam, bounded as herein set forth. And it appearing to the satisfaction of the court

that all the provisions of chapter forty seven of the code of West Virginia have been complied with by the applicants for said incorporation, the said town is duly authorized within the corporate limits aforesaid to exercise all the corporate powers conferred by the said chapter from and after the date of this certificate.

And the court doth ~~hereby~~ appoint and designate C. W. Taylor, J. H. Myers and O. M. Reynolds, three legal voters residing within the territory aforesaid who shall act as commissioners of election at the first election to be held in said Town of Hurricane as provided for and directed in section ten of chapter forty-seven of said code.

Given under my hand and official seal this the 1st day of October 1888.

H. L. Judge Clerk
By Allen Hanly Deputy.

Certificate of Incorporation of Hurricane

September Term, 2nd day 25th day of September

A certificate of incorporation for said town of Hu
in form or substance as follows:
"A certificate under oath of C. H. Taylor, A. B. Burgess
And J. H. Mynes was this day filed showing that a
Majority of all the qualified voters residing in the follow
boundary to wit: Beginning at the North West corner of
Baptist Church lot, thence S. 34° E. 49 poles to a stake, thence
N. 64° E. 20 poles to a stake, thence N. 34° W. 128 poles to a stake
thence S. 64° W. 20 poles to a stake, thence S. 34° E. 79 poles to the
-ning have been given in due form of law in favor of
incorporation of the Town of Hurricane in the County of
bounded as herein set forth."
And the Court doth hereby appoint and designate C.
Taylor, J. H. Mynes & C. M. Reynolds three legal voters residing
within the territory aforesaid who shall act as commissioners
of Election at the first Election to be held in said Town of
Hurricane as provided for and directed in Section
of Chapter Forty Seven of said Code
And it appearing to the Court that this order which was
directed to be entered on yesterday has been inadvertently
omitted to be entered the Clerk is directed to enter the
same nunc pro tunc.

State
vs) Felony
Charles Carr
This day came the attorney for the State and the defendant in
his own proper person was led to the bar of the Court and
Custody of the Sheriff of this County and thereupon the
defendant pleaded not guilty as charged in the indictment
against him as alleged but acknowledged himself to be guilty
of Petit larceny. And neither party desiring a Jury but
Consenting to substitute the Court in lieu thereof, the Court
after hearing all the evidence offered and the argument of
Counsel finds the defendant guilty. It is therefore con
sidered by the Court that the defendant be confined
in the Common Jail of this County for the period of
thirty days, and it is further ordered that the State
recover her costs about her suit in this behalf

units the State rendered. Yet upon this condition that if the said Mathew Kramer who stands indicted of a felony by him committed do and shall make his personal appearance here on the first day of the next term of this Court and shall not depart thence without leave of the Court then this recognizance to be void else to remain in full force and virtue.

W. S. Turley, R. V. Dorsey, S. W. Blair
And Wm. H. McCallister | Ex Parte

On application to incorporate the Town of Hurricane on this day the above named applicants W. S. Turley R. V. Dorsey S. W. Blair and W. H. McCallister by Counsel appeared in open Court and asked that their application to have incorporated the Town of Hurricane in Curry District of Putnam County West Virginia be this day heard. And it appearing to the Court that on the 20th day of August 1888 an election was held in the Town of Hurricane for the purpose of determining whether said Town should be incorporated under the provisions of Chapter forty seven of the Code of West Virginia which election resulted in a majority of the votes of said Town voting for incorporation as appears by the Certificate of Election returned duly signed by the Commissioners who held the same which Certificate is inspected by the Court and ordered to be filed. and it further appearing to the Court that all of the provisions of sections three four, five, six, seven & eight of Chapter forty seven of the Code of West Virginia providing for the incorporation of Towns and Villages have been complied with by said Applicants to the satisfaction of the Court and it also appearing to the Court that the territory asked to be incorporated is one quarter of one square mile in extent and contains inside of said boundary or territory a population of more than one hundred and less than two thousand persons and the survey map list an census notice and returns of Election and Commissioners Certificate being inspected by the Court and found in due form are ordered to be filed And the Clerk of this Court is directed to issue

AGI-STATE LEGAL SUPPLY CO. ONE COMMERCE DRIVE, CRANFORD NJ 07016

ED 11-10

STATE OF WEST VIRIGNIA
COUNTY OF PUTNAM
CITY OF HURRICANE

I, the undersigned elected MAYOR OF THE CITY OF HURRICANE, WEST VIRIGNIA, do hereby solemnly swear that I will uphold the Constitution of the United States of America, and the Constitution of the State of West Virginia, and that I will faithfully discharge the duties of my office to the best of my skill and judgement, so help me God.

Raymond Peak

Raymond Peak

Taken and subscribed and sworn to before me this 29th day of June, 1987, in Hurricane, Putnam County, West Virginia.

O. C. Spaulding

O. C. Spaulding
9-11-95
NOTARY PUBLIC IN AND FOR
PUTNAM CO., W. V.

STATE OF WEST VIRGINIA
COUNTY OF PUTNAM
CITY OF HURRICANE

I, the undersigned elected RECORDER OF THE CITY OF HURRICANE, WEST VIRGINIA, do hereby solemnly swear that I will uphold the Constitution of the United States of America, and the Constitution of the State of West Virginia, and that I will faithfully discharge the duties of my office to the best of my skill and judgement, so help me God.

Linda Gibson

Linda Gibson

Taken and subscribed and sworn to before me this 29th day of June, 1987, in Hurricane Putnam County, West Virginia.

O C Spaulding

O. C. Spaulding
9-11-95
NOTARY PUBLIC IN AND
FOR PUTNAM CO., W.VA.

STATE OF WEST VIRGINIA
COUNTY OF PUTNAM
CITY OF HURRICANE

We, the undersigned elected MEMBERS OF THE COUNCIL OF THE CITY OF HURRICANE, WEST VIRGINIA, do hereby solemnly swear that we will uphold the Constitution of the United States of America, and the Constitution of the State of West Virginia, and that we will faithfully discharge the duties of our offices to the best of our skill and judgement, so help us God.

Carl Gilfilen

Carl Gilfilen

Wanda Johnson

Wanda Johnson

Kermit L McDaniel

Kermit McDaniel

(Absent due to illness)

Elmer Miller

Steve Sovine

Steve Sovine

Taken and subscribed and sworn to before me this 29th day of Juen, 1987, in Hurricane, Putnam County, West Virginia.

O C Spaulding

O. C. Spaulding
9-11-95
NOTARY PUBLIC IN AND
FOR PUTNAM CO. W.V.

STATE OF WEST VIRGINIA
COUNTY OF PUTNAM
CITY OF HURRICANE

I, the undersigned elected MEMBER OF THE COUNCIL OF THE CITY OF HURRICANE, WEST VIRGINIA, do hereby solemnly swear that I will uphold the Constitution of the United States of America, and the Constitution of the State of West Virginia, and that I will faithfully discharge the duties of my office to the best of my skill and judgement, so help me God.

Elmer Miller

Elmer Miller

Taken and subscribed and sworn to before me this 7th day of July, 1987, in Hurricane, Putnam County, West Virginia.

Ernest P. Stricklin

Ernest P. Stricklin

Notary Public in and for Putnam County, West Virginia
My commission expires June 7, 1997.

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

ED 11-1C

The Common Council of the Town of Hurricane, in Putnam County, West Virginia, met in regular session pursuant to law, and the rules of said Council, in the Town Hall, in said Town, at 7:30 o'clock, P. M., on August 1, 1960.

The meeting was called to order by the Mayor, and the roll being called, there were present, George T. Peak, Jr., Mayor, and the following Councilmen:

R. W. Parker

Walter Clark

C. D. Gibson

M. S. Potts

E. E. Allen

Also Present, A. L. Neville, Recorder

Absent, None.

Councilman Gibson introduced, caused to be read a proposed Ordinance as follows:

"AN ORDINANCE CREATING AND APPOINTING A SANITARY BOARD FOR THE TOWN OF HURRICANE, STATE OF WEST VIRGINIA, TO ACQUIRE, CONSTRUCT, EQUIP, ADMINISTER, OPERATE AND MAINTAIN A SEWAGE COLLECTION, PURIFICATION, TREATMENT AND DISPOSAL SYSTEM OR SYSTEMS WITHIN AND WITHOUT THE TOWN OF HURRICANE; TO INVEST IN SUCH BOARD THE CUSTODY, ADMINISTRATION, OPERATION, MAINTENANCE, SUPERVISION AND CONTROL OF SUCH SYSTEM OR SYSTEMS, AND TO FINANCE THE COST OF THE ACQUISITION, CONSTRUCTION AND EXTENSION OF ALL SUCH WORKS BY THE ISSUANCE OF REVENUE BONDS, AS PROVIDED BY ARTICLE 13 OF CHAPTER 16 OF THE CODE OF WEST VIRGINIA; PROVIDING THE METHOD OF APPOINTMENT, TERM OF OFFICE AND COMPENSATION OF MEMBERS OF SAID BOARD; PROVIDING FOR BOND; AND PROVIDING FOR POWER TO THE BOARD TO MAKE ITS OWN RULES AND REGULATIONS:

WHEREAS, it is the desire of the Town of Hurricane to own, acquire, construct, equip, operate and maintain a sewage collection system or systems, sewage treatment and/or purification plant or plants, intersepting sewers, outfall sewers, force mains, pumping stations, ejector stations and all other appurtenances necessary or useful and convenient for the collection, treatment, purification and disposal, in a sanitary manner, of the liquid and solid waste, night

soil and industrial waste of the Town of Hurricane and/or of the sanitary district which may be created, and to finance the acquisition, construction and extension of such system or systems, works and appurtenances by the issuance of revenue bonds, and to provide for the establishment and collection of rates for the use of such works and service rendered thereby, all as provided by Article 13, Chapter 16, Code of West Virginia, as amended:

NOW, THEREFORE, BE IT ORDAINED BY THE COMMON COUNCIL OF THE TOWN OF HURRICANE:

Section 1. There is hereby created and appointed the Sanitary Board of the Town of Hurricane consisting of the Mayor of the Town of Hurricane, who shall act as Chairman of said Board, J. R. Pritchard, a resident of the Town of Hurricane, who shall serve for a term of three years, and Jack W. Blair, a registered engineer, who shall serve for a term of two years, neither of said members having been an officer or employee of the Town of Hurricane within a period of one year prior to the date of the introduction of this ordinance.

Section 2. Upon the expiration of the terms of said appointees, other than the Mayor, and each succeeding term, a successor shall be appointed by the Council for a full term of three years, but during the construction period of the works constructed under the supervision and direction of said Board one member thereof shall be a registered professional engineer. The chairman of the Board shall always be the then Mayor of the Town of Hurricane and vacancies to fill unexpired terms shall be filled by the Council.

Section 3. The Board shall elect a vice chairman from its members and shall designate a secretary and treasurer (who may be one and the same person), who need not be members of the Board and who shall hold office at the will of the Board.

Each member of the Board, other than the Mayor, shall receive a salary of $25.00, per month, and shall be entitled to payment for his reasonable expenses incurred in the performance of his duties.

The Secretary and Treasurer shall be paid such reasonable compensation for services as from time to time may be fixed by the Council and Treasurer shall give bond, with qualified corporate surety, in the amount of $5,000.00, or such other amount as the Council subsequently may require, conditioned for the proper application of all monies received by him as such and for the faithful performance of the duties of his office.

All compensation, and all expenses, incurred by the Board, its officers and employees, shall be paid solely from funds authorized to be collected and received by the Board as provided by said Article 13, Chapter 16 of the Code of West Virginia.

Section 4. The construction, acquisition, improvement, equipment, custody, operation, maintenance and administration of all works for the collection, treatment or disposal of sewage within and without the Town of Hurricane, and in the sanitary district which may be acquired, constructed, operated or maintained by said Board, the employment of all engineers, architects, inspectors, superintendents, manager, collectors, attorneys and other employees in the judgment of the Board necessary to the execution of its powers and duties, and the collection of all revenues from the works acquired, constructed, operated or maintained by it, shall be under the supervision and control of the Board.

Section 5. In addition to the authority and powers enumerated herein, the Board created by this ordinance shall be invested with all other powers and authority provided for such Board by said Article 13, Chapter 16 of the Code of West Virginia, as amended, or as the same may be amended.

Section 6. The Sanitary Board shall have the power to establish by-laws, rules and regulations governing its members, employees, meetings and the conduct of its business.

Section 7. This ordinance shall be effective from passage.

And thereupon, Councilman Gibson moved that all rules that might otherwise require deferred consideration of said Ordinance be suspended, and that said Ordinance as read be adopted. Councilman M. S. Potts seconded the motion, and after due consideration the Mayor put the question on the motion, and the roll being called the following voted:

Aye: R. W. Parker

Walter Clark

C. D. Gibson

M. S. Potts

E. E. Allen

Nay: None

Whereupon, the Mayor declared the motion duly carried and said Ordinance adopted.

On motion and vote the meeting adjourned.

George T. Peck, Jr.
MAYOR

A. L. Neville
RECORDER

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

ED 11-3C

PETITION

The Sanitary Board of the City of Hurricane hereby petitions the City Council of the City of Hurricane to enact an ordinance directing that revenue bonds and (if deemed necessary by City Council) interim construction notes of the municipality be issued pursuant to the provisions of Chapter 16, Article 13 of the West Virginia Code, such bonds to be in an amount not to exceed $3,500,000 and such notes to be in an amount not to exceed $3,500,000 for the purpose of acquisition and construction of sewerage system improvements.

Directed this 4th day of December, 1989.

SANITARY BOARD OF THE CITY OF HURRICANE

By Raymond Beck
Chairman - Hurricane Sanitary Board

12/01/89
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43563/88001

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

ED 11-1C

ESTABLISHED 1900

. :NE AMBLER and NORMAN FORT
PUBLISHERS

PHONE 562-9881

THE HURRICANE BREEZE

THE WEEKLY NEWSPAPER FOR ALL OF PUTNAM COUNTY

BOX 336

HURRICANE, WEST VIRGINIA 25526

CERTIFICATE OF PUBLICATION

STATE OF WEST VIRGINIA,

COUNTY OF PUTNAM, To-wit:

This day personally appeared before me, a Notary Public of said County of Putnam, ...Irene Ambler..... of The Hurricane Breeze, and after being duly sworn deposes and says that the attached legal publication was duly published in The Hurricane Breeze for .....Two..... (2) consecutive issues, in its issues dated .....December 14 & 21....., 19..89..... .

.....Irene Ambler.....
The Hurricane Breeze

Subscribed and sworn to before me this .....21st.... day of .....December....., 19..89..... .

.....D. L. Ambler Jr.....
Notary Public

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
D. L. AMBLER, JR
Post Office Box 397
HURRIC. NE, WV 25526
My Commission Expires 6-13-97

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LEGAL ADVERTISEMENT

CITY OF HURRICANE
NOTICE OF PUBLIC HEARNG ON SEWER BOND AND NOTES ORDINANCE

A public hearing will be held on the following-entitled Ordinance at a special meeting of the Council of the City of Hurricane to be held on December 27, 1989, at 7:30 p.m. in the Council chambers at the Hurricane City Hall, and at such hearing all objections and suggestions shall be heard by the Council and it shall then take such action as it shall deem proper in the premises upon an Ordinance entitled:

ORDINANCE AUTHORIZING THE AQUISTITION AND CONSTRUCTION OF ADDITIONS, BETTERMENTS AND IMPROVEMENTS FOR THE EXISTING PUBLIC SEWERAGE FACILITIES OF THE CITY OF HURRICANE AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN $2,500,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 1989 A, NOT MORE THAN $1,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 1989 B, AND NOT MORE THAN $3,500,000 INTERIM CONSTRUCTION FINANCING, CONSISTING OF BOND ANTICIPATION NOTES, GRANT ANTICIPATION NOTES OR A LINE OF CREDIT EVIDENCED BY NOTES, OR ANY COMBINATION OF THE FOREGOING: PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS AND NOTES; AUTHORIZING EXECUTION AND DELIVERY OF A TRUST INDENTURE SECURING THE NOTES; APPROVING AND RATIFYING A LOAN AGREEEMENT AND SUPPLEMENTAL LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND NOTES AND ADOPTING OTHER PROVISIONS RELATING THERETO.

The above-titled Ordinance was adopted by the Council of the City of Hurricane on December 11, 1989.

The above quoted title of the Ordinance describes generally the contents thereof and the purposes of the Bond and Note issues contemplated thereby. The proceeds of the Bonds will be used to provide permanent financing of a portion of the costs of aquisition and construction of additions, betterments and improvements for the existing public sewerage facilities of the City of Hurricane (the "Project"). The proceeds from the Notes will be used to provide temporary financing of a portion of such costs. The Bonds are payable solely from revenues to be derived from the ownership and operation of the combined waterworks and sewerage system of the City. The Notes are payable primarily from bond Proceeds or Grant Receipts. No taxes may at any time be levied for the payment of Bonds or the Notes or the interest thereon.

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

Following said public hearing, the City Council intends to enact said Ordinance upon final reading.

Dated: December 14, 1989.

s/sRaymond Peak
Mayor

12-14-2t

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

ED 11-1C

THE HURRICANE CITY CODE

CHAPTER 18

SEWER USE ORDINANCE

Article I		Definitions
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Section	3-3	Application for Sewer Service Required
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Section	4-3	Sewer Tap Construction
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Section	4-15	Leaks
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Section	5-2	Stormwater
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Section	5-4	Toxic Substances
Section	5-5	Conditional Service
Section	5-6	Grease, Oil and Sand Separators
Section	5-7	Pretreatment

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(c) "Consumer means a person who pays the consideration for the use or occupancy of a hotel room. The term "consumer" shall not be construed to mean the government of the United States of America, its agencies or instrumentalities, or the government of the State of West Virginia or political subdivision thereof.

(d) "Hotel" means any facility, building or buildings, publicly or privately owned (including a facility located in a state, county or municipal park), in which the public may, for a consideration, obtain sleeping accommodations. The term shall include, but not be limited to, boarding houses, hotels, motels, inns, courts, lodges, cabins and tourist homes. The term "hotel" shall include state, county and city parks offering accommodations as herein set forth. The term "hotel" shall not be construed to mean any hospital, sanitarium, extended care facility, nursing home or university or college housing unit or any facility providing fewer than three hotel rooms, nor any tent, trailer, or camper campsites: Provided, that where a university or college housing unit provides sleeping accommodations for the general non-student public for a consideration, the term "hotel" shall, if otherwise applicable, apply to such accommodations for the purposes of this tax.

(e) "Hotel operator" means the person who is proprietor of a hotel, whether in the capacity of owner, lessee, mortgagee in possession, licensee, trustee in possession, trustee in bankruptcy, receiver, executor or in any other capacity. Where the hotel operator performs his functions through a managing agent of any type or character other than an employee, the managing agent shall also be deemed a hotel operator for the purpose of this article and shall have the same duties and liabilities as his principal. Compliance with the provisions of this article by either the principal or the managing agent shall, however, be considered to be compliance by both.

(f) "Hotel room" means any room or suite of rooms or other facility affording sleeping accommodations to the general public and situated within a hotel. The term "hotel room" shall not be construed to mean a banquet room, meeting room or any other room not primarily used for, or in conjunction with, sleeping accommodations.

(g) "Person" means any individual, firm, partnership, joint venture, association, syndicate, social club, fraternal organization, joint stock company, receiver, corporation, guardian, trust, business trust, trustee, committee, estate, executor, administrator or any other group or combination acting as a unit.

(h) "State park" means any state-owned facility which is part of this state's park and recreation system established pursuant to the West Virginia Code. For purposes of this

article, any recreational facility otherwise qualifying as a "hotel" and situated within a state park shall be deemed to be solely within the city or county in which the building or buildings comprising said facility are physically situated, notwithstanding the fact that the state park within which said facility is located may lie within the jurisdiciton of more than one city or county.

(i) "Tax", "taxes" or "this tax" means the hotel occupancy tax authorized by this article.

(j) "Taxing authority" means the City of Hurricane.

(k) "Taxpayer" means any person liable for the tax authorized by this article.

Sec. 6-3-4. Consumer to pay tax; hotel or hotel operator not to represent that it will absorb tax; accounting by hotel.

(a) The consumer shall pay to the hotel operator the amount of tax imposed by the City of Hurricane, which tax shall be added to and shall constitute a part of the consideration paid for the use and occupancy of the hotel room, and which tax shall be collectible as such by the hotel operator who shall account for, and remit to the City of Hurricane, all taxes paid by consumers. The hotel operator shall separately state the tax authorized by this article on all bills, invoices, accounts, books of account and records relating to consideration paid for occupancy or use of the hotel room. The hotel operator may commingle taxes collected hereunder with the proceeds of the rental of hotel accommodations. The City's claim shall be enforceable against, and shall be superior to, all other claims against the moneys so commingled excepting only claims of the state for moneys held by the hotel pursuant to the provisions of article fifteen, chapter eleven of the Code of West Virginia. All taxes collected pursuant to the provisions of this article shall be deemed to be held in trust by the hotel until the same shall have been remitted to the taxing authority as hereinafter provided.

(b) A hotel or hotel operator shall not represent to the public in any manner, directely or indirectly, that it will absorb all or any part of the tax or that the tax is not to be considered an element in the price to be collected from the consumer.

Sec. 6-3-5. Occupancy billed to government agencies or employees.

(a) Hotel room occupancy billed directly to the federal government shall be exempt from this tax: Provided, that rooms paid for by the federal government employee for which reimbursement is made shall be subject to this tax.

Section	5-8	Metering and Sampling Devices
Section	5-9	Design Data on Connection
Section	5-10	Measurements, Tests, and Analyses
Section	5-11	Disclaimer
Article VI		Powers and Authority of Inspectors
Section	6-1	Right of Entry for Purpose of Discharge Inspection
Section	6-2	Collection of Information
Section	6-3	Required Safety Procedures
Section	6-4	Right of Entry To and From All Negotiated Easements
Article VII		Amendments To and Precedence of the Sewer Use Ordinance
Section	7-1	Amendments to the Sewer Use Ordinance
Section	7-2	Precedence of Past and Present Ordinances
Section	7-3	Precedence of the Sewer Use Ordinance and Other Codes
Article VIII		Conflict Clause
Section	8-1	Repealed Clause
Section	8-2	Repealed Statement
		Administrative Action

SEWER USE ORDINANCE

An Ordinance relating to the construction, acquisition, operation and maintenance of a sewer collection and disposal system in the City of Hurricane and to establish said Ordinance to comply with federal and state regulations governing the sewage system in the City of Hurricane. This Ordinance and subsequent amendments hereto shall be called the Hurricane Sewer Use Ordinance.

WHEREAS, it is the desire of the City of Hurricane to establish an ordinance controlling the construction, acquisition, operation and maintenance of the sewage collection and disposal system of the City of Hurricane or areas being serviced by said system to include such terminology as is necessary to bring applicable codes pertinent to the City of Hurricane sewage collection and disposal system into compliance with federal and state regulations. It is further the intent of this ordinance to charge the responsibility of updating and amending this ordinance to comply with future changes or expansions of the rules and regulations governing said system to the City of Hurricane Council, and that this update shall be performed on an annual basis commencing from the date of passage of the Sewer Use Ordinance, and all such amendments shall be a part of the Sewer Use Ordinance upon final action of the Council of the City of Hurricane.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE TOWN OF HURRICANE:

ARTICLE I

DEFINITIONS

Unless the context specifically indicates otherwise, the meaning of terms used in this ordinance shall be as follows:

"Biochemical oxygen demand" (BOD) shall mean that the quantity of oxygen utilized in the biochemical oxidation of organic matter under standard laboratory procedure in five (5) days at 20 degrees C, expressed in milligrams per liter.

"Council" shall mean the Mayor and fellow members, respectively, of the City of Hurricane, West Virginia, as constituting the governing body of said City

"Building drain" shall mean that part of the lowest horizontal piping of a drainage system which receives the discharge from soil, waste, and other drainage pipes inside the walls of the building and conveys it to the building sewer, beginning five (5) feet (1.5 meters) outside the inner face of the building wall.

"Building Sewer" shall mean the extension from the building drain to the public sewer or other place of disposal, also called house connection.

"Combined sewer" shall mean a sewer intended to receive both wastewater and storm or surface water.

"Easement" shall mean an acquired legal right for the specific use of land owned by others.

"Floatable oil" is oil, fat, or grease in a physical state such that it will separate by gravity from wastewater by treatment in an approved pretreatment facility. A wastewater shall be considered free of floatable fat if it is properly pretreated and the wastewater does not interfere with the collection system.

"Garbage" shall mean the animal and vegetable waste resulting from the handling, preparation, cooking, and serving of foods.

"Industrial waste" shall mean the wastewater from industrial processes, trade, or business as distinct from domestic or sanitary strength wastes.

"Natural Outlet" shall mean any outlet, including storm sewers and combined sewer overflows, into a watercourse, pond, ditch, lake, or other body of surface or groundwater.

"May" is permissive (see "shall").

"City" shall mean City of Hurricane.

"Person" shall mean any individual, firm, company, association, society, corporation, or group.

"pH" shall mean the logarithm of the reciprocal of the hydrogen-ion concentration. The concentration is the weight of hydrogen-ion, in grams, per liter of solution. Neutral water, for example, has a pH value of 7 and a hydrogen concentration of 10-.

"Properly shredded garbage" shall mean the wastes from the preparation, cooking, and dispensing of food that have been shredded to such a degree that all particles will be carried freely under the flow conditions normally prevailing in public sewers, with no particle greater than 1/2 inch (1.27 centimeters) in any dimension.

"Public sewer" shall mean a common sewer controlled by a governmental agency or public utility.

"Sanitary sewer" shall mean a sewer that carries liquid and water-carried wastes from residences, commercial buildings, industrial plants, and institutions together with minor

quantities of ground, storm, and surface waters that are not admitted intentionally.

"Sewage" is the spent water of a community. The preferred term is "wastewater".

"Shall" is mandatory (see "May").

"Slug" shall mean any discharge of water or wastewater which in concentration of any given constituent or in quantity of flow exceeds for any period of duration longer than fifteen (15) minutes more than five (5) times the average twenty-four (24) hour concentration of flows during normal operation and adversely affects the collection system and/or performance of the wastewater treatment works.

"Storm drain" (sometimes termed "storm sewer") shall mean a drain or sewer for conveying water, groundwater subsurface water, or unpolluted water from any source.

"Manager" shall mean the duly appointed representative of the City of Hurricane who is charged with the responsibility of the day to day operations of the wastewater facilities of his/her authorized deputy, agent or representative.

"Suspended solids" shall mean total suspended matter that either floats on the surface of, or is in suspension in, water wastewater, or other liquids, that is removable by laboratory filtering as prescribed in "Standard Methods for the Examination of Water and Wastewater" and referred to as nonfilterable residue.

"Unpolluted water" is water of quality equal to or better than the effluent criteria in effect or water that would not cause violation of receiving water quality standards and would not be benefited by discharge to the sanitary sewers and wastewater treatment facilities provided.

"Wastewater" shall mean the spent water of a community. From the standpoint of source, it may be a combinaton of the liquid and water-carried wastes from residences, commercial buildings, industrial plants, and institutions, together with any groundwater, surface water, and stormwater that may be present.

"Wastewater facilities" shall mean the structures, equipment, and processes required to collection, carry away, and treat domestic and industrial wastes and dispose of the effluent.

"Wastewater treatment works" shall mean an arrangement of devices and structures for treating wastewater, industrial wastes, and sludge. Sometimes used as synonymous with "waste treatment plant" or "wastewater treatment plant" or "water pollution control plant".

"Watercourse" shall mean a natural or artificial channel for the passage of water either continuously or intermittently.

ARTICLE II

SANITARY BOARD

Section 2-1. Created; powers and duties; composition; appointment and term of members.

There is hereby created in and for the City a Sanitary Board, which shall be charged with the custody, supervision, control, administration, operation and maintenance of the municipal sewage system, all as permitted and provided by Article 13 of Chapter 16 of the Code of West Virginia. The Sanitary Board shall be composed of the mayor and two persons appointed by the City Council, one of whom shall be a registered professional engineer; provided, that when no city sewer is under construction a registered professional engineer need not be a member of the board. Members of the board, other than the mayor, shall be appointed as follows: On or before the second Monday of July, 1979, and every three years thereafter, one member shall be appointed; and on or before the second Monday of July, 1980, and every three years thereafter, one member shall be appointed. Members so appointed shall serve for a term of three years and until their respective successors have been duly appointed and qualified. Vacancies other than those due to expiration of term shall be filled for the unexpired term only.

Section 2-2. Officers; salaries; bond of treasurer.

The Sanitary Board shall elect a vice chairman from its members and shall designate a secretary and treasurer (who may be one and the same person) who need not be members of the board and who shall hold office at the will of the board.

Each member of the board shall receive such salary as may be fixed from time to time by the City Council and shall be entitled to payment for his reasonable expenses incurred in the performance of his duties.

The secretary and treasurer shall be paid such reasonable compensation for services as from time to time may be fixed by the City Council, and the treasurer shall give bond, with qualified corporate surety, in the amount of five thousand dollars or such other amount as the Council may require, conditioned for the proper application of all monies received by him as such and for the faithful performance of the duties of his office.

All compensation, and all expense, incurred by the Sanitary Board, its officers and employees, shall be paid solely from funds authorized to be collected and received by the board as provided by Article 13, Chapter 16 of the Code of West Virginia.

Section 2-3. Powers and duties.

(a) The construction, acquisition, improvement, equipment, custody, operation, maintenance and administration of all works for the collection, treatment or disposal of sewage within the city and in such other areas as may be within the jurisdiction of the Sanitary Board which shall be acquired, constructed, operated or maintained by the Sanitary Board, the employment of all engineers, architects, inspectors, superintendents, manager, collectors, attorneys and other employees in the judgement of the board necessary to the execution of its powers and duties, and the collection of all revenues from the works acquired, constructed, operated or maintained by it, shall be under the supervision and control of the board.

(b) In addition to the authority and powers enumerated herein, the Sanitary Board shall be invested with all other powers and authorities provided for such boards by Article 13, Chapter 16 of the Code of West Virginia.

Section 2-4. Regulation by Sanitary Board.

In addition to the specific authority granted by this chapter, the Sanitary Board shall make and enforce such other rules and regulations subject to the approval of the Council of the City of Hurricane for the safe, economical and efficient management, control and protection of the city's public sewerage system, for the construction and use of house sewers and connection to the sewerage system, for the construction and use of all other connections thereto, and for the regulation, collection, rebating and refunding of such sewage service charges as may be needful or necessary from time to time.

Provided that such rules and regulations shall not become effective until the same have been approved by the Council of the City of Hurricane by ordinance or resolution and spread upon the records of the Council as notice to the public of the provisions of said rules and regulations.

It shall be unlawful for any person to violate any of the rules and regulations made and promulgated by the Sanitary Board as aforesaid; any person, on conviction of any such violation, shall be fined or imprisoned, or both. The fine shall not be less than five dollars, or more than one hundred dollars, and the imprisonment in the city or county jail shall not exceed thirty days, and each day that any person shall continue the violation of any of the rules and regulations made and promulgated by the Sanitary Board shall constitute a separate offense.

ARTICLE III

Use of Public Sewers Required

Section 3-1. Authority to Establish and Maintain a Sewer.

For state law as to authority of City to establish and maintain a sewer system and sewage treatment and disposal system and to acquire property necessary therefore, see WV Code, 16-13A-1 and 8. As to authority of City to make "low cost improvements", including the construction, renewing and preparing of storm, sanitary and combined sewers, see WV Code 16-13A-7. As to authority of City to levy assessments for sewer improvements, and to regulate sewer connections, see WV Code 16-13A-1 etseq. As to the jurisdiction of City for purposes of this chapter, see WV Code 16-13A-8. As to requirement that method of drainage and system for extra disposal conform to plans, specifications and instructions of State Department of Health, see WV Code 16-1-9.

Section 3-2. Declaration of Necessity.

The use of the sewer system of the City is determined and declared to be essential for the protection and preservation of the public health, comfort, safety, economy and general welfare of the inhabitants of the City and of the area served thereby.

The owner, tenant or occupant of premises which abutt on a street, easement or other public way containing a sewer service, or which, in the judgement of the Council of the Town, is located within such a distance thereof that sewer service is reasonably available thereto and upon which premises a building or other inhabitable structure has been or shall be erected for residential, commercial, or industrial use, or where persons are employed or congregate, shall be required to connect the building or structure to the sewer system or to such part of the sewer system as may from time to time be extended or become reasonably available, and shall thereafter refrain from using or cease to use any other method in place of the sewer services which are now, or may hereafter become, available; and shall thereafter pay all the charges, rates or fees as herein, or may hereafter be, provided for. All such connections shall be in accordance with the rules and regulations which shall be adopted from time to time by the Council of the City and such rules and regulations may provide for reasonable charges, fees or deposits required for making such connections.

For provisions as to authority of City to compel owners, etc., of property abutting on or near the street in which public sewer is laid and upon which any building, etc., is erected, to connect such property to the sewer; see WV Code 16-13A-9.

Section 3-3. Application for Sewer Service Required.

It shall be unlawful for any person, including public bodies as well as natural persons, to make an initial cut-in or connection with the City sewer system and use that system without

first making written application for such connection and service to the Council and paying all costs, charges, fees and deposits incident thereto. Such application shall be made on forms prescribed and furnished by the Council, and shall constitute an agreement by the applicant with the City to abide by all provisions of this chapter and such applicable rules and regulations of the Council in regard to the use of the sewer system. Such application for service by firms, partnerships, associations and corporations shall be submitted only by their duly authorized agent, and the offical title of such agent shall be signed to the application.

The application shall grant or cause to be granted to the City, without cost, all right, easements, permits, and privileges which are necessary for the rendering of sewer service. Duly authorized employees of the Council shall have access at all reasonable hours to the premises of the applicant for the purpose of installing or removing any of its property, examining pipes or fixtures, or for any purpose incidental to the rendering of sewer service.

Section 3-4. Permit for Connection; Tapping Charge.

It shall be unlawful for any person, whether property owner, drainlayer or otherwise, to connect with or tap a City sewer, either directly or indirectly, without first having a permit from the Council and having paid the tapping or maintenance charge fixed by law. In all cases, the tapping and maintenance charges for tapping a City sewer shall be as specified from time to time by the Council in an appropriate schedule, which shall be maintained on file in the office of the City; and until such a schedule is prescribed by the Council pursuant to the foregoing provisions of this section the tapping and maintenance charges for City sewers shall be those in effect immediately prior to the effective date of this Ordinance.

ARTICLE IV

Connection to Public Sewers

Section 4-1 Tapping or Opening Sewer Without Permit.

No person shall cut, break, pierce or tap any public sewer or appurtenances thereof, or introduce any tube, pipe, trough or conduit into any public sewer or appurtenance thereof without a written permit from the Countil.

Section 4-2. Sewer Taps Only by Authorized Persons.

No person, except those persons duly employed or authorized by the City or by the Council for such purpose, shall tap the town's sewer mains.

Section 4-3. Sewer Tap Construction.

4-3-1. All costs and expenses incidental to the installation and connection of the building sewer shall be borne by the owner(s). The owner(s) shall indemnify the City from any loss of damage that may directly or indirectly be occasioned by the installation of the building sewer.

4-3-2. A separate and independent building sewer shall be provided for every building; except where one building stands at the rear of another or an interior lot and no private sewer is available or can be constructed to the rear building through an adjoining alley, court, yard, or driveway; the from building may be extended to the rear building and the whole considered as one building sewer, but the City does not and will not assume any obligation or responsibility for damage caused by or resulting from any such single connection aforementioned.

4-3-3. Old building sewers may be used in connection with new buildings only when they are found, on examination and test by the Manager, to meet all requirements of this ordinance.

4-3-4. The size, slope, alignment, materials of construction of a building sewer, and the methods to be used in excavating, placing of the pipe, jointing, testing, and backfilling the trench, shall all conform to the requirements of the building and plumbing code or other applicable rules and regulations of the City. In the absence of code provisions or in amplification thereof, the material and procedures set forth in appropriate specifications of the ASTM and WPCF Manual of Practice No. 9 shall apply.

Whenever possible, the building sewer shall be brought to the building at an elevation below the basement floor. In all buildings in which any building drain is too low to permit gravity flow to the public sewer, sanitary sewage carried by such building drain shall be lifted by an approved means and discharged to the building sewer.

4-3-5. No person(s) shall make connection of roof downspouts, foundation drains, areaway drains, or other sources of surface runoff or groundwater to a building sewer or building drain which in turn is connected directly or indirectly to a public sanitary sewer unless such connection is approved by the Manager for purposes of disposal of polluted surface drainage.

4-3-6. The connection of the building sewer into the public sewer shall conform to the requirements of the building and plumbing code or other applicable rules and regulations of the City for the procedures set forth in appropriate specifications of the ASTM and the SPCF Manual of Practice No. 9. All such connections shall be made gastight and watertight and verified by proper testing. Any deviation from the prescribed procedures and materials must be approved by the Manager before installation.

4-3-7. The applicant for the building sewer permit shall notify the Manager when the building sewer is ready for inspection and connection to the public sewer. The connection and testing shall be made under the supervision of the Manager or his representative.

4-3-8. All excavations for building sewer installation shall be adequately guarded with barricades and lights so as to protect the public from hazard. Streets, sidewalks, parkways, and other public property disturbed in the course of the work shall be restored in a manner satisfactory of the City.

Section 4-4. Approval of Connections by City Inspector

No sewer service shall be connected until the plumbing and connections incident thereto shall have been inspected and approved by an inspector of the Council.

No sewer service line shall be connected to the sanitary sewer system if that service line will contain flows other than sanitary wastewater. Roof drains, yard and area drains, footer drains, or any line other than that which serves a sanitary plumbing system are prohibited from connection to the City system.

Section 4-5. Unauthorized Connections Prohibited.

No person shall connect to or turn on any sewer service, or cut-in, interconnect, tap or make any alterations to any main or distribution or collection pipe of the City's sewer system or permit any connection of tapping to be made to the sewer system on his premises or the premises occupied by him, or knowingly use the sewer service from connections in violation of any of the provisions of this article or any rules or regulations adopted by the Council with respect thereto.

Roof drains, yard and area drains, footer drains, or any line carrying flow other than exclusively sanitary wastewater are prohibited from connection to the sanitary sewer system.

Section 4-6. Establishment of Schedule of Rates and Charges; Use of Water Meters.

For the payment of the proper and reasonable expense of operation, repair, replacement, improvements, additions, betterments, extensions and the maintenance of the sewer system and for the payment of the sums required to pay the principal and interest of all sewer revenue bonds as they become due, the Council shall enact and may from time to time amend a schedule of just and equitable rates or charges for the use of and service rendered by the municipal sewer system and works of the City, which schedule of rates or charges shall be based upon the metered amount of water supplied the premises; and each schedule shall be maintained on file in the office of the City while it is in effect.

(a) Applicability of Rates

Applicable inside and outside the corporate limits of the city.

(b) Availability of Service

Available for general domestic, commercial, and industrial sanitary sewer service.

(c) Schedule of Rates

(1) First 2,000 gallons 4.65 per thousand gal.
Each additonal thousand 4.50 per thousand gal.

Minimum bill 2,000 gallons per month 9.30

(2) Delayed payment penalty:

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

(3) Effective date:

The rates, fees, charges and delayed payment penalty charges provided herein shall be effective 45 days after the enactment hereof.

(4) Separability; Repeal of Conflicting Ordinances:

The provisions of this Ordinance are separable, and if any clause, provision or section herof be held void or unenforceable by any court of competent jurisdiction, such holding shall not affect the remainder of this Ordinace. All 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 rpovisions of this Ordinane do not touch upon the provisions of prior resolutions, orders or parts thereof, the same shall remain in full force and effect.

(5) Statutory Notice and Public Hearing:

Upon introduction herof, 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 Hurricane Breeze, being the only newspaper published and of general circulation in the City of Hurricane, West Virginia, and said notice shall state that this Ordinance has been introduced, and that any person interested may appear before Council on the 18th day of September, 1989 at 6:30 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.

(d) Multiple Occupancy

Where multiple service is rendered through one water meter, the monthly sewer bill shall not be less than the minimum charge provided for above multiplied by the number of families, apartment units, residences, stores, offices, mobile homes, or other units receiving water service through such meter. Motels and hotels would pay on the basis of water used.

(e) Service Connection

The fee for a tap connection will be $200.00. The fee for customer service will be a $25.00 deposit. This deposit will be refunded at the end of one year, plus 8% as required by the Public Service Commission of the State of West Virginia, to property owners keeping their account currently paid, or to rental users after moving and payment of final bill is received.

(f) This amendment to Chapter 18 to take effect forty-six days after adoption hereof following the second reading and compliance with the provisions of Chapter 24, Article 2, Section 4b of the Code of West Virginia, as amended.

First reading of amendment: August 31, 1989

Second reading and adoption: September 18, 1989

Section 4-7. Established Rates Applicable to Premises Subsequently Served.

The rates or charges so established for any class of users or property served shall be extended to cover any additional premises hereafter served which fall within the same class, without the necessity of any hearing or notice.

Section 4-8. City Subject to Established Rates or Charges.

The City shall be subject to the established charges and rates, or to charges and rates established in harmony there with, for services rendered the City and shall be deemed to be a part of the revenues of the sewage system and works and be applied as provided for the application of such revenues.

Section 4-9. Billing and collection of service charges.

The sewage service charges, surcharges and fees, levied by or pursuant to this chapter, shall be billed by the Sanitary Board; or, in the discretion of the Sanitary Board, by a designated agent of the Sanitary Board, to all firms, persons and corporations liable therefor, pursuant to such terms, agreements, arrangements, and compensation as may be determined by contract between the said Sanitary Board and said agent. The collection of said service charges, surcharges and fees shall be by the Sanitary Board, or by its designated and authorized agent.

Section 4-10. Lien for Enforcement of Collection of Billed Rates or Charges.

All such rates or charges, if not paid when due, shall be a lien upon the premises served by such system or works, and if such rates or charges not be paid within thirty days after due, then the amount thereof, together with a penalty of ten percent and a reasonable attorney's fee, may be recovered by the Council in a civil action in the name of the City. In connection with such action, such lien may be foreclosed against such lot, parcel of land or building, in accordance with the laws relating thereto.

Section 4-11. Creation of sinking fund.

There is hereby created a sinking fund to accumulate and hold all the proceeds to be derived from the said service charges levied and collected pursuant to this chapter until the completion of the construction of said sewerage system, which said proceeds shall be remitted to and administered by the State Sinking Fund Commission, as follows, that is to say: Said proceeds shall be paid out on order of the Sanitary Board for such legal purposes as are incident to the acquisition, construction, enlargement, extension, replacement, improvement, operation, management, maintenance and repair of the said sewerage system of the City of Hurricane.

Section 4-12. Industrial Use of Sewers.

Where the character of sewage from any manufacturing or industrial plant, building or premises is such that it imposes a burden upon the sewer system in addition to the burden imposed by the average sewage entering the sewer system, such additional charge shall be made therefor as the Council shall deem to be fair and equitable to meet the additional cost of collection, treatment and disposal of such sewage; and the Council may; if it deems advisable to do so; compel the owner, tenant or occupant of such manufacturing or industrial plant, building or premises to treat such sewage in such manner as shall be specified by the Council before discharging into the sewer system.

Section 4-13. Duration of Liability for Sewer Services.

Liability for service shall begin for a user on the date of connection to the sewer system; and such liability shall continue thereafter unless such premises are disconnected from the sewer system with the approval of the Council. After such liability begins, no allowance shall be made for vacant houses unless request in writing to have the sewer system shut off is received by the Council, nor will any allowance be made for any shut off period which is less than thirty days.

Section 4-14. User's Responsibility to Keep Sewer Clean.

The owner, tenant or occupant of the property shall be continuously responsible for maintaining and keeping the sewer pipe leading to and between the plumbing system of his premises to the City's connecting sewer clean and free from obstruction, and shall not cause, suffer or permit any article or thing,

liquid as well as solid, to be introduced into the pipe which causes a stoppage thereof. In the event of any such obstructions or stoppage the Council shall have the right to cut off the water connection, which shall not be reconnected until such sewer pipe is cleaned and maintained properly; and in the further event of the failure of such user to remedy such obstruction or stoppage, the Council shall have the right to enter upon said premises and make necessary repairs, the costs and expenses of which shall be included as part of the charges against such premises.

Section 4-15. Leaks.

No allowance or adjustment of any sewer bill shall be made for water leaks of any nature occuring on the user's side of the meter if the water so leaked enters the sewer.

Section 4-16. City Not Liable for Damage.

Neither the City nor the Council shall be liable for any damage resulting from bursting of any sewer main, service pipe or valve, or from discontinuing the operation of its sewer valve, or from discontinuing the operation of its sewer collection, treatment and disposal facilities, for repairs, extensions or connections, or from the accidental failure of the sewage collection, treatment and disposal facilities from any cause whatsoever. In cases of emergency the Council shall have the right to restrict the use of its sewage collection, treatment and disposal facilities in any reasonable manner for the protection of the City and its sewer system.

Section 4-17. Tampering with Sewer Appurtenances.

No person shall turn, lift, remove, raise or tamper with any cover or any manhole, basin, inlet or other appurtenance of any public sanitary and/or storm sewer without a written permit from the City, or of any combined sewer or sanitary sewer without a written permit from the Council.

Section 4-18. Entering Sewer.

No person, other than one employed by the City while on duty, shall enter any public sanitary and/or storm sewer or appurtenance thereof without a written permit from the City, or shall enter any public combined sewer or sanitary sewer without a written permit from the Council.

Section 4-19. Injury to Sewer.

No person shall break or damage any public sewer or appurtenance or part thereof.

ARTICLE V

Discharge Into Public Sewers

Section 5-1. Unpolluted Discharge.

No person(s) shall discharge or cause to be discharged any unpolluted waters such as stormwater, groundwater, roof

runoff, subsurface drainage, or cooling water to any sewer, except stormwater runoff from limited areas, which stormwater may be polluted at times, may be discharged to the sanitary sewer without permission of the Manager and the necesary permit obtained.

Section 5-2. Stormwater.

Stormwater other than that exempted under Section I, Article VI, and all other unpolluted drainage shall be discharged to such sewers as are specifically designated as combined sewers or to a natural outlet approved by the Manager and other regulatory agencies. Unpolluted industrial cooling water or process waters may be discharged on approval of the Manager to a storm sewer, combined sewer, or natural outlet.

Section 5-3. Flammable, Explosive or Hazardous Substances and Foreign Matter.

No person(s) shall discharge or cause to be discharged any of the following described waters or wastes to any public sewer:

(a) Any gasoline, benzine, naptha, fuel oil, or other flammable or explosive liquid, solid, or gas.

(b) Any waters containing toxic or poisonous solids, liquids, or gases in sufficient quantity, either singly or by interaction with other wastes, to injure or interfere with any waste treatment process, constitute a hazard to humans or animals, create a public nuisance, or create any hazard in the receiving waters of the wastewater treatment plant.

(c) Any waters or wastes having pH lower or higher than that normally encountered in the system, or having any other corrosive property capable of causing damage or hazard to structures, equipment/operation and personnel of the wastewater works without a permit to do so.

(d) Solid or viscous substances in quantities or of such size capable of causing obstruction to the flow in sewers, or other interference with the proper operation of the wastewater facilities such as, but not limited to, ashes, bones, cinders, sand, mud, straw, shavings, metal, glass, rags, feathers, tar, plastics, wood, unground garbage, whole blood, paunch manure, hair and fleshings, entrails and paper dishes, cups, milk containers, etc., either whole or ground by garbage grinders.

Section 5-4. Toxic Substances.

The following described substances, materials, waters, or waste shall be limited in discharges to municipal systems, to concentrations or quantities which will not harm either the sewers, wastewater treatment process or equipment, will not have an adverse effect on the receiving stream, or will not otherwise endanger lives, limb, public property, or constitute a nuisance. The Manager may set limitations lower than the limitations

established in the regulations below if in his opinion such more severe limitations are necessary to meet the above objectives. In forming his opinion as to the acceptablility, the Manager will give consideration to such factors as the quantity of subject waste in relation to flows and velocities in the sewers, materials of construction of the sewers, the wastewater treatment plant, degree of treatability of the waste in the wastewater treatment plant, and other pertinent factors. The limitations or restrictions on materials or characteristics of waste or wastewater discharged to the sanitary sewer which shall not be violated without approval of the Manager are as follows:

(a) Wastewater having a temperature higher than 150 degrees Fahreheit (65 degrees Celsius).

(b) Wastewater containing more than 25 milligrams per liter of petroleum oil, nonbiodegradable cutting oils, or product of mineral oil origin.

(c) Wastewater from industrial plants containing floatable oils, fat, or grease.

(d) Any garbage that has not been properly shredded (see Article I, Garbage grinders may be connected to sanitary sewers from homes, hotels, institutions, restaurants, hospitals, catering establishments, or similar places where garbage originates from the preparation of food in kitchens for the purpose of consumption on the premises or when served by caterers.

(e) Any waters or wastes containing iron, chromium, copper, zinc, and similar objectable or toxic substances to such degree than any material received in the composite wastewater at the wastewater treament works exceeds the limits established by the Manager for such materials.

(f) Any waters or wastes containing oder-producing substances exceeding limits which may be established by the Manager.

(g) Any radioactive wastes or isotopes of such half-life or concentration as may exceed limits established by the Manager in compliance with applicable state or federal regulations.

(h) Quantities of flow, concentrations, or both which constitute a "slug" as defined herein.

(i) Waters or wastes containing substances which are not amenable to treatment or reduction by the wastewater treatment processes employed, or are amenable to treatment only to such degree that the wastewater treatment plant effluent cannot meet the requirements of other agencies having jurisdiction over discharge to the receiving waters.

(j) Any water or wastes which, by interaction with other water or wastes in the public sewer system, release monoxious gases, from suspended solids which interfere with the collection system, or create a condition deleterious to structures and treatment processes.

Section 5-5. Conditional Service.

If any waters or wastes are discharged or are proposed to be discharged to the public sewers, which waters contain the substances or possess the characteristics enumerated in Section 4 of this Article, and which in the judgement of the Manager may have a deleterious effect upon the wastewater facilities, processes, equipment, or receiving waters, or which otherwise create a hazard to life or constitute a public nuisance, the Manager may:

(a) Reject the wastes.

(b) Require pretreatment to an acceptable condition for discharge to public sewers.

(c) Require control over the quantities and rates of discharge, and/or

(d) Require payment to cover added cost of handling and treating the wastes not covered by existing taxes or sewer charges under the provisions of Section 10 of this article.

When considering the above alternatives, the Manager shall give consideration to the economic impact of each alternative on the discharged. If the Manager permits the pretreatment or equalization of waste flows, the design and installations of the plants and equipment shall be subject to the review and approval of the Manger.

Section 5-6. Grease, Oil and Sand Separators.

Grease, oil and sand interceptors shall be provided when, in the opinion of the Manager, they are necessary for the proper handling of liquid wastes containing floatable grease in excessive amounts as specified in Section 4(c), or any flammable wastes, sand, or other harmful ingredients; except that such interceptors shall not be required for private living quarters or dwelling units. All interceptors shall be of a type and capacity approved by the Manager, and shall be located as to be readily and easily accessible for cleaning and inspection. In the maintaining of these interceptors the owner(s) shall be responsible for the proper removal and disposal by appropriate means of the captured material and shall maintain records of the dates, and means of disposal which are subject to review by the Manager. Any removal and hauling of the collected materials not performed by owner(s)' personnel must be performed by currently licensed waste disposal firms.

Section 5-7. Pretreatment.

Where pretreatment or flow-equalizing facilities are provided or required for any waters or wastes, they shall be maintained continuously in satisfactory and effective operation by the owner(s) at his expense.

Section 5-8. Metering and Sampling Devices.

When required by the Manager, the owner of any property serviced by a building sewer carrying industrial wastes shall install a suitable structure together with such necessary meters and other appurtenances in the building sewer to faciliate observation, sampling, and measurement of wastes. Such structure, when required, shall be accessibly and safely located and shall be constructed in accordance with plans approved by the Manager. The structure shall be installed by the owner at his expense and shall be maintained by him so as to be safe and accessible at all times.

Section 5-9. Design Data on Connection.

The Manager may require a user of sewer services to provide information needed to determine compliance with this ordinance. These requirements may include:

(1) Wastewaters discharge peak rate and volume over a specified time period.

(2) Chemical analyses of wastewaters.

(3) Information on raw materials, processes, and products affecting wastewater volume and quality.

(4) Quantity and disposition of specific liquid, sludge, oil, solvent, or other materials important to sewer use control.

(5) A plot plan of sewers of the user's property showing sewer and pretreatment facility location.

(6) Details of wastewater pretreatment facilities.

(7) Details of systems to prevent and control the losses of materials through spills to the municipal sewer.

Section 5-10. Measurements, Tests, and Analyses.

All measurements, tests, and analyses of the characteristics of waters and wastes to which reference is made in this ordinance shall be determined in accordance with the latest edition of "Standard Methods for the Examination of Water and Wastewater," published by the American Public Health Association. Sampling methods, location, times, durations, and frequencies are to be determined on an individual basis subject to approval by the Manager.

Section 5-11. Disclaimer.

No statement contained in this article shall be constructed as preventing any special agreement or arrangement between the City and any industrial concern whereby an industrial waste of unusual strength or character may be accepted by the City for treatment.

ARTICLE VI

Powers and Authority of Inspectors

Section 6-1. Right of Entry for Purpose of Discharge Inspection.

The Manager and other duly authorized employees of the City bearing proper credentials and identification shall be permitted to enter all properties for the purposes of inspection, observation, measurement, sampling, and testing pertinent to discharge to the community system in accordance with the provisions of this ordinance.

Section 6-2. Collection of Information.

The Manager or other duly authorized employees are authorized to obtain information concerning industrial processes which have a direct bearing on the kind and source of discharge to the wastewater collection system.

Section 6-3. Required Safety Procedures.

While performing the necessary work on private properties referred to in Article VI, Section 6-1, above, the Manager or duly authorized employees of the City shall observe all safety rules applicable to the premises established by the company, and the company shall be held harmless for injury or death to the City employees, and the City shall indemnify the company against loss or damage to its property by City employees and against liability claims and demands for personal injury or property damage asserted against the company and growing out of the gauging and sampling operation, except as such may be caused by negligence or failure of the company to maintain safe conditions as required in Article V, Section 5-8.

Section 6-4. Right of Entry To and From all Negotiated Easements.

The Manager and other duly authorized employees of the City bearing proper credentials and identification shall be permitted to enter all private properties through which the City holds a duly negotiated easement for the purposes of, but not limited to, inspection, observation, measurement, sampling, repair, and maintenance of any portion of the wastewater facilities lying within said easement. All entry and subsequent work, if any, on said easement, shall be done in full accordance with the terms of the duly negotitated easement pertaining to the private property involved.

ARTICLE VII

Amendments To and Precedence of the Sewer Use Ordinance

Section 7-1. Amendments to the Sewer Use Ordinance.
The Council shall, upon an annual basis, or as deemed necessary from time to time between annual review, review and cause to be enacted such amendments to the Sewer Use Ordinance as are necessary to bring the ordinance into compliance with applicable federal and state regulations and changes thereto. All such amendments shall clearly delineate Article and Section to be altered or expanded.

Section 7-2. Precedence of Past and Present Ordinances.
It shall be the responsibility of the Council to review and render a decision as to a precedence involving a present or past ordinance to insure compliance with applicable statutes prior to rendering said precedence. Upon resolution of the discrepancy and the precedence set an amendment to the Sewer Use Ordinance shall be enacted as stated in Article VII, Section 7-1.

Section 7-3. Precedence of the Sewer Use Ordinance and Other Codes.
Procedures shall be as outlined in Article VII, Section 7.2.

ARTICLE VIII

Conflict Clause

Section 8-1. All ordinances or parts of ordinances in conflict herewith are hereby repealed.

Section 8-2. The invalidity of any section, clause, sentence, or provision of this ordinance shall not affect the validity of any part of this ordinance which can be given effect without such invalid part or parts.

Administrative Action

This ordinance shall become effective immediately after the Public Hearing required by Chapter 16, Article 13A of the West Virginia Code and the statutory comment periods and final action of the Council of the City of Hurricane.

Raymond Peak
Mayor

Linda L Gibson
Recorder

First reading: May 2, 1988

Second reading: June 6, 1988

Effective Date: June 6, 1988

Amended Date: September 18, 1989

HURRICANE CITY COUNCIL
SPECIAL MEETING
September 18, 1989

The Hurricane City Council met in special session, September 18, 1989 at 6:30 p.m. in Council Chambers with the following members present:

Raymond Peak, Mayor
Linda Gibson, Recorder
Carl Gilfilen
Steve Sovine
Kermit McDaniel
Elmer Miller
Wanda Johnson

The purpose of the meeting was to have a hearing and second reading of a Sewer Rate Ordinance and second reading of Maximum Speed Limits Ordinance.

Mayor Peak read the ordinance amending the Sewer Rate. Following discussion,

Carl Gilfilen moved and Steve Sovine seconded that the second reading be approved. Motion carried.

Steve Sovine made a motion, seconded by Elmer Miller, that the ordinance be passed. Motion carried.

Kermit McDaniel made a motion that second reading of an ordinance amending Maximum Speed Limits be approved. Carl Gilfilen seconded the motion. Motion carried.

Steve Sovine then made a motion as to passage of the ordinance, seconded by Wanda Johnson, the ordinance passed.

Elmer Miller made a motion, seconded by Kermit McDaniel, that the meeting adjourn. Motion carried.

APPROVED BY Raymond Peak DATE 10/2/89

SUBMITTED Linda Gibson DATE 10/2/89

22B

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PUBLISHERS

PHONE 562-9881

THE HURRICANE BREEZE

THE WEEKLY NEWSPAPER FOR ALL OF PUTNAM COUNTY

BOX 336

HURRICANE, WEST VIRGINIA 25526

CERTIFICATE OF PUBLICATION

STATE OF WEST VIRGINIA,

COUNTY OF PUTNAM, To-wit:

This day personally appeared before me, a Notary Public of said County of Putnam, Irene Ambler of The Hurricane Breeze, and after being duly sworn deposes and says that the attached legal publication was duly published in The Hurricane Breeze for Two (2) consecutive issues, in its issues dated September 7 & 14, 1989.

Irene Ambler
The Hurricane Breeze

Subscribed and sworn to before me this 15th day of September, 1989.

D L Ambler Jr
Notary Public

My commission expires , 19

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
D. L. AMBLER, JR
Post Office Box [illegible]
HURRICANE, WV [illegible]
My Commission Expires [illegible]

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LEGAL ADVERTISEMENT

NOTICE

The City Council of the City of Hurricane has introduced the following ordinance regarding rates, fees, charges and delayed payment penalty charges for users of the City's sanitary sewerage system. Any person interested may appear before Council on Thursday, September 18, 1989, at 6:30 p.m., and present protests. At such public hearing all objections and suggestions shall be heard and the Council shall take such action as it shall deem proper in the premises.

* * * * * * * * * * * *

AN ORDINANCE ESTABLISHING AND FIXING RATES, FEES, CHARGES AND DELAYED PAYMENT PENALTY CHARGES FOR SERVICE, TO CUSTOMERS OF THE PUBLIC SEWERAGE SYSTEM OF THE CITY OF HURRICANE.

THE CITY COUNCIL OF THE CITY OF HURRICANE HEREBY ORDAINS: The following schedule of rates, fees, charges and delayed payment penalty charges are hereby fixed and determined as the rates, fees, charges and delayed payment penalty to be charged to customers of the public sewerage system of the City of Hurricane throughout the territory served.

SECTION 1. SCHEDULE OF RATES

APPLICABILITY

Applicable in entire area served.

AVAILABILITY OF SERVICE

Available for sanitary sewer service.

RATES (Based upon metered amount of water supplied)

First 2,000 gal./mo. - $4.65 per 1,000 gallons

All over 2,000 gal./mo. - $4.50 per 1,000 gallons

MINIMUM MONTHLY CHARGE

The minimum monthly charge to any user of the sewerage system shall be $9.30.

DELAYED PAYMENT PENALTY

A 10% penalty shall be added to all charges not paid within 20 days from the date of the billing. This delayed payment is not interest and is only to be collected once for each bill where it is appropriate.

SECTION 2. EFFECTIVE DATE

The rates, fees, charges and delayed payment penalty charges provided herein shall be effective 45 days after the enactment hereof.

SECTION 3: SEPARABILITY: REPEAL OF CONFLICTING ORDINANCES

The provisions of this Ordinance are separable, and if any clause, provision or section hereof be held void or unenforceable by any court of competent jurisdiction, such holding shall not affect the remainder of this Ordinance. All 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 resolutions, orders or parts thereof, the same shall remain in full force and effect.

SECTION 4: STATUTORY NOTICE AND PUBLIC HEARING

Upon instruction 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 Hurricane Breeze, being the only newspaper published and of general circulation in the City of Hurricane, West Virginia, and said notice shall state that this Ordinance has been introduced, and that any person interested may appear before Council on the 18th day of September, 1989, at 6:30 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.

The above Ordinance has been introduced at a meeting of Council held August 31, 1989.

s/s Linda Gibson
Recorder

9-7-2t

HURRICANE CITY COUNCIL
REGULAR MEETING
December 4, 1989

The Hurricane City Council met at 7:30 p.m. December 4, 1989, in Council Chambers with the following members present:

Raymond Peak, Mayor
Linda Gibson, Recorder
Carl Gilfilen
Wanda Johnson
Elmer Miller
Kermit McDaniel
Steve Sovine

Motion was made by Kermit McDaniel, seconded by Steve Sovine, to dispense with the reading of the minutes for the November 6, 1989, Regular Meeting. Motion carried.

Motion was made by Kermit McDaniel, seconded by Carl Gilfilen, to pay the bills as presented for the General Fund. Motion carried. Kermit McDaniel made a motion, seconded by Carl Gilfilen, to approve the bills as presented for the Coal Severance Account. Motion carried. Wanda Johnson made a motion, seconded by Carl Gilfilen, to approve the bills from Special Account. Motion carried.

Mayor Peak presented a Petition to enact an ordinance directing revenue bonds, interim construction notes of the municipality not to exceed $3,500,000 made necessary for the construction of the new sewer system addition. Mayor Peak then read a first time a new City Bond Ordinance for Sewer System Expansion. On motion of Kermit McDaniel, seconded by Carl Gilfilen, the first reading was approved. The second reading of the ordinance will be Monday, December 11, 1989 at 7:00 p.m.

Mayor Peak announced that the City Christmas Party will be December 11 at 7:30 p.m. at City Hall.

Mayor Peak presented a request from the Othir Gibson family to annex 11 acres of their property on Rt. 34 next to Hickory Mills. On motion of Kermit McDaniel, seconded by Elmer Miller, council approved the request for annexation.

The mayor said that Imelda Maurer, Ombudsman for the Commission on Aging, had contacted him about a Nursing Home on Dudding Avenue. The home is not licensed with the state, nor do they have the proper licensing for the city. On motion of Kermit McDaniel, seconded by Carl Gilfilen, the mayor was asked to write a letter to the owners giving them 60 days to comply with the necessary laws.

24A

The mayor presented a letter from CSX concerning the railroad crossing at Mill Road. CSX is installing crossbars and the city is responsible for $11,970, which is 10% of the cost and the federal government pays for the other 90 percent. Following discussion, Kermit McDaniel made a motion that the mayor send a letter to CSX advising them that the city is in favor of the improvements but there are not funds available in the 1989-90 budget and ask if we could make arrangements for future payment. Carl Gilfilen seconded the motion. Motion carried.

Jack Smith has requested permission to let heavy trucks pass on East Virginia Avenue, to a piece of property he owns on Carlisle Street. Mr. Smith has a sale pending for the property for construction of a diesel repair shop if the trucks will be allowed on the street. The property is zoned B-1. Following discussion, council asked the mayor to have a weight limit posted on the streets. On motion of Elmer Miller, seconded by Steve Sovine, the request was tabled for further investigation.

Mayor Peak presented a request from the Chairman of the Water Board to raise salaries of board members. On motion of Wanda Johnson, seconded by Kermit McDaniel, council approved a salary increase of $25.00 per month for all boards members.

Mayor Peak read a first time a Resolution for the Special Levy Election to be held on March 17, 1990. On motion of Kermit McDaniel, seconded by Wanda Johnson, first reading was approved. Second reading of the resolution will be January 8, 1990.

The mayor said that he has been approached by youth asking for a place to ride skate boards. Following discussion, the city does not have a viable solution, the youth should be asked to approach the board of education with the request.

The Mayor advised that he had received a letter from Appalachian Power Company concerning the street lights in Hickory Mills, Jefferson Park and Western Hills Subdivisions and they will start installation soon.

Councilman McDaniel reported that the poles for the new flags to be installed in front of city hall have been delivered and the city employees will set the poles and the flags will be raised.

The Mayor announced that the Christmas Parade will be December 9 at 12:00 noon and will proceed from the Middle School along Midland Trail to First Baptist Church. Council members are requested to be at the Middle School at 11:30 and ride in the parade.

Imelda Maurer, Ombudsman for the Commission on Aging appeared before council expressing concern for the patients that are residents at Moss Personal Care Home on Dudding Avenue. The mayor told her that council had discussed the situation and a letter is being sent to the owners of the home. Following discussion, Kermit McDaniel asked to amend his previous motion and give the owners 30 days to get in compliance with state and local laws. Ms. Maurer was advised that city would work with her in every way possible.

Councilman McDaniel asked if some of the street lights could be checked as he has noted that several will go out periodically and come back on as if there is a short. Ed Norris, building inspector, said that Appalachian Power is working on the problem. McDaniel also asked if the overhead bridge walkway could be repaired and was advised that cars misjudge the distance and knock the boards loose. It will be repaired again.

On motion by Elmer Miller, seconded by Steve Sovine, the meeting was adjourned.

APPROVED Raymond Beck DATE 1/8/90

APPROVED Linda L Gibson DATE 1/8/90

HURRICANE CITY COUNCIL
SPECIAL MEETING
December 11, 1989

The Hurricane City Council met in special session, December 11, 1989 at 7:00 p.m. with the following members present:

Raymond Peak, Mayor
Linda Gibson, Recorder
Carl Gilfilen
Steve Sovine
Kermit McDaniel

Also present: Ed Brown, P. E., and Vince Collins, Bond Counsel.

The special meeting was called to order by Raymond Peak, Mayor.

The Council heard the second reading of the Sewer Revenue Bonds Ordinance Series 1989 A and Series 1989 B for Interium Construction Financing for the wastewater facility expansion.

Carl Gilfilen made a motion to accept the second reading of the Ordinance. Seconded by Kermit McDaniel. Motion approved.

Mayor Peak discussed arrangements for the closing on the financing.

Public hearing was scheduled for December 27, 1989. After the hearing and adoption of the said Ordinance, the Mayor and Recorder will attend the bond closing on December 28, 1989.

Following discussion, Vince Collins advised that Hurricane request a letter from the Chairman of South Putnam Public Service District stating their intentions not to appeal to the Public Service Commission before the bond closing.

With no further business, the meeting was adjourned on motion from Kermit McDaniel, seconded by Carl Gilfilen and approved.

APPROVED Raymond Peak DATE 1/8/90

SUBMITTED Linda L Gibson DATE 1/8/90

24 B

HURRICANE CITY COUNCIL
SPECIAL MEETING
December 27, 1989

The Hurricane City Council met in special session, December 27, 1989 at 7:30 p.m. with the following members present:

Raymond Peak, Mayor
Linda Gibson, Recorder
Carl Gilfilen
Steve Sovine
Elmer Miller
Wanda Johnson

The Council heard the third reading of the Sewer Revenue Bonds Ordinance Series 1989 A and Series 1989 B for Interium Construction Financing for the wastewater facility expansion.

On motion of Carl Gilfilen, seconded by Elmer Miller, the Ordinance was passed.

Mayor Peak read a supplemental resolution authorizing the Sewer Revenue Bonds 1989 A and 1989 B.

On motion of Steve Sovine, seconded by Elmer Miller, the resolution was adopted.

Meeting was adjourned at 7:35 p.m.

APPROVED Raymond Peak DATE 1/8/90

SUBMITTED Linda L Gibson DATE 1/8/90

24 C

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

ED 11-IC

STEPTOE & JOHNSON

ATTORNEYS AT LAW

SIXTH FLOOR

UNION NATIONAL CENTER EAST

P. O. BOX 2190

CLARKSBURG, W. VA. 26302-2190

(304) 624-8000

TELECOPIER (304) 624-8183

CHARLES W. YEAGER
CARL F. STUCKY, JR.
HERBERT G. UNDERWOOD
JACKSON L. ANDERSON
OTIS L. O'CONNOR
ROBERT G. STEELE
JAMES M. WILSON
PATRICK D. DEEM
ROBERT M. STEPTOE, JR.
ANNE R. WILLIAMS
JAMES R. WATSON
JAMES D. GRAY
VINCENT A. COLLINS
JAMES A. RUSSELL
WILLIAM T. BELCHER
MICHAEL L. BRAY
DAVID C. CLOVIS
DANIEL R. SCHUDA
J. GREG GOODYKOONTZ
IRENE M. KEELEY
EVANS L. KING, JR.
WALTER L. WILLIAMS
SUSAN S. BREWER
SPRAGUE W. HAZARD
HERSCHEL H. ROSE III
RONALD H. HANLAN
C. DAVID MORRISON
HARRY P. WADDELL
CLEMENT D. CARTER III
W. HENRY LAWRENCE IV
J. ROBERT GWYNNE
WILLIAM E. GALEOTA
CHRISTOPHER P. BASTIEN
GORDON H. COPLAND

CHARLESTON OFFICE
715 CHARLESTON NATIONAL PLAZA
P. O. BOX 1588
CHARLESTON, W. VA. 25326
(304) 342-2191
TELECOPIER (304) 342-0726

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

RANDALL C. LIGHT
STEVEN P. MCGOWAN
RICHARD M. YURKO, JR.
GARY W. NICKERSON
W. RANDOLPH FIFE
MARTIN R. SMITH, JR.
LOUIS E. ENDERLE, JR.
ROBERT J. SCHIAVONI
JOSEPH R. FERRETTI
MARK E. KINLEY
MARCIA J. POLLARD
BRYAN R. COKELEY
PATRICK D. KELLY
FRANCESCA TAN
CHRISTINE S. VAGLIENTI
DAVID M. HAMMER
WILLIAM F. ROHRBAUGH
CAROLINE J. STAFFORD
MARILYN ANN VROOM
MATTHEW J. MULLANEY
BRENT O. BURTON
PAUL R. CRANSTON
JONATHAN P. JESTER
GRACE J. WIGAL

OF COUNSEL
RALPH BOHANNON

WRITER'S DIRECT DIAL NUMBER
(304)624-8161

December 28, 1989

City of Hurricane
$2,331,211 Sewer Revenue Bonds, Series 1989 A

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Internal Revenue Service
Internal Revenue Service Center
Philadelphia, Pennsylvania 19255

Gentlemen:

Enclosed herewith is a completed and executed Internal Revenue Service Form 8038-G and a file copy thereof with regard to the above-captioned bond issue. Please file the original form in the appropriate Internal Revenue Service records and return the copy marked in red as the "File Copy" to me (after acknowledging receipt of the same) in the enclosed self-addressed, stamped envelope. Thank you for your attention to this matter.

Very truly yours,

Vincent A. Collins by Francesca Tan

Vincent A. Collins

VAC/dru
Copy of letter with enclosure to:
Honorable Raymond Peak

12/20/89
HURRD.Z1
43563\87001

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Form **8038-G**
(December 1986)
Department of the Treasury
Internal Revenue Service

Information Return for Tax-Exempt Governmental Bond Issues

► Under Section 149(e)
(Use Form 8038-GC if issue price is under $100,000.)

OMB No. 1545-0720
Expires 12-31-89

Part I Reporting Authority

Check box if Amended Return ► ☐

1 Issuer's name: City of Hurricane
2 Issuer's employer identification number: 55-6000188
3 Number and street: 2801 Virginia Avenue
4 Report number: G198 9 - 1
5 City or town, state, and ZIP code: Hurricane, West Virginia 25526
6 Date of issue: December 28, 1989

Part II Type of Issue (check box(es) that applies)

7 Check box if bonds are tax or other revenue anticipation bonds ► ☐
8 Check box if bonds are in the form of a lease or installment sale ► ☐

		Issue Price
9	☐ Education	
10	☐ Health and hospital	
11	☐ Transportation	
12	☐ Public safety	
13	☒ Environment (including sewage bonds)	$2,331,211
14	☐ Housing	
15	☐ Utilities	
16	☐ Other. Describe (see instructions) ►	

Part III Description of Bonds

	(a) Maturity date	(b) Interest rate	(c) Issue price	(d) Stated redemption price at maturity	(e) Weighted average maturity	(f) Yield	(g) Net interest cost
17 Final maturity	10/1/18	7.85 %	$192,931	$192,931			
18 Entire issue			$2,331,211	$2,331,211	19.65 years	7.85%	7.85%

Part IV Uses of Original Proceeds of Issue (including underwriters' discount)

19 Proceeds used for accrued interest	19	-0-
20 Proceeds used for bond issuance costs (including underwriters' discount)	20	$ 18,000
21 Proceeds used for credit enhancement	21	-0-
22 Proceeds allocated to reasonably required reserve or replacement fund	22	$208,077
23 Proceeds used to refund prior issues	23	-0-
24 Nonrefunding proceeds of the issue (subtract lines 20, 21, 22, and 23 from line 18, column (c))	24	$2,331,211

Part V Description of Refunded Bonds (complete this part only for refunding bonds)

25 Enter the remaining weighted average maturity of the bonds to be refunded ► _____ years
26 Enter the last date on which the refunded bonds will be called ► _____
27 Enter the date(s) the refunded bonds were issued ► _____

Part VI Miscellaneous

28 Enter the amount (if any) of the state volume cap allocated to this issue ► _____
29 Arbitrage rebate:
a Check box if the small governmental unit exception to the arbitrage rebate requirement applies ☒
b Check box if the 6-month temporary investment exception to the arbitrage rebate requirement is expected to apply ☐
c Check box if you expect to earn and rebate arbitrage profits to the U.S. ☐
30 Enter the amount of the bonds designated by the issuer under section 265(b)(3)(B)(ii) ► _____
31 Pooled financings:
a Check box if any of the proceeds of this issue are to be used to make loans to other governmental units ► ☐ and enter the amount ► _____
b Check box if this issue is a loan made from the proceeds of another tax-exempt issue ► ☐ and enter the name of the issuer ► West Virginia Water Development Authority and the date of the issue ► 12/27/89

Please Sign Here

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief they are true, correct, and complete.

Raymond Peck — Signature of officer
December 28, 1989 — Date
Mayor — Title

For Paperwork Reduction Act Notice, see page 1 of the Instructions.

WV MUNICIPAL BOND COMMISSION
Suite 337 Building 3
1800 Washington St. E
State Capitol Complex
Charleston, WV 25305
(304) 348-3971

NEW ISSUE REPORT FORM

Date of Report: December 28, 1989

(See Reverse for Instructions)

ISSUE: City of Hurricane Sewer Revenue Bonds, Series 1989A

ADDRESS: 2801 Virginia Avenue, Hurricane, WV 25526 COUNTY: Putnam

PURPOSE OF ISSUE: New Money X Refunding ____ Refunds issue(s) dated: ____

ISSUE DATE: December 28, 1989 CLOSING DATE: December 28, 1989

ISSUE AMOUNT: $ 2,331,211 RATE: 7.85%

1st DEBT SERVICE DUE: 4/1/90 1st PRINCIPAL DUE: 10/1/91

1st DEBT SERVICE AMOUNT: $69,388 PAYING AGENT: One Valley Bank, N.A.

ISSUERS

BOND COUNSEL: Steptoe & Johnson

Contact Person: Vincent A.Collins, Esq.

Phone: 624-8161

CLOSING BANK: Putnam County Bank

Contact Person: Jack Wilson

Phone: 562-9931

KNOWLEDGEABLE ISSUER CONTACT

Contact Person: Raymond Peak

Position: Mayor

Phone: 562-5896

UNDERWRITERS

BOND COUNSEL: Jackson & Kelly

Contact Person: Samme Gee, Esq.

Phone: 340-1318

ESCROW TRUSTEE: ____

Contact Person: ____

Phone: ____

OTHER: ____

Contact Person: ____

Function: ____

Phone: ____

DEPOSITS TO MBC AT CLOSE:

By ____ Wire
X Check

____ Accrued Interest: $ ____
X Capitalized Interest: $ 101,080
X Reserve Account: $ 208,077
____ 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: ____

26A

WV MUNICIPAL BOND C MISSION
Suite 337 Building 3
1800 Washington St. E
State Capitol Complex
Charleston, WV 25305
(304) 348-3971

NEW ISSUE REPORT FORM

Date of Report: December 28, 1989

(See Reverse for Instructions)

ISSUE: City of Hurricane Sewer Revenue Bonds, Series 1989B

ADDRESS: 2801 Virginia Ave., Hurricane, WV 25526 COUNTY: Putnam

PURPOSE OF ISSUE: New Money X Refunding ____ Refunds issue(s) dated: ____

ISSUE DATE: December 28, 1989 CLOSING DATE: December 28, 1989

ISSUE AMOUNT: $ 108,789 RATE: 0%

1st DEBT SERVICE DUE: 10/1/91 1st PRINCIPAL DUE: 10/1/91

1st DEBT SERVICE AMOUNT: $3,886 PAYING AGENT: ____

ISSUERS

BOND COUNSEL: Steptoe & Johnson

Contact Person: Vincent A. Collins, Esq.

Phone: 624-8161

CLOSING BANK: Putnam County Bank

Contact Person: Jack Wilson

Phone: 562-9931

KNOWLEDGEABLE ISSUER CONTACT

Contact Person: Raymond Peak

Position: Mayor

Phone: 562-5896

UNDERWRITERS

BOND COUNSEL: Jackson & Kelly

Contact Person: Samme Gee, Esq.

Phone: 340-1318

ESCROW TRUSTEE: ____

Contact Person: ____

Phone: ____

OTHER: ____

Contact Person: ____

Function: ____

Phone: ____

DEPOSITS TO MBC AT CLOSE:

By ____ Wire
X Check

____ Accrued Interest: $ ____
____ Capitalized Interest: $ ____
X Reserve Account: $ 3,886
____ 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: ____

26B

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

ED 11-2C

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION III
841 Chestnut Building
Philadelphia, Pennsylvania 19107

CERTIFIED MAIL

RE: C-540170-02
Hurricane, City of

SEP 27 1988

Honorable Raymond Peak
Mayor, City of Hurricane
2801 Virginia Avenue
Hurricane, West Virginia 25526

Dear Mayor Peak:

We are pleased to inform you of the award of a Step II/III Federal grant for the preparation of construction drawings and specifications, and construction of wastewater treatment works for the referenced project, as described in your application and approved by the West Virginia Department of Natural Resources.

The grant award is for an amount not to exceed $4,774,950 and is subject to the conditions set forth in Part III of the Assistance Agreement.

Copies of the applicable Federal Regulations are forwarded for your reference.

The original and a copy of the Assistance Agreement are enclosed. The original copy of the Agreement should be signed and returned to Mrs. Catherine A. Mastropieri, Chief, Grants Management Branch, within twenty-one days of your receipt. The copy should also be signed and retained for your files.

Sincerely,

Robert J. Matthews, Deputy
for Alvin R. Morris, Director
Water Management Division

Enclosures (2)

cc: Mr. Mike Johnson, WVDNR
Mr. Edgar Henry, WDA
Rude & Associates

27A

U.S. ENVIRONMENTAL PROTECTION AGENCY
EPA ASSISTANCE AGREEMENT/~~AMENDMENT~~
PART I - ASSISTANCE NOTIFICATION INFORMATION

1. ASSISTANCE ID NO.: C-5[illegible]170-02-0
2. LOG NUMBER: Three - C
3. DATE OF AWARD: SEP 30 1988
4. MAILING DATE: SEP 27 1988

5. AGREEMENT TYPE
- Cooperative Agreement: [ ]
- Grant Agreement: [X]
- Assistance Amendment: [ ]

6. PAYMENT METHOD: [ ] Advance [X] Reimbursement [ ] Letter of Credit
Send Payment Request To: WVDNR Construction Grants Branch

7. TYPE OF ACTION: Continuation

RECIPIENT ORGANIZATION

8. RECIPIENT
City of Hurricane
2801 Virginia Avenue
Hurricane, West Virginia 25526

9. PAYEE
City of Hurricane
2801 Virginia Avenue
Hurricane, West Virginia 25526

EIN NO.:

CONGRESSIONAL DISTRICT: 3rd

10. RECIPIENT TYPE: City

11. PROJECT MANAGER AND TELEPHONE NO.
Raymond Peak, Mayor
(304) 757-6751

12. CONSULTANT *(WWT Construction Grants Only)*
Rude & Associates, Incorporated
P. O. Box 8717
South Charleston, West Virginia 25303
(304) 744-1305

EPA CONTACT

13. ISSUING OFFICE *(City/State)*
Philadelphia, Pennsylvania

14. EPA PROJECT/STATE OFFICER AND TELEPHONE NO.
R. Fenton Roudabush, Chief
Southwest Projects Section
(215) 597-9131

15. EPA CONGRESSIONAL LIAISON & TEL. NO.: Patricia Gaskins (202) 382-5184

16. STATE APPL ID *(Clearinghouse)*:

17. FIELD OF SCIENCE: N/A

18. PROJECT STEP *(WWT CG Only)*: II/III

19. STATUTORY AUTHORITY: Clean Water Act, Title II

20. REGULATORY AUTHORITY: 40 CFR Parts 30 & 35

21. STEP 2 + 3 & STEP 3 *(WWT Construction Only)*

a. Treatment Level	5	
b. Project Type	ICT	
c. Treatment Process	F	
d. Sludge Design	5	

22. PROJECT TITLE AND DESCRIPTION
Expansion of the present wastewater treatment plant from 1.5 MGD to 3.0 MGD and provide advanced treatment. The eligible project includes allowable associated costs as defined in 40 CFR 35.2250 up the amounts shown in Part II of the Assistance Agreement.

23. PROJECT LOCATION *(Areas Impacted by Project)*

City/Place	County	State	Congressional District
Hurricane	Putnam	WV	3rd

24. ASSISTANCE PROGRAM *(CFDA Program No. & Title)*: 66.418

25. PROJECT PERIOD: 09/88 - 09/91

26. BUDGET PERIOD: N/A

27. COMMUNITY POPULATION *(WWT CG Only)*: 33,333

28. TOTAL BUDGET PERIOD COST: N/A

29. TOTAL PROJECT PERIOD COST: 6,366,600

FUNDS	FORMER AWARD	THIS ACTION	AMENDED TOTAL
30. EPA Amount This Action		4,774,950	
31. EPA In-Kind Amount			
32. Unexpended Prior Year Balance			
33. Other Federal Funds			
34. Recipient Contribution			
35. State Contribution			
36. Local Contribution			
37. Other Contribution			
38. Allowable Project Cost		6,366,600	

39. FISCAL

Program Element	FY	Appropriation	Doc. Control No.	Account Number	Object Class	Obligation/Deoblig. Amount
GDJW80	81-R	68X0103.D	W81C02	DGDJO36006	41.11	$ 82,815
GHHW80	82-R	68X0103.E	W82C03	DGHHO36006	41.11	70,025
GRAW80	86-R	68X0103.J	W86C04	DGRAO36006	41.11	65,300
GTAW80	88	68X0103.L	W88017	8GTAO36006	41.11	4,556,810

PART II–APPROVED BUDGET

ASSISTANCE IDENTIFICATION NO. C-540170-02-0

TABLE A – OBJECT CLASS CATEGORY (Non–construction)	TOTAL APPROVED ALLOWABLE BUDGET PERIOD COST
1. PERSONNEL	
2. FRINGE BENEFITS	
3. TRAVEL	
4. EQUIPMENT	
5. SUPPLIES	
6. CONTRACTUAL	
7. CONSTRUCTION	
8. OTHER	
9. TOTAL DIRECT CHARGES	
10. INDIRECT COSTS: RATE % BASE	
11. TOTAL (Share: Recipient ____ %. Federal ____ %.)	
12. TOTAL APPROVED ASSISTANCE AMOUNT	$ N/A
TABLE B – PROGRAM ELEMENT CLASSIFICATION (Non–construction)	
1.	
2.	
3.	
4.	
5.	
6.	
7.	
8.	
9.	
10.	
11.	
12. TOTAL (Share: Recipient ____ %. Federal ____ %.)	
13. TOTAL APPROVED ASSISTANCE AMOUNT	$ N/A
TABLE C – PROGRAM ELEMENT CLASSIFICATION (Construction)	Basic (75%)
1. ADMINISTRATION EXPENSE	
2. ~~XXXXXXXXXXXXXXXX~~ Legal & Fiscal	30,000
3. LAND STRUCTURES, RIGHT-OF-WAY	1,000
4. ARCHITECTURAL ENGINEERING BASIC FEES	
5. OTHER ARCHITECTURAL ENGINEERING FEES	192,011
6. PROJECT INSPECTION FEES	42,601
7. LAND DEVELOPMENT	122,300
8. RELOCATION EXPENSES	
9. RELOCATION PAYMENTS TO INDIVIDUALS AND BUSINESSES	
10. DEMOLITION AND REMOVAL	
11. CONSTRUCTION AND PROJECT IMPROVEMENT	
12. EQUIPMENT	5,185,000
13. ~~XXXXXXXXXXXX~~ Design Allowance	
14. TOTAL (Lines 1 thru 13)	275,272
15. ESTIMATED INCOME (If applicable)	
16. NET PROJECT AMOUNT (Line 14 minus 15)	
17. LESS: INELIGIBLE EXCLUSIONS	
18. ADD: CONTINGENCIES	518,416
19. TOTAL (Share: Recipient 25.0 %. Federal 75.0 %.)	6,366,600
20. TOTAL APPROVED ASSISTANCE AMOUNT	$ 4,774,950

EPA Form 5700–20A (Rev. 5-82)

a. GENERAL CONDITIONS

The recipient covenants and agrees that it will expeditiously initiate and timely complete the project work for which assistance has been awarded under this agreement, in accordance with all applicable provisions of 40 CFR Chapter I, Subpart B. The recipient warrants, represents, and agrees that it, and its contractors, subcontractors, employees and representatives, will comply with: (1) all applicable provisions of 40 CFR Chapter I, Subchapter B, INCLUDING BUT NOT LIMITED TO the provisions of Appendix A to 40 CFR Part 30, and (2) any special conditions set forth in this assistance agreement or any assistance amendment pursuant to 40 CFR 30.425.

b. SPECIAL CONDITIONS

(For cooperative agreements include identification or summarization of EPA responsibilities that reflect or contribute to substantial involvement.)

A. The grantee is subject to all the requirements of 40 CFR Part 35, Subpart I, Part 30, Part 33 and other pertinent regulations. The grantee is directed to certain following special considerations of those requirements.

"1. Regulations Affecting Federal Grant Payments

(a) Payments shall not be made for Step III professional services until the grantee complies with the procurement requirements of 40 CFR Part 33, Subpart A.

(b) Payments shall be made in accordance with 40 CFR 35.2300.

2. Project Schedule

EPA's policy requires that projects be initiated, constructed, and placed in operation in a timely manner. For that reason, the schedule shown below, which was developed in conjunction with your grant application, is included as a special condition. The grantee is expected to take all appropriate actions to ensure that this schedule is maintained.

In the event that the project is delayed for reasons beyond the control of the grantee, this schedule may be revised. If the delay arises from mismanagement and could otherwise have been avoided, the schedule will not be revised, in which case EPA will be compelled to determine if ineligible incremental costs have been incurred as a result.

3. Project Initiation (40 CFR 35.2212)

Construction is expected to be initiated on the following schedule.

Failure of the grantee to initiate construction of all major contracts within 12 months of approval of plans and specifications will result in disallowance of incremental costs in accordance with 40 CFR 35.2212, "Project Initiation".

	DATE		
Plans and Specifications approval	01/89		
Bid Advertisement	04/89		
Construction Contract Award	07/89		
Construction Start (NTP)	07/89		

4. Grant Payment Milestones (40 CFR 35.2206)

Grant payments cannot exceed 50% of the Federal share unless the grantee has furnished a satisfactory final plan of operation, and cannot exceed 90% unless the grantee has furnished a satisfactory Operations and Maintenance Manual. The following dates represent an estimate of the timing of those payments.

Final Plan of Operation Approval	02/90
Operation and Maintenance Manual Approval	09/90

5. Sewer Use Ordinance and User Charge System (40 CFR 35.2208)

The sewer use ordinance must be adopted, and the user charge system implemented, before the system is placed in operation. The following dates represent an estimate of that operational date.

Sewer Use Ordinance Adoption	05/77
User Charge System Implementation	10/90

6. Notice of Building Completion (40 CFR 35.2216)

Grantee agrees to notify the State when construction is completed and also agrees to submit a preliminary final payment request on schedule.

Grantee's request to State for final physical inspection	11/90
Preliminary Final Payment Request	11/90

7. Project Performance (40 CFR 35.2218)

Federal Regulations place special emphasis on the performance of the project. It is vitally important that the facility performs as designed and on schedule. The grantee, therefore, agrees to initiate operation and certify performance by the dates below. It is likewise important that the final Federal share of the project be determined at the earliest possible date. The grantee, therefore, agrees to submit its request for final payment in accordance with this schedule.

Initiation of Operation	09/90
Project Performance Certification	09/91
Final Payment Request	09/91

8. Subagreements and Contracts

(a) The grantee agrees to negotiate a subagreement and contract for all services to be awarded under this grant. Such subagreements and contracts shall be in conformance with and incorporate the required clauses of 40 CFR Part 33.

(b) A copy of the proposed subagreements and contracts shall be submitted to the Regional Administrator for review and pre-award approval as appropriate under 40 CFR Part 33. The submittal of the proposed subagreements and contracts shall include the procurement records required in Appendix A to 40 CFR Part 33.

(c) The grantee shall submit to the Regional Administrator the proposed subagreement and contract cost or price data on EPA Form 5700-41 or on a form which contains similar information.

9. Flood Insurance

The grantee agrees to acquire and maintain at his own cost any flood insurance made available to it under the National Flood Insurance Act of 1968, as amended. This condition shall not be applicable if, on the date of execution of this Grant Agreement by both parties, flood insurance was not available pursuant to the Flood Insurance Act of 1968, as amended, for property in the project location.

10. Land Acquisition

The grantee shall not make any offer to acquire allowable real property until the Regional Administrator approves the price the grantee will offer the property owner (40 CFR 35.2210).

11. Review

The grantee recognizes that approval of any part of this grant, change orders, grant increase amendments, subagreements, any specific items, or eligibility of any other costs will be subject to final review, including project officer review, audit review, and final determination of the Grant Approving official.

12. Advertisement for Bids

Prior to the advertisement for construction bids, the grantee agrees to submit to the Regional Administrator for approval the following:

A draft plan of operation (40 CFR 35.2106); and

Final design drawings and specifications (40 CFR 35.2040 (b)(5)).

13. MBE/WBE Requirements

The recipient agrees to submit to the Chief, Construction Grants Branch, ATTN: EEO Specialist, EPA, Region III, a completed Standard Form-334 within 30 days after the date the recipient begins building the project (see 40 CFR 35.2202). This Standard Form-334 will contain the information on subagreement awards to minority and women's businesses during the design phase of the project. The recipient agrees to submit to the Chief, Construction Grants Branch, ATTN: EEO Specialist, EPA, Region III, a completed Standard Form-334 within 30 days after the end of each Federal fiscal quarter during which the recipient or its contractors award any subagreements for building and building-related services and supplies.

14. Public Participation

Additional public participation is required to inform prospective users of the expected costs and rates. The grantee shall submit to the DNR project officer, within 2 months, a plan/schedule for conducting the additional public participation.

15. EPA's National Municipal Policy

Nothing in this grant agreement shall be construed to excuse the grantee from meeting the requirements of the National Municipal Policy and the enforceable requirements of the Clean Water Act, as amended.

The schedule for completion of this project will be revised as needed to correspond to any schedule approved in the context of an enforcement action.

16. Eligibility Agreement

The grantee and the Environmental Protection Agency agree, pursuant to section 203(a)(2) of the Clean Water Act, that only those items specified in the project description (scope) portion of the grant agreement are eligible for Federal participation in accordance with 40 CFR Part 35.2250 (determination of allowable costs).

17. Notice to Proceed

The grantee shall issue the notice to proceed on the design phase of this project no later than sixty days after acceptance of this grant. Upon issue of the notice, the grantee shall also advise DNR of this action.

Notice to Proceed 11/88 "

PART IV

NOTE: The Agreement must be completed in duplicate and the Original returned to the Grants Administration Division for Headquarters awards and to the appropriate Grants Administrations Office for State and local awards within 3 calendar weeks after receipt or within any extension of time as may be granted by EPA.

Receipt of a written refusal or failure to return the properly executed document within the prescribed time, may result in the withdrawal of the offer by the Agency. Any change to the Agreement by the recipient subsequent to the document being signed by the EPA Award Official which the Award Official determines to materially alter the Agreement shall void the Agreement.

OFFER AND ACCEPTANCE

The United States of America, acting by and through the U.S. Environmental Protection Agency (EPA), hereby offers assistance/~~amendment~~ to the City of Hurricane (RECIPIENT ORGANIZATION) for 75 % of all approved costs incurred up to and not exceeding $ 4,774,950 (ASSISTANCE AMOUNT) for the support of approved budget period effort described in application *(including all application modifications)* C-540170-02 City of Hurricane (DATE AND TITLE) included herein by reference.

ISSUING OFFICE *(Grants Administration Office)*	AWARD APPROVAL OFFICE
ORGANIZATION/ADDRESS Environmental Protection Agency Grants Management Branch (3PM70) 841 Chestnut Building Philadelphia, Pennsylvania 19107	ORGANIZATION/ADDRESS Environmental Protection Agency Water Management Division (3WMOO) 841 Chestnut Building Philadelphia, Pennsylvania 19107

THE UNITED STATES OF AMERICA BY THE U.S. ENVIRONMENTAL PROTECTION AGENCY

SIGNATURE OF AWARD OFFICIAL	TYPED NAME AND TITLE	DATE
	James M. Seif, Regional Administrator	SEP 2 7 1993

This Agreement is subject to applicable U.S. Environmental Protection Agency statutory provisions and assistance regulations. In accepting this award or amendment and any payments made pursuant thereto, (1) the undersigned represents that he is duly authorized to act on behalf of the recipient organization, and (2, the recipient agrees (a) that the award is subject to the applicable provisions of 40 CFR Chapter I, Subchapter B and of the provisions of this agreement (Parts 1 thru IV), and (b) that acceptance of any payments constitutes an agreement by the payee that the amounts, if any found by EPA to have been overpaid will be refunded or credited in full to EPA.

BY AND ON BEHALF OF THE DESIGNATED RECIPIENT ORGANIZATION

SIGNATURE	TYPED NAME AND TITLE	DATE
Raymond Peck		

EPA Form 5700-20A (Rev. 5-82)

STATE OF WEST VIRGINIA
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF WATER RESOURCES
1201 Greenbrier Street
Charleston, West Virginia 25311

GASTON CAPERTON
Governor

J. EDWARD HAMRICK III
Director

LARRY W. GEORGE
Deputy Director

November 6, 1989

Mrs. Catherine A. Mastropieri, Acting Chief
Grants & Audit Management Branch (3PM70)
Environmental Protection Agency
Region III
841 Chestnut Building
Philadelphia, Pennsylvania 19107

RE: City of Hurricane
C-540170-02

Dear Mrs. Mastropieri:

Transmitted are the Part B documents for Contract 1 of the referenced project. The State approves the bidding procedures and the request for grant increase in the amount of $231,670 reflecting a revised federal grant of $5,006,620. The total eligible project cost is now $6,675,500.

Should you have any questions, please contact Rosalie Ortega of my staff at (304) 348-0637.

Sincerely,

CONSTRUCTION GRANTS BRANCH

Mike Johnson

Mike Johnson, P. E.
Branch Head

MJ/jra

Enclosures

cc: City of Hurricane
Shaw, Weiss and DeNaples
Bernie Yonkosky, WDA
Howard Cunningham, PSC

27B

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

LD 11-20

STATE OF WEST VIRGINIA
DEPARTMENT OF NATURAL RESOURCES
CHARLESTON 25305

GASTON CAPERTON
Governor

J. EDWARD HAMRICK III
Director

LARRY W. GEORGE
Deputy Director

October 11, 1989

Mr. Douglas Peak
City Superintendent
City of Hurricane
P. O. Box 186
Hurricane, WV 25526

CERTIFIED RETURN RECEIPT REQUESTED

Re: WV/NPDES Permit No. WV0028151
Letter of Addendum

Dear Mr. Peak:

This letter serves as Modification No. 1 of your existing WV/NPDES Water Pollution Control Permit No. WV0028151, issued the 13th day of January 1986.

After review and consideration of the plans, specifications and reports and your Permit Modification Application No. WV0028151-A, dated the 25th day of May 1989, the subject permit is hereby modified to construct, install, operate and maintain a 3.0 MGD vertical loop reactor wastewater treatment plant comprised of a mechanically cleaned bar screen, grit removal facilities, two(2) 1.5 MGD reactor chambers with each chamber being subdivided into three(3), two(2) clarifiers with a surface area of 1,964 square feet each, ultraviolet disinfection facilities, cascade post aeration facilities, conversion of the two(2) existing clarifiers to two(2) sludge holding tanks with a volume of 220,000 gallons each, two(2) sludge dewatering belt presses, conversion of the existing oxidation ditch to a flow equalization facility and all requisite appurtenances and to construct, install, operate and maintain approximately 855 linear feet of eight(8) inch diameter gravity sewer line, four(4) manholes and all requisite appurtenances.

The facilities are designed to serve a population of approximately 33,333 persons in the City of Hurricane and South Putnam Public Service District and discharge treated wastewater to Hurricane Creek approximately 10.8 miles from its mouth of the Kanawha River. The discharge point will be located at a latitude of 38°26' 47" N and a longitude of 82°00' 30" W.

The wastewater treatment facilities are to be constructed in accordance with plans, specifications and reports approved on the 24th day of April 1989 and further described as follows:

28

Prepared By: Shaw, Weiss & DeNaples;
14 W. First Street;
Dayton, Ohio 45402
Title: City of Hurricane; Wastewater System Improvements; EPA Project No. C-540170

We are attaching revised page numbers 2 of 16, 2A of 16 and 15 of 16 along with revised discharge monitoring reports. These materials should be incorporated into your existing permit.

All other terms and conditions of the subject permit remain in effect and unchanged.

Sincerely,

Laidley E. McCoy

Laidley Eli McCoy, Ph. D.
Chief

LEM:jml

Enclosures

Summer Limitations (May 1 through October 31)

A. DISCHARGE LIMITATIONS AND MONITORING REQUIREMENTS

During the period beginning with plant start-up and lasting through midnight, January 12, 1991
the permittee is authorized to discharge from outlet number(s) 001-Discharge from sewage treatment facilities

Such discharges shall be limited and monitored by the permittee as specified below:

Effluent Characteristic	Discharge Limitations (Quantity) lbs/day Avg. Monthly	Discharge Limitations (Quantity) lbs/day Max. Daily	Discharge Limitations Other Units (Specify) Avg. Monthly	Discharge Limitations Other Units (Specify) Max. Daily	Monitoring Requirements Measurement Frequency	Monitoring Requirements Sample Type
Flow			3.0 MGD		Continuous	Measured
Biochemical Oxygen Demand (5-Day)	250.2	500.4	10.0 mg/l	20.0 mg/l	Twice/Week	8 hr. composite
Total Suspended Solids	750.6	1,501.2	30.0 mg/l	60.0 mg/l	Twice/Week	8 hr. composite
Ammonia Nitrogen (NH_3-N)	50.0	100.1	2.0 mg/l	4.0 mg/l	Twice/Week	8 hr. composite
Fecal Coliform			200 counts/100 ml	400 counts/100 ml	Twice/Week	Grab
Dissolved Oxygen		Not less than 7.0 mg/l at any given time			Twice/Week	Grab

The ph shall not be less than 6.0 standard units and not greater than 9.0 standards units and shall be monitored twice/week by grab sampling.

Samples taken in compliance with the monitoring requirements specified above shall be taken at the following location(s): Effluent BOD_5 samples shall be collected at a location immediately preceding disinfection. Other effluent samples shall be collected at or as near as possible to the point of discharge.

This discharge shall not cause violation of Series I, Section 3 of the West Virginia Legislative Rules issued pursuant to Chapter 20, Article 5A.

Winter Limitations (November 1 through April 30)

A. DISCHARGE LIMITATIONS AND MONITORING REQUIREMENTS

During the period beginning with plant start-up and lasting through midnight, January 12, 1991 the permittee is authorized to discharge from outlet number(s) 001-Discharge from sewage treatment facilities

Such discharges shall be limited and monitored by the permittee as specified below:

Effluent Characteristic	Discharge Limitations: (Quantity) lbs/day Avg. Monthly	Discharge Limitations: (Quantity) lbs/day Max. Daily	Discharge Limitations: Other Units (Specify) Avg. Monthly	Discharge Limitations: Other Units (Specify) Max. Daily	Monitoring Requirements: Measurement Frequency	Monitoring Requirements: Sample Type
Flow			3.0 MGD		Continuous	Measured
Biochemical Oxygen Demand (5-Day)	500.4	1,000.8	20.0 mg/l	40.0 mg/l	Twice/Week	8 hr. composite
Total Suspended Solids	750.6	1,501.2	30.0 mg/l	60.0 mg/l	Twice/Week	8 hr. composite
Ammonia Nitrogen (NH_3-N)	100.1	200.2	4.0 mg/l	8.0 mg/l	Twice/Week	8 hr. composite
Fecal Coliform			200 counts/100 ml	400 counts/100 ml	Twice/Week	Grab
Dissolved Oxygen		Not less than 6.0 mg/l at any given time			Twice/Week	Grab

The ph shall not be less than 6.0 standard units and not greater than 9.0 standards units and shall be monitored twice/week by grab sampling.

Samples taken in compliance with the monitoring requirements specified above shall be taken at the following location(s): Effluent BOD_5 samples shall be collected at a location immediately preceding disinfection. Other effluent samples shall be collected at or as near as possible to the point of discharge.

This discharge shall not cause violation of Series I, Section 3 of the West Virginia Legislative Rules issued pursuant to Chapter 20, Article 5A.

G. OTHER REQUIREMENTS

1. The herein-described treatment works, structures, electrical and mechanical equipment shall be adequately protected from physical damage by the maximum expected on hundred (100) year flood level and operability be maintained during the twenty-five (25) year flood level.

2. The entire sewage treatment facility shall be adequately protected by fencing.

3. Continuous maintenance and operation of the listed sewage treatment facility shall be performed by or supervised by a certified operator possessing at least a class IV certificate for Waste Water Treatment Plant Operators, issued by the State of West Virginia.

4. An instantaneous flow from the sewage disposal system shall not exceed the peak design flow at any given time.

5. The arithmetic mean of values for effluent samples collected in a period of seven (7) consecutive days shall not exceed the following:

	Concentration (7 Consecutive Day Average)	
Parameter	Summer	Winter
BOD_5	15 mg/l	30 mg/l
TSS	45 mg/l	45 mg/l
NH_3-N	3 mg/l	6 mg/l

WRD 2A-82
Revised 3-89

SUMMER LIMITATIONS (MAY 1 through OCTOBER 31)

STATE OF WEST VIRGINIA
NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM
DISCHARGE MONITORING REPORT

FACILITY NAME Hurricane, City of

LOCATION OF FACILITY Hurricane, Putnam County

PERMIT NUMBER WV0028151 OUTLET NO. 001

WASTELOAD FOR MONTH OF _____ 19 ____

COMMERCIAL LABORATORY NAME _____

COMMERCIAL LABORATORY ADDRESS _____

INDIVIDUAL PERFORMING ANALYSES _____

Parameter		Quantity					Other Units					Measurement Frequency	Sample Type
		Minimum	Avg. Monthly	Max. Daily	Units	N.E.	Minimum	Avg. Monthly	Max. Daily	Units	N.E.		
Flow, in Conduit or thru trmt. plant 50050	Reported	****	****	****	****								
	Permit Limitation	****	****	****	****		N/A	3.0	N/A	MGD		Continuous	Measured
BOD, 5-Day (20 Deg. C) 00310	Reported												
	Permit Limitation	N/A	250.2	500.4	lbs/day		N/A	10.0	20.0	mg/l		Twice/Week	8 hour composite
Solids, Total Suspended 00530	Reported												
	Permit Limitation	N/A	750.6	1,501.2	lbs/day		N/A	30.0	60.0	mg/l		Twice/Week	8 hour composite
Ammonia Nitrogen 00610 (NH_3-N)	Reported												
	Permit Limitation	N/A	50.0	100.1	lbs/day		N/A	2.0	4.0	mg/l		Twice/Week	8 hour composite
Coliform, Fecal General 74055	Reported	MF	- -	MPN									
	Permit Limitation	Circle	Method	Used			N/A	200	400	counts/100 ml		Twice/Week	Grab
pH 00400	Reported	****	****	****	****					Std. Units			
	Permit Limitation	****	****	****	****		6.0	N/A	9.0			Twice/Week	Grab
Oxygen, Dissolved 00300	Reported	****	****	****	****								
	Permit Limitation	****	****	****	****		7.0	N/A	N/A	mg/l		Twice/Week	Grab

Name of Principal Exec. Officer

Title of Officer

I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations.

Date Completed

Signature of Principal Exec. Officer or Authorized Agent

WRD 2A-82
Revised 3-89

WINTER LIMITATIONS (NOVEMBER 1 through APRIL 30)
STATE OF WEST VIRGINIA
NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM
DISCHARGE MONITORING REPORT

FACILITY NAME Hurricane, City of

LOCATION OF FACILITY Hurricane, Putnam County

PERMIT NUMBER WV0028151 OUTLET NO. 001

WASTELOAD FOR MONTH OF _____ 19 ____

COMMERCIAL LABORATORY NAME _____

COMMERCIAL LABORATORY ADDRESS _____

INDIVIDUAL PERFORMING ANALYSES _____

Parameter		Quantity					Other Units					Measurement	Sample
		Minimum	Avg. Monthly	Max. Daily	Units	N.E.	Minimum	Avg. Monthly	Max. Daily	Units	N.E.	Frequency	Type
Flow, in Conduit or thru trmt. plant 50050	Reported	****	****	****	****								
	Permit Limitation	****	****	****	****		N/A	3.0	N/A	MGD		Continuous	Measured
BOD, 5-Day (20 Deg. C) 00310	Reported												
	Permit Limitation	N/A	500.4	1,000.8	lbs/day		N/A	20.0	40.0	mg/l		Twice/Week	8 hour composite
Solids, Total Suspended 00530	Reported												
	Permit Limitation	N/A	750.6	1,501.2	lbs/day		N/A	30.0	60.0	mg/l		Twice/Week	8 hour composite
Ammonia Nitrogen 00610 (NH_3-N)	Reported												
	Permit Limitation	N/A	100.1	200.2	lbs/day		N/A	4.0	8.0	mg/l		Twice/Week	8 hour composite
Coliform, Fecal General 74055	Reported	MF	- -	MPN									
	Permit Limitation	Circle	Method	Used			N/A	200	400	counts/100 ml		Twice/Week	Grab
pH 00400	Reported	****	****	****	****					Std. Units			
	Permit Limitation	****	****	****	****		6.0	N/A	9.0			Twice/Week	Grab
Oxygen, Dissolved 00300	Reported	****	****	****	****								
	Permit Limitation	****	****	****	****		6.0	N/A	N/A	mg/l		Twice/Week	Grab

Name of Principal Exec. Officer

Title of Officer

I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations.

Date Completed

Signature of Principal Exec. Officer or Authorized Agent

ALL STATE LEGAL SUPPLY CO. ONE COMMERCE DRIVE CRANFORD N.J. 07016

ED 11-2C

CITY OF HURRICANE

Sewer Revenue Bonds,
Series 1989 A and Series 1989 B

ACCEPTANCE OF DUTIES OF REGISTRAR

ONE VALLEY BANK, NATIONAL ASSOCIATION, a national banking association with its principal office in the City of Charleston, West Virginia, hereby accepts appointment as Registrar in connection with the City of Hurricane Sewer Revenue Bonds, Series 1989 A and Series 1989 B, all dated December 28, 1989, in the aggregate principal amount of $2,440,000 (collectively, the "Bonds") and agrees to perform all duties of Registrar in connection with such Bonds, all as set forth in the Local Act authorizing issuance of the Bonds.

Dated this 28th day of December, 1989.

ONE VALLEY BANK, NATIONAL ASSOCIATION

By Charlotte S. Morgan
Its Corporate Trust Administrative Officer

12/13/89
HURRS.R1
43563/88001

CITY OF HURRICANE

Sewer Revenue Bonds,
Series 1989 A and Series 1989 B

ACCEPTANCE OF DUTIES OF DEPOSITORY BANK

Putnam County Bank, a state banking association, with principal office in the City of Hurricane, West Virginia, hereby accepts appointment as Depository Bank in connection with a Bond Ordinance of the City of Hurricane, enacted December 27, 1989, authorizing issuance of the City's Sewer Revenue Bonds, Series 1989 A and Series 1989 B, both dated December 28, 1989, in the aggregate principal amount of $2,440,000 (collectively, the "Bonds") and agrees to perform all duties of Depository Bank in connection with such Bonds, all as set forth in said Ordinance.

Dated this 28th day of December, 1989.

PUTNAM COUNTY BANK

By J. R. Wilson

Its President

12/19/89
HURRS.S1
43563/88001

CITY OF HURRICANE

Sewer Revenue Bonds,
Series 1989 A and Series 1989 B

CERTIFICATE OF REGISTRATION OF BONDS

I, CHARLOTTE S. MORGAN, Corporate Trust Administrative Officer of ONE VALLEY BANK, NATIONAL ASSOCIATION, as Registrar under the Local Act and Registrar's Agreement providing for the $2,440,000 aggregate principal amount of Sewer Revenue Bonds, Series 1989 A and Series 1989 B, of the City of Hurricane (the "Issuer"), hereby certify that on the 28th day of December, 1989, the single fully registered Series 1989 A Bond of the Issuer in the principal amount of $2,331,211 designated "Sewer Revenue Bond, Series 1989 A," numbered AR-1, and the single fully registered Series 1989 B Bond of the Issuer in the principal amount of $108,789 designated "Sewer Revenue Bond, Series 1989 B," numbered BR-1, were registered as to principal and interest (the Series 1989 B Bond being registered as to principal only) in the name of "West Virginia Water Development Authority" in the books of the Issuer kept for that purpose at our office, by a duly authorized officer on behalf of the One Valley Bank, National Association, as Registrar.

WITNESS my signature as of this 28th day of December, 1989.

ONE VALLEY BANK, NATIONAL ASSOCIATION

By Charlotte S. Morgan
Its Corporate Trust Administrative Officer

12/13/89
HURRS.T1
43563/88001

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

ED 11-20

REGISTRAR'S AGREEMENT

THIS REGISTRAR'S AGREEMENT, dated as of the 28th day of December, 1989, by and between the CITY OF HURRICANE, a municipal corporation and political subdivision of the State of West Virginia (the "Issuer"), and ONE VALLEY BANK, NATIONAL ASSOCIATION, a national banking association (the "Registrar").

WHEREAS, the Issuer has, contemporaneously with the execution hereof, issued and sold its $2,440,000 aggregate principal amount of Sewer Revenue Bonds, Series 1989 A and Series 1989 B, in fully registered form (collectively, the "Bonds"), pursuant to a Bond Ordinance enacted December 27, 1989, and a Supplemental Resolution adopted December 27, 1989 (collectively, the "Local Act");

WHEREAS, capitalized words and terms used in this Registrar's Agreement and not otherwise defined herein shall have the respective meanings given them in the Local Act, a copy of which is attached as Exhibit A hereto and incorporated herein by reference;

WHEREAS, the Local Act provides for an appointment by the Issuer of a Registrar for the Bonds; and

WHEREAS, the Issuer desires to appoint, and by the Local Act and this Registrar's Agreement, does appoint, the Registrar to act as Registrar under the Local Act and to take certain other actions hereinafter set forth;

NOW, THEREFORE, it is agreed by and between the parties hereto as follows:

1. Upon the execution of this Registrar's Agreement by the Issuer and the Registrar and during the term hereof, the Registrar does accept and shall have and carry out the powers and duties of Registrar for the Bonds, all as set forth in the Local Act, such duties including, among other things, the duties to authenticate, register and deliver Bonds upon original issuance and when properly presented for exchange or transfer, and shall do so with the intention of maintaining the exemption of interest on the Bonds from federal income taxation, in accordance with any rules and regulations promulgated by the United States Treasury Department or by the Municipal Securities Rulemaking Board or similar regulatory bodies as the Issuer advises it of and with generally accepted industry standards.

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

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

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

5. It is intended that this Registrar's Agreement shall carry out and implement provisions of the Local Act with respect to the Registrar. In the event of any conflict between the terms of this Registrar's Agreement and the Local Act, the terms of the Local Act shall govern.

6. The Issuer and the Registrar each warrants and represents that it is duly authorized and empowered to execute and enter into this Registrar's Agreement and that neither such execution nor the performance of its duties hereunder or under the Local Act will violate any order, decree or agreement to which it is a party or by which it is bound.

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

ISSUER: City of Hurricane
City Hall
2801 Virginia Avenue
Hurricane, West Virginia 25526
Attention: Mayor

REGISTRAR: One Valley Bank, National Association
Post Office Box 1793
One Valley Square
Charleston, West Virginia 25326
Attention: Corporate Trust Department

8. The Registrar is hereby requested and authorized to authenticate and deliver the Bonds in accordance with the Local Act.

IN WITNESS WHEREOF, the CITY OF HURRICANE and ONE VALLEY BANK, NATIONAL ASSOCIATION have respectively caused this Registrar's Agreement to be signed in their names and on their behalf, all as of the day and year first above-written.

CITY OF HURRICANE

By Raymond Peck
Mayor

ONE VALLEY BANK, NATIONAL ASSOCIATION

By Charlotte S. Morgan
Its Corporate Trust Administrative Officer

12/13/89
HURRS.U1
43563/88001

EXHIBIT A

[Included in transcript as Document No. 1]

Invoice

EXHIBIT A

ONEVALLEY BANK

HONORABLE RAYMOND PEAK
MAYOR
THE CITY OF HURRICANE
P O BOX 186
HURRICANE WV 25526

DATE DECEMBER 28, 1989

UNITS	ITEM DESCRIPTION	TOTAL
	CITY OF HURRICANE ,WV SEWER REVENUE BONDS - 1989 SERIES A AND SERIES B.	
	ONE TIME FEE FOR SERVICES AS AUTHENICATING AGENT AND REGISTRAR	$500.00

869

SEND REMITTANCE TO: One Valley Bank
One Valley Square
P.O. Box 1793
Charleston, WV 25326

Attn: CHARLOTTE S MORGAN

ASSIGNMENT SEPARATE FROM BOND

FOR VALUE RECEIVED, the West Virginia Water Development Authority hereby sells, assigns and transfers unto One Valley Bank, National Association, Charleston, West Virginia, the Sewer Revenue Bond, Series 1989 A, of the City of Hurricane in the principal amount of $2,331,211, numbered AR-1, standing in the name of West Virginia Water Development Authority on the books of said Issuer.

Dated: December 28, 1989.

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

Daniel B. Yankoski

Authorized Representative

12/19/89
HURRS.V1
43563/88001

AN ORDINANCE making provisions for the issuance of Sewer Revenue Bonds of the Town of Hurricane, West Virginia, for the purpose of defraying the cost, not otherwise provided, of constructing extensions and improvements to the sewage system, setting forth the terms and conditions upon which said bonds and additional bonds ranking on a parity therewith are to be and may be issued and outstanding, and providing for the collection, segregation and distribution of income and revenues from the operation of the sewage system of said town so as to pay said bonds and interest thereon.

* * * * * *

WHEREAS, the Town of Hurricane, in Putnam County, West Virginia, presently owns and operates the sewage system works and facilities (hereinafter in this ordinance referred to as "sewage system") supplying sewer service in and to said town and surrounding territory; and

WHEREAS, the Sanitary Board of said town has deemed it advisable and necessary in the public interest that said town construct extensions and improvements to the municipal sewage system, together with appurtenances necessary or useful, in connection therewith, all as contemplated and provided by the report dated December 1, 1960 of Robert R. Anderson, Consulting Engineer retained by said Board and generally described as follows:

> The construction of a sewage treatment plant and pumping station, and interceptor sewers with all the appurtenances necessary thereto,

and it is also deemed advisable and necessary and in the public interest by this Council that said extensions and improvements be so acquired and constructed; and

WHEREAS, the cost of said extensions and improvements, including financing, engineering, incidentals, and other pertinent

costs has been estimated by the engineer aforsaid to be $187,000, and said Sanitary Board has petitioned this Council to enact an ordinance ordering the construction of such extensions and improvements and providing for the issuance of revenue bonds to pay the cost thereof not otherwise provided and

WHEREAS, pursuant to the provisions of Article 13 of Chapter 16 of the West Virginia Code, said town is not authorized and permitted to issue revenue bonds for the purpose of paying the cost, not otherwise provided, of said extensions and improvements and it is necessary at this time that provision be made for the issuance of such bonds to the amount of $158,000 for the purpose aforesaid and to set forth the conditions and restrictions upon which such bonds and any additional bonds ranking on a parity therewith are to be and may be issued and outstanding:

NOW, THEREFORE, Be It Ordained by the Council of the Town of Hurricane, West Virginia, as follows:

Section 1. That all proceedings heretofore taken relating to the creation and organization of the Sanitary Board of said Town of Hurricane and to the construction of extensions and improvements to the sewage system of said town, be and the same are hereby in all respects ratified and confirmed.

Section 2. That the construction of the extensions and improvements referred to in the preamble of this ordinance with all necessary appurtenances is hereby ordered, and for the purpose of paying the cost thereof, not otherwise provided, there be issued the bonds of said town to be known as "Sewer Revenue Bonds", in the principal amount of $158,000, which bonds shall

bear date of April 1, 1961, be of the denomination of $1,000 each, numbered consecutively 1 to 158, inclusive, and mature in numerical order on April 1, of the respective years as follows:

Year	Amount	Year	Amount
1964	$1,000	1983	$4,000
1965	1,000	1984	4,000
1966	2,000	1985	4,000
1967	2,000	1986	4,000
1968	2,000	1987	5,000
1969	2,000	1988	5,000
1970	2,000	1989	5,000
1971	2,000	1990	5,000
1972	2,000	1991	6,000
1973	2,000	1992	6,000
1974	2,000	1993	6,000
1975	2,000	1994	6,000
1976	3,000	1995	7,000
1977	3,000	1996	7,000
1978	3,000	1997	7,000
1979	3,000	1998	8,000
1980	3,000	1999	8,000
1981	3,000	2000	8,000
1982	4,000	2001	9,000

provided, however, said bonds numbered 26 to 158 inclusive, shall be redeemable before maturity at the option of said town from time to time in part on any interest payment date on or after April 1, 1971 in the inverse order of their maturities (less than all of a single maturity to be selected by lot) and as a whole on any interest payment date on or after April 1, 1976, any such redemption to be upon terms of par and accrued interest to the date fixed for redemption, plus a redemption premium of three per cent (3%) of the principal amount thereof; and in the event of such redemption said town will cause notice identifying the bonds to be redeemed to be given by publication at least once in a newspaper or financial journal of general circulation published in the City of New York, New York, not less than thirty days prior to such redemption date. All such bonds thus called for redemption, and for the payment of which funds are provided on the redemption date will cease to bear interest thereafter.

Said bonds shall bear interest from the date thereof at the maximum interest rate per annum as prescribed by Section 1409(24) of the West Virginia Code or at such lesser interest rate or rates as may be determined by the Council in accordance with the provisions of the agreement for the sale of the bonds hereby authorized as hereinafter referred to in Section 10 of this ordinance and in the event any of said bonds are issued at an interest rate of less than the statutory maximum rate then prior to the delivery of said bonds to the purchaser the Council shall adopt a resolution evidencing the interest rate or rates for said bonds. All interest as aforesaid shall be evidenced by proper interest coupons attached to each of said bonds and to be payable October 1, 1961 and semi-annually thereafter on the first days of April and October in each year.

Both principal and interest shall be payable in lawful money of the United States at the office of the State Sinking Fund Commission of West Virginia through the Kanawha Valley Bank in the City of Charleston, West Virginia, or at the option of the holder of the respective bonds and interest coupons, at the principal office of the First National City Bank of New York in the City of New York, New York. Said bonds shall be signed by the Mayor and attested by the Recorder of said town and sealed with its corporate seal, and the interest on said bonds shall be evidenced by coupons attached thereto, which shall be executed with the facsimile signatures of said Mayor and Recorder, and said officials by the execution of said bonds shall adopt as and for their own proper signatures their respective facsimile

signatures on said coupons. All of said bonds, and the interest thereon, together with any additonal bonds ranking on a parity therewith issued under conditions and restrictions hereinafter set forth, shall be payable out of the special fund herinafter referred to and the portion of the net revenues of the sewage system of said town pledged to said fund.

Section 3. That upon presentation at the office of the Recorder of said town of any of said bonds same may be registered as to principal in the name of the owner on the books in his office, such registration to be noted on the reverse side of the bonds by the Recorder, and thereafter the principal of such registered bonds shall be payable only to the registered holder, his legal representatives or assigns. Such registered bonds shall be transferable to another registered holder, or back to bearer, only upon presentation to such Recorder with a legal assignment duly acknowledged or proved. Registration of any of such bonds shall not affect the negotiability of the coupons thereto attached, but such coupons shall be transferable by delivery merely.

Section 4. That said bonds and coupons and provisions for registration shall be in substantially the following form, to wit:

(Form of Bond)

UNITED STATES OF AMERICA

STATE OF WEST VIRGINIA

COUNTY OF PUTNAM

TOWN OF HURRICANE

SEWER REVENUE BOND

No. _____ $1,000

KNOW ALL MEN BY THESE PRESENTS: That the Town of Hurricane, in the County of Putnam and State of West Virginia, for value received, hereby promises to pay from the special fund provided therefor as hereinafter set forth, to the bearer or, if this bond be registered as to principal, to the registered holder hereof, on the first day of April, _____, the sum of One Thousand Dollars ($1,000) and from said special fund to also pay interest on said sum from the date hereof until paid at the rate of _____ per cent (____%) per annum on October 1, 1961 and semi-annually thereafter on the first days of April and October in each year, except as the provisions hereinafter set forth with respect to redemption may be and become applicable hereto, all such interest as may accrue on an prior to the maturity date hereof to be payable only upon presentation and surrender of the coupons hereto appertaining as they severally become due, both the principal of and interest on this bond being payable in lawful money of the United States of America, at the office of the State Sinking Fund Commission of West Virginia through the Kanawha Valley Bank in the City of Charleston, West Virginia, or at the option of the holder hereof, at the principal office of The First National City Bank of New York in the City of New York, New York.

This bond is one of a series of bonds numbered consecutively from 1 to 158, inclusive, issued by said town pursuant to ordinance duly enacted for the purpose of defraying the cost, not otherwise provided, of constructing extensions and improvements to

its sewage system under and in full compliance with the Constitution and statutes of the State of West Virginia, including among others, Article 13 of Chapter 16 of the West Virginia Code.

Bonds numbered 26 to 158, inclusive, of the series of which this bond is one shall be optional for redemption by said town prior to maturity from time to time in part on any interest payment date on or after April 1, 1971, in the inverse order of their maturities (less than all of a single maturity to be selected by lot) and as a whole on any interest payment date on or after April 1, 1976, any such redemption to be upon terms of par and accrued interest to the date fixed for redemption, plus a redemption premium of three per cent (3%) of the principal amount thereof, and in the event of such redemption it is hereby agreed that notice identifying the bonds to be redeemed will be given by publication at least once in a newspaper or financial journal of general circulation published in the City of New York, New York, not less than thirty days prior to such redemption date. All such bonds thus called for redemption, and for the retirement of which funds are duly provided will cease to bear interest on the redemption date.

This bond and the series of which it is one, together with any additional bonds ranking on a parity therewith that may be issued and outstanding under the conditions and restrictions set forth in said ordinance, are payable only from and secured by net income and revenues to be derived from the operation of the municipal sewage system of said town, which shall be sufficient to pay the principal of and interest upon said bonds as and when the same

become due and payable, and which shall be set aside as a special fund and is hereby pledged for that purpose. This bond does not constitute a corporate indebtedness of the Town of Hurricane within the meaning of any constitutional or statutory provisions or limitations, nor shall said town be obligated to pay this bond or interest thereon from any other funds. Said town covenants it will fix such rates for service of said sewage system and will collect and account for income and revenues therefrom sufficient to promptly pay all expenses of operation, repair and maintenance thereof and the principal of and interest on this bond and the series of which it is one as the same will become due.

This bond is fully negotiable but may be registered as to principal only in the name of the holder on the books of said town in the office of its Recorder, such registration to be evidenced by notation on the back hereof by the Recorder, after which no transfer shall be valid unless made on said books and similarly noted hereon, but it may be discharged from such registration by being transferred to bearer, after which it shall be transferable by delivery but it may be again registered as before. The registration of this bond as to principal shall not restrain the negotiability of the coupons by delivery merely.

This bond is exempt from taxation by the State of West Virginia and any county or municipality therein.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this bond, have existed, have happened and have been performed in due time, form

and manner as required by law, and that the amount of this bond, together with all other obligations of said town, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia, and that a sufficient amount of the net income and revenues of the sewage system of said town has been pledged to and will be set aside into said special fund by said town for the prompt payment of the principal of and interest on this bond and the series of which it is one.

IN WITNESS WHEREOF, the Town of Hurricane has caused this bond to be signed by its Mayor, attested by its Recorder, and its corporate seal to be hereunto affixed, and the coupons hereto attached to be executed with the facsimile signatures of said Mayor and Recorder, which officials by the execution of this bond do adopt as and for their own proper signatures their respective facsimile signatures appearing on said coupons, and this bond to be dated as of the first day of April, 1961.

George T. Clark, Jr.
Mayor

Attest:

A. L. Neville
Recorder

(Form of Coupon)

No. _____ $_____

On the first day of _____, 19___, the Town of Hurricane, West Virginia, will pay to bearer _____ Dollars ($_____) out of the special fund provided therefor, at the office of the State Sinking Fund Commission of West Virginia, through the Kanawha Valley Bank in Charleston, West Virginia, or at

option of the holder hereof, at the principal office of The First National City Bank of New York in the City of New York, New York, as provided in and for interest then due on its Sewer Revenue Bond, dated April 1, 1961, Number _____.

George T. Peck, Jr.
Mayor

Attest:

P. L. Neville
Recorder

(Form for Registration to be printed on the back of each bond)

Date of Registration	In Whose Name Registered	Signature of Recorder

Section 5. That from and after the issuance of any of the bonds herein authorized, the municipal sewage system of said Town of Hurricane shall be operated as a revenue producing and self-liquidating undertaking and the revenues derived from the rates and charges for sewer services shall be set aside into a separate and special fund hereby created and designated as the "Sewer Revenue Fund" to be used (1) to pay the reasonable expenses of operation, repair and maintenance of the system; (2) to pay when due the interest on and principal of the bonds hereby authorized and any additional bonds ranking on a parity therewith from time to time outstanding; and to pay the fiscal agency charges for paying all such interest and principal; and to accumulate and maintain a margin of safety and reserve for payment of all of said bonds and interest thereon; and (3) to provide proper funds for a depreciation account.

(1) There is hereby created a special fund to be designated "Operation and Maintenance Fund", into which there shall be paid each month from said revenues the amount of the reasonable expenses of operation, repair and maintenance of the municipal sewage system of said town, and said special fund shall be used and disbursed only for that purpose.

(2) There is hereby created a special fund to be designated "Sewer Revenue Bond Interest and Sinking Fund" (hereinafter sometimes referred to as the "sinking fund") into which there shall be paid all or such portion of the balance of said revenues as shall be sufficient to pay, when due, (a) the interest upon all of the bonds outstanding under the provisions of this ordinance including any bonds ranking on a parity with the bonds herein authorized, (b) the necessary fiscal agency charges for paying all of said bonds and interest thereon, (c) the principal amount of all of said bonds, and (d) to provide a margin for safety and reserve for the payment of all of said bonds and interest thereon, and it is hereby determined that the minimum amounts so to be paid into this special fund for account of the bonds herein authorized during the respective years shall be not less than as follows:

All sums received as accrued interest in the issuance and sale of the bonds hereby authorized together with a portion of the bond proceeds in an amount equal in the aggregate to all interest to accrue on the bonds hereby authorized for one year shall be paid into said sinking fund as representing interest on the bonds hereby authorized during the construction of the extensions and improvements to the municipal sewage system of said town. From and after the issuance of any of the bonds hereby authorized there shall be paid into said sinking fund each month an amount equal to at least (1)

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one-fifth of the amount of interest becoming due on the bonds hereby authorized then outstanding on the next succeeding interest payment date, plus (2) one-tenth of the amount of principal (if any) of the bonds hereby authorized then outstanding becoming due on the next succeeding April 1, provided that when there shall have been accumulated and maintained in said sinking fund sufficient moneys to pay the amount of interest and principal becoming due on said bonds then outstanding during the next succeeding twenty-four months then the amount to be so set aside and paid into said sinking fund may be reduced to one-sixth of the amount of interest and one-twelfth of the amount of principal, as hereinbefore otherwise provided. No further payments need be made into said sinking fund after and so long as such amount of the bonds shall have been retired that the amount then held in said sinking fund is equal to the entire amount required for the retirement of the bonds and to pay all interest that will have accrued and become due at the time of such retirement.

Whenever and to whatever extent additional bonds ranking on a parity with the bonds herein specifically authorized are hereafter issued under the conditions and restrictions hereinafter set forth provisions shall be made at or before the time of such issuance for additional monthly payments into said sinking

fund for meeting the interest and principal requirements of such additional bonds, paying the additional fiscal agency charges thereon, and to accumulate and maintain a margin of safety and reserve therefor in like manner and proportion as such provisions are herein made for the bonds herein specifically authorized.

The amount by which any balance in said sinking fund exceeds the current interest and principal requirements shall be held in said sinking fund as a reserve for contingencies and used solely as herein provided. If in any month the town shall for any reason fail to pay into said sinking fund the respective minimum amounts, then an amount equivalent to such deficiency shall be set apart and paid into said fund from the first available revenues of the following month or months, as the case may be, and same shall be in addition to the amount otherwise herein provided to be so set apart and paid during such succeeding month or months.

If for any reason the town shall fail to make any such payment into said sinking fund, as aforesaid, any sums then held as a reserve for contingencies shall be used for the payment of any portion of the interest on or principal of said bonds as to which there would otherwise be default, but such reserve shall be reimbursed therefor from the first available payments made into the sinking fund in the following month or months in excess of the required payments.

Such payments into said fund shall be made on the first day of each month except that when the first day of any month shall be a Sunday or a legal holiday then such payments shall be

made on the next succeeding secular day and all such payments shall be remitted to the State Sinking Fund Commission of West Virginia with appropriate instructions as to the custody, use and application thereof consistent with the provisions of this ordinance.

Said sinking fund shall be used solely and only and is hereby pledged for the purpose of servicing the bonds herein authorized to be issued and any additional bonds ranking on a parity therewith that may be issued and outstanding under the conditions and restrictions hereinafter set forth. No funds in said sinking fund shall be used to retire bonds in advance of maturity except that part in excess of actual principal and interest requirements for twenty-four months on bonds then outstanding unless all bonds then outstanding are to be so retired.

(3) There is hereby created a special fund to be designated "Depreciation Fund", into which there shall next be set apart and paid from said Sewer Revenue Fund commencing no later than April 1, 1962, in equal monthly installments, after making the payments hereinbefore specified into the operation and maintenance fund and sinking fund, a sum equal to five per cent (5%) of the gross annual income and revenues of said sewage system. All funds in said Depreciation Fund shall be kept apart from all other municipal funds, or all or any part of said fund may be invested in bonds or other direct or fully guaranteed obligations of the United States of America maturing or being subject to retirement at the option of the holder within not more than ten years from the date of such investment. Withdrawals and

disbursements may be made from said Depreciation Fund for renewals or replacements to the municipal sewage system or for improvements or extensions thereto, and provided also that withdrawals and disbursements shall be made from said Depreciation Fund to meet the payment of the interest on or principal of any bonds to whatever extent and if for any reason, funds in the sinking fund are insufficient for that purpose.

Whenever all of the required and provided transfers and payments from said Sewer Revenue Fund into the several special funds, as hereinbefore provided, are current and there remains in said Sewer Revenue Fund a balance in excess of the estimated amounts required to be so transferred and paid into said Operation and Maintenance Fund during the succeeding twelve months and into said sinking fund and Depreciation Fund during the next succeeding six months such excess may be transferred and paid into the sinking fund or may be withdrawn and used for extensions and improvements to the municipal sewage system, or to retire bonds payable from the revenues of said system in advance of maturity, and such excess shall not be subject to withdrawal for any other purpose.

Excess funds in the sinking fund, or Sewer Revenue Fund may be used to purchase bonds of the last ten maturities of the bonds hereby authorized in advance of maturity but no such purchase shall be made at a price exceeding the market price of said bonds nor exceeding the price at which such bonds may be redeemable on their next succeeding redemption date. All bonds purchased or redeemed shall be cancelled and shall not again be issued.

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All moneys as paid into said Sewer Revenue Fund or Depreciation Fund shall be deposited in the Putnam County Bank in Hurricane, West Virginia and to the extent any such deposit causes the aggregate funds of said town in said bank to exceed $10,000 such excess shall be collaterally secured by direct obligations or guaranteed bonds or securities of the United States of America having an equivalent market value.

Section 6. The rates for all services rendered by the sewage system of said town shall be reasonable and just, taking into account and consideration the cost and value of said system and the cost of maintaining, repairing and operating the same and the proper and necessary allowances for depreciation thereof and the amounts necessary for the retirement of all bonds and the accruing interest on all such bonds, and there shall be charged such rates and amounts as shall be adequate to meet the requirements of this and the preceding section thereof. Compensation for services, if any, rendered to said town shall in like manner be charged against the town and payment for same shall be made from its corporate funds. The proceeds or income from all charges and contracts for sewers and sewage service furnished by said sewage system within or outside the corporate limits of said town shall be included and accounted for as other income and revenues of said system. No free services of said sewage system shall be allowed or permitted.

In so far as consistent with the laws of West Virginia, said town agrees that so long as any of the bonds hereby authorized remain outstanding it will keep proper books of record and

account, separate from all other municipal records and accounts, showing complete and correct entries of all transactions relating to said sewage system, and will cause such books of record and account to be audited annually by an independent certified public accountant. A copy of each such audit shall be furnished to the original purchaser of the bonds hereby authorized and copies thereof shall be made avialable for any bondholder requesting same. The holders of any of said bonds shall have the right of all reasonable times to inspect the system and all records, accounts and data relating thereto. The town hereby further agrees to furnish monthly to the original purchaser of the bonds hereby authorized a copy of each letter of transmittal from the town to the State Sinking Fund Commission accompanying the remittance of said town of its monthly payment into the sinking fund, as hereinbefore provided, but only if and to the extent the forms of such letter of transmittal are supplied by said purchaser.

It is hereby represented and certified that a sanitary board for said town has heretofore been lawfully created and organized and placed in charge of the operation of its municipal sewage system and that equitable rates or charges for the use of and service rendered by said sewage system have been established pursuant to a public hearing, all in the manner and form required by Article 13 of Chapter 16 of the West Virginia Code; that copies of such rates or charges so established are and will be continuously on file in the office of the Sanitary Board and in the office of the Recorder, each of which copies will be open to inspection by all parties interested.

The Ordinance adopted by the Council of the Town of Hurricane, West Virginia on October 3, 1960 entitled:

> "An Ordinance relating to the construction, operation and maintenance of a sewage disposal system in the Town of Hurricane, the discharge of sewage and industrial wastes to the municipal sanitary sewage system, and the imposition of rates for the use of the service rendered by the sewage system."

and the provisions thereof are hereby in all respects ratified and confirmed except as in this ordinance otherwise provided with respect to custody, collection and application of the revneues of said sewage system and the rates and charges for sewer service set forth in said ordinance are hereby recognized and declared to have been established in accordance with the provisions and under the authority of Section 1409(30) of the West Virginia Code provided, however, that notwithstanding any provisions in said ordinance that such rates and charges shall be imposed on and paid by the owner, tenant or occupant of each and every lot, or parcel of real estate or building having any active connection with the municipal sewage system or otherwise discharging sewage, industrial wastes, water or other liquids, either directly or indirectly into said system or any part thereof it is hereby recognized and declared that the owner of such lot, or parcel of real estate or building is the part ultimately liable for the payment of the sewer bill.

The schedule of rates or charges shall at all times be adequate to produce gross revenues and income from said sewage system to pay the expenses of operation, repair and maintenance thereof and leave a balance of net revenues and income sufficient

to make the prescribed payments into the sinking fund and depreciation fund as hereinbefore set forth. Such schedule shall be changed and readjusted whenever necessary so that the aggregate of the rates or charges will be sufficient for such purposes.

Section 7. The Town of Hurricane hereby covenants and agrees with the holder or holders of the bonds herein authorized to be issued, or any of them, that it will faithfully and punctually perform all duties with reference to said sewage system required by the Constitution and laws of the State of West Virginia, including the making and collecting of reasonable and sufficient rates for services rendered by said system, and will segregate the revenue therefrom and make application thereof consistent with and as provided by this ordinance; and said town hereby irrevocably covenants, binds and obligates itself not to sell, lease, mortgage or in any manner dispose of any integral part of said system, including any and all appurtenances thereto and extensions and additions that may be made thereto, until all the bonds herein authorized to be issued and any additional bonds ranking on a parity therewith shall have been paid in full, both principal and interest, or legal and sufficient provision for such payment shall have been made; provided, however, said town may dispose of any real or personal property which is no longer needed or useful in connection with the operation of said system provided said town has first obtained the written determination of an independent consulting engineer of recognized standing in the field of sanitary engineering and not in the regular employ of said town that such property is no longer needed or useful in

such operation and provided further that all proceeds received by the town in the disposal of such property shall be placed in the sinking fund and used to the extent permissible to purchase or retire bonds payable from said fund in advance of maturity. Said town further covenants and agrees with the holders of said bonds to maintain in good condition and continuously operate said system and appurtenances and to charge and collect such rates or charges for services rendered thereby so that the gross revenues will be sufficient at all times to provide for the payment of the operation, repair and maintenance of said system and leave net amounts to be paid into the sinking fund and Depreciation Fund as provided herein.

Section 8. That any holder of said bonds or of any of the coupons may either at law or in equity, by suit, action, mandamus or other proceedings protect and compel performance of all duties imposed or required by this ordinance or the law pursuant to which said bonds are to be issued, including the making and collecting of sufficient rates and segregation of the income and revenues and the application thereof. That upon the filing of suit by any holder of said bonds or of any of the coupons, and court having jurisdiction of the action may appoint a receiver to administer said system on behalf of the town with power to charge and collect rates sufficient to provide for the payment of any bonds or obligations outstanding against said system and for the payment of the operating expenses, and to apply the income and revenues in conformity with this ordinance and the provisions of said statute laws of West Virginia aforesaid.

Section 9. The bonds authorized to be issued hereunder and from time to time outstanding shall not be entitled to priority one over the other in the application of the income and revenues of said system or with respect to the security for their payment regardless of the time or times of their issuance, it being the intention that there shall be no priority among the bonds authorized or permitted to be issued under the provisions of this ordinance regardless of the fact that they may be actually issued and delivered at different times.

Said town hereby reserves the right and privilege of issuing additional bonds payable from the "Sewer Revenue Bond Interest and Sinking Fund", hereinbefore created and ranking on a parity with the bonds hereby authorized for the purpose of paying the cost of further extensions and improvements to the municipal sewage system; provided that before any such additional parity bonds are issued there shall have been procured and filed with the Recorder a statement by an independent certified public accountant not in the regular employ of the town on a monthly salary basis reciting the opinion based upon the necessary investigation that the net operating income and revenues of said sewage system (with adjustments as hereinafter provided) for twelve consecutive months out of the eighteen months immediately preceding the date of the issuance of the bonds then proposed to be issued were equal to at least 1.40 times the maximum amount of principal and interest that will become due in any calendar year on account of the bonds then outstanding and the bonds then proposed to be issued. The words "net operating

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income and revenues" as herein used are defined as gross income and revenues less operating expenses which shall include salaries, wages, cost of maintenance and operation, materials and supplies, administration and insurance, as well as all other items that are normally and regularly so included under recognized accounting practices, exclusive, of allowances for depreciation.

The "net operating income and revenues" may be adjusted for the purpose of the foregoing computations to reflect any revision in the schedule of rates or charges being imposed at the time of the issuance of any such additional parity bonds, and also to reflect any increase in such net operating income and revenues by reason of the extensions and improvements to said sewage system, the cost of which is to be paid through the issuance of such additional parity bonds but such latter adjustment shall only be made if contracts for the immediate construction or acquisition of such extensions and improvements have been or will be entered into prior to the issuance of such additional parity bonds. All such adjustments shall be based upon certification by an independent consulting engineer or firm of consulting engineers of recognized standing in the field of sanitary engineering.

The interest payment dates for all such additional parity bonds shall be semi-annually on April 1 and October 1 and the principal maturities thereof shall be on April 1 of the year in which any such principal is scheduled to become due.

The additional parity bonds (sometimes herein referred to as "permitted" to be issued), the issuance of which is restricted and conditioned by this section, shall be understood to mean bonds

payable from the income and revenues of said system on a parity with the bonds herein authorized, and shall not be deemed to include nor prohibit the issuance of other obligations, the security and source of payment of which is subordinate and subject to the priority of the payments into the sinking fund for account of the bonds authorized or permitted to be issued hereunder. So long as any of the bonds authorized by this ordinance or any additional parity bonds remain outstanding no other bonds or other obligations may be issued or incurred having any priority or preference and except as permitted and provided by this section no other bonds or obligations may be incurred ranking on a parity therewith.

Section 10. That the bonds hereby authorized be executed as herein provided as soon after the adoption of this ordinance as may be and shall thereupon be sold and delivered to Young Moore & Company, Inc., pursuant to the agreement entered into under date of September 15, 1960, at such time and in such amount as may be provided by supplemental resolution and in accordance with said agreement and the terms and conditions of said agreement are in all respects hereby ratified and confirmed and found to be for the best interests of said town. The proceeds derived from the issuance of said bonds, exclusive of accrued interest, shall be used only for the purpose of defraying the cost, not otherwise provided, of constructing the extensions and improvements to the sewage system of said town all as generally described and referred to in the preamble hereof; provided that interest on said bonds for one year shall be deemed interest during

construction of said extensions and improvements, and shall constitute an item of construction cost and shall be paid from the proceeds of such bonds. Simultaneously with the issuance of any of the bonds hereby authorized all sums received as accrued interest, together with a portion of the bond proceeds equal in the aggregate to the amount of such interest during construction shall be set aside into the sinking fund. Pending expenditure a portion of the remaining bond proceeds in the amount of $10,000 shall be deposited in the Putnam County Bank as a special construction account and to the extent such deposit causes the aggregate funds of said town in said bank to exceed $10,000 such excess shall be secured by a surety bond or bonds furnished by a surety company or companies qualified or authorized to do business in West Virginia or the excess of such deposit shall be collaterally secured by direct obligations or guaranteed bonds or securities of the United States of America having a market value equal to such excess and the remaining balance of the bond proceeds shall be deposited with the State Sinking Fund Commission as a special construction account. If it be determined at any time that the amount of bond proceeds being held in the special construction funds aforesaid is in excess of the amount necessary to be disbursed therefrom for the authorized purpose, during the ensuing six months such excess may be invested in interest bearing bonds or other direct and general obligations of the United States of America having a maturity date or being subject to retirement at the option of the holder not more than eighteen months subsequent to the date of such investment, and all such investments as

well as all income therefrom shall be carried to the credit of the respective construction fund. Any surplus remaining after completion of such construction shall be paid into the sinking fund aforesaid.

Section 11. The provisions of this ordinance shall constitute a contract between the Town of Hurricane and the holders of the bonds authorized to be issued hereunder, and after the issuance of any of the bonds no change, variation, or alteration of any kind of the provisions of this ordinance shall be made in any manner except as herein provided, until such time as all of said bonds issued hereunder and the interest thereon have been paid in full.

Section 12. If any section, paragraph, clause or provision of this ordinance shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this ordinance.

Section 13. All ordinances, resolutions and orders, or parts thereof in conflict with the provisions of this ordinance are, to the extent of such conflict, hereby repealed.

Section 14. That inasmuch as there is only one newspaper published in the Town of Hurricane, namely, The Hurricane Breeze, this ordinance shall be published once each week for two successive weeks in said newspaper, together with an appropriate notice that this ordinance has been adopted; that the Town of Hurricane contemplates the issuance of the bonds herein authorized, and that any person interested in the matter may appear before this Council at a public hearing to be held at The Town Hall in said town, on April 3, 1961,

at o'clock p.M., and then and there be heard as to the matters herein provided.

Adopted and approved March 8, 1961.

George T. Cook, Jr.
Mayor

Attest:

R. L. Neville
Recorder

Recorded: March 8, 1961.

R. L. Neville
Recorder

N O T I C E

The following ordinance providing for the construction of extensions and improvements to the sewage system of the Town of Hurricane, West Virginia, and making provisions for the issuance and sale of Sewer Revenue Bonds to pay the cost thereof, not otherwise provided, was adopted at a meeting of the Council of said town on the 8th day of March, 1961.

Said town contemplates the issuance of said bonds and a public hearing in connection therewith will be held at The Town Hall in said town on April 3, 1961, at 7:30 o'clock p.M., at which time and place all persons interested are now and hereby notified that they may appear before the Council of said Town and then and there may present protests against the said ordinance and the issuance of said bonds.

A. L. Neville
Recorder

Ordinance No.

Introduced in Council

April 4, 1977

Passed by Council

April 12, 1977

Introduced by

Councilman E. E. Allen

Referred to

Sanitary Board

An Ordinance supplementing an Ordinance entitled "An Ordinance making provisions for the issuance of Sewer Revenue Bonds of the Town of Hurricane, West Virginia, for the purpose of defraying the cost, not otherwise provided, of constructing extensions and improvements to the sewage system, setting forth the terms and conditions upon which said bonds and additional bonds ranking on a parity therewith are to be and may be issued and outstanding, and providing for the collection, segregation and distribution of income and revenues from the operation of the sewage system of said town so as to pay said bonds and interest thereon." adopted by Council of the City of Hurricane, West Virginia, on the 8th day of March, 1961; authorizing the acquisition and construction of certain extensions, betterments and improvements to the municipal sewage system of the City of Hurricane, West Virginia, and the financing of the cost thereof through the issuance by the City of Hurricane of not in excess of $465,,000 in principal amount of additional Sewer Revenue Bonds, Series 1977, to bear date April 1, 1977.

Be It Ordained by the City Council of the City of Hurricane, West Virginia;

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

Section 1.01. Authority of this Ordinance. This Ordinance (herein sometimes referred to as the "1977 Supplemental Ordinance") is adopted pursuant to the provisions of Article 13 of Chapter 16, of the Code of West Virginia of 1931, as amended (the "Act"), and other applicable provisions of law, and pursuant to Section 9 of an Ordinance entitled "An Ordinance making provisions for the issuance of Sewer Revenue Bonds of the Town of Hurricane, West Virginia, for the purpose

of defraying the co ., not otherwise provided, f constructing extensions and improvements to the sewage sys m, setting forth the terms an onditions upon which sai bonds and additional bonds ranking on a parity therewith are to be and may be issued and outstanding, and providing for the collection, segregation and distribution of income and revenues from the operation of the sewage system of said town so as to pay said bonds and interest thereon." adopted by Council of the City of Hurricane on the 8th day of March, 1961, (hereinafter sometimes referred to as "Original Ordinance"), and is supplemental to said Original Ordinance.

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

(A) The City of Hurricane (hereinafter sometimes called "City") now owns and operates a sewer system (hereinafter sometimes called the "Sewer System"), furnishing sewage service to residences, premises, and businesses residing or located within and without the area of the City, the acquisition of certain improvements and betterments thereto having been financed by the proceeds from One Hundred Fifty-eight Dollars ($158,000.00) in principal amount of Sewer Revenue Bonds of the City dated April 1, 1961 (the "1961 Bonds") issued pursuant to the Original Ordinance.

(B) The City derives revenues from the Sewer System and except for the pledges thereof to secure and pay the 1961 Bonds issued pursuant to the Original Ordinance now outstanding in the principal amount of $130,000.

(C) That it is deemed necessary and desirable for the health, welfare and safety of the inhabitants of the City of Hurricane that there be constructed certain extensions, betterments and improvements to the Sewer System at an estimated cost of $465,000 in accordance with the plans and specifications prepared by Donald E. Rude & Associates, Consulting Engineers, South Charleston, West Virginia, (the "Consulting Engineers"), which plans and specifications have heretofore been filed in the office of the Recorder.

(D) The Sanitary Board of the City of Hurricane, West Virginia, has filed a petition with the Council of the City of Hurricane which petition requests that Council enact an ordinance which should, among other things, provide for

the issuance of Sewer Revenue Bonds of the City of Hurricane in the amount of $,000 to finance the cost of such extensions, betterments and improvements to the Sewer System.

(E) Said Original Ordinance in Section 9 thereof provides for the issuance of additional pari passu bonds under the terms, limitations and conditions provided therein.

(F) The City is authorized to issue the Sewer Revenue Bonds, Series 1977, bearing date April 1, 1977, herein authorized as pari passu additional obligations both within the authorization and subject to the limitations, restrictions and provisions contained in Section 9 of the Original Ordinance.

(G) The estimated revenues to be derived in each year after the adoption of this ordinance from the operation of said Sewer System will be sufficient to pay all the cost of the operation and maintenance of said Sewer System, the principal of and interest on the 1961 Bonds, and the principal of and interest on the Sewer Revenue Bonds, Series 1977, dated April 1, 1977, authorized to be issued pursuant to this 1977 Supplemental Ordinance and all sinking fund, reserve and other payments provided for in this 1977 Supplemental Ordinance, and in the Original Ordinance.

(H) It is deemed necessary for the City of Hurricane to issue its Sewer Revenue Bonds in the principal amount of not in excess of $465,000 to finance costs of the acquisition and construction of the extensions, betterments and improvements to the Sewer System herein described. Said cost shall be deemed to include the cost of the acquisition of any real property involved, the cost of the construction of said extensions, betterments and improvements to the Sewer System and any other expenses necessary, incidental, desirable, or appurtenant to the acquisition and construction of such extensions, betterments and improvements to the Sewer System, interest on the bonds authorized to be issued pursuant to this 1977 Supplemental Ordinance prior to, during and for six months after completion of the construction herein authorized, engineering and legal expenses; expenses for estimates of costs and revenues; expenses for plans, specifications and surveys; expenses for fiscal or other agents in connection with the issuance of the bonds authorized to be issued pursuant to this 1977 Supplemental Ordinance and such other

expenses as may be necessary or desirable to [illegible] acquisition and construction of the extensions, betterments and improvements to the Sewer System authorized by this 1977 Supplemental Ordinance and the financing authorized by this 1977 Supplemental Ordinance.

(I) Prior to the issuance of the Sewer Revenue Bonds, Series 1977, there will be filed with the Recorder of the City a statement by Krisher & Krisher, independent certified public accountants not in the regular employ of the city, reciting the conclusion based upon the necessary investigation that the net operating income and revenues of said municipal sewer system as defined in the Original Ordinance, adjusted to reflect the revision in the schedule of rates authorized by the Public Service Commission of West Virginia at the time of issuance of such Bonds and including the amount of increased net operating income and revenues by reason of the extensions, betterments and improvements the cost of which is to be paid through the issuance of the Bonds hereby authorized, to the extent contracts for the immediate construction or acquisition of such extensions, betterments and improvements have been entered into as of the time of filing such statement, for a period of twelve consecutive months which shall be within the eighteen months immediately preceding the date of issuance of the Sewer Revenue Bonds, Series 1977, were equal to at least 1.40 times the maximum amount that will become due in any succeeding calendar year for both principal and interest on the 1961 Bonds presently outstanding and the Bonds herein authorized to be issued.

Section 1.03. Ordinance Constitutes Contract. In consideration of the acceptance of the Sewer Revenue Bonds, Series 1977, bearing date April 1, 1977, authorized to be issued hereunder by those who shall hold the same from time to time, this 1977 Supplemental Ordinance and said Original Ordinance, shall be deemed to be and shall constitute a contract between the City and such Bondholders, and the covenants and agreements herein set forth to be performed by said City shall be for herein set forth to be performed by said City shall be for the equal benefit, protection and security of the legal holders of any and all of such Bonds issued hereunder, the outstanding 1961 Bonds, and the coupons attached thereto, all of which shall be of equal rank and without preference, priority or distinction between any one

bond and the coupons thereon and any other bond and the coupons thereon by reason of priority of issuance or otherwise.

Section 1.04 Definitions. All the definitions contained in said Original Ordinance, in addition to any definitions contained herein, shall apply fully to the Bonds issued hereunder.

ARTICLE II

AUTHORIZATION OF ADDITIONS, EXTENSIONS AND IMPROVEMENTS TO THE WATERWORKS SYSTEM

Section 2.01. Authorization of Additions, Extensions and Improvements. There is hereby authorized the construction and acquisition of extensions, betterments and improvements to said Sewer System described in the plans and specifications prepared by the Consulting Engineers, heretofore filed in the office of the Recorder (hereinafter sometimes referred to as the "Project"). The proceeds of the Bonds hereby authorized shall be applied as provided in Article V of this Ordinance.

ARTICLE III

AUTHORIZATION, TERMS, EXECUTION AND REGISTRATION OF BONDS

Section 3.01. Authorization and Terms of Bonds. For the purpose of financing the cost of the construction and acquisition of the Project there shall be issued negotiable Sewer Revenue Bonds of The City of Hurricane (herein sometimes called "Sewer Revenue Bonds, Series 1977"), in the aggregate principal amount of up to Four Hundred Sixty-five Thousand Dollars ($465,000.00). The exact principal amount of said Bonds to be issued shall be determined by resolution of the City Council adopted with regard to the sale thereof. Said Bonds shall be dated April 1, 1977; shall be in the denomination of $5,000 each; shall be designated "City of Hurricane, Sewer Revenue Bonds, Series 1977" shall be numbered consecutively in numerical order from 1 to 93, both inclusive; shall bear interest at such rate or rates, not exceeding the legal rate, as shall be determined upon the sale thereof, such

1 in each year, commencing October 1, 1977, shall be payable as to both principal and interest at the office of the State Sinking Fund Commission of the State of West Virginia through a paying agent or agents selected by the original purchaser or purchasers thereof, in any coin or currency which is legal tender for the payment of public or private debts under the laws of the United States of America, shall be registerable as to principal only in the manner provided in Section 3 of said Original Ordinance, and shall mature serially in numerical order, lowest numbers first on April 1 of each year as follows:

Date	Amount	Date	Amount
1980	$5,000	1997	10,000
1981	5,000	1998	10,000
1982	5,000	1999	10,000
1983	5,000	2000	10,000
1984	5,000	2001	10,000
1985	5,000	2002	20,000
1986	5,000	2003	20,000
1987	5,000	2004	25,000
1988	5,000	2005	25,000
1989	5,000	2006	30,000
1990	5,000	2007	30,000
1991	5,000	2008	30,000
1992	5,000	2009	35,000
1993	5,000	2010	35,000
1994	5,000	2011	40,000
1995	5,000	2012	40,000
1996	5,000		

The Bonds maturing in the year 1988 and thereafter shall be callable prior to maturity at the option of the City of Hurricane in whole or in part, in inverse numerical order if less than all, on April 1, 1987, or on any interest payment date thereafter, at the price of the par value thereof and accrued interest to the date of redemption plus a premium of one-half of one per centum (1/2 of 1%) of the par value of any Bond redemption to the stated date of maturity of any Bond so redeemed, provided, however, that such premium in no event shall exceed three percent (3%) of the par value thereof; provided, however, that a notice of such intended redemption shall be published at least once not less than

thirty days prior to the date of redemption in a financial paper published in the City of New York. Interest shall cease upon any Bond called for redemption on the redemption date provided that payment thereof has been duly made or provided for.

Section 3.02. Form of Bonds and Coupons. The text of the Sewer Revenue Bonds, Series 1977, and of the coupons shall be of substantially the following tenor, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted by this 1977 Supplemental Ordinance, or any subsequent resolution or ordinance adopted prior to the issuance thereof. Said Bonds shall be executed in the manner provided in said Original Ordinance.

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
COUNTY OF PUTNAM
CITY OF HURRICANE
SEWER REVENUE BOND, SERIES 1977

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF HURRICANE, a municipal corporation, organized and existing under the laws of the State of West Virginia, for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the bearer or, if this bond be registered as to principal to the registered holder thereof, on the first day of April, _____, the sum of Five Thousand Dollars ($5,000.00) and solely from such special funds also to pay interest on said sum from the date hereof at the rate of _____ per centum (_____%) per annum semi-annually, on the first day of April and the first day of October in each year beginning October 1, 1977, except as the provisions hereinafter set forth as to redemption may become applicable hereto, all such interest as may accrue on and prior to the maturity date hereof to be payable only upon presentation and surrender of the annexed coupons as they severally become due, both principal of, and interest on, this bond being payable in any coin or currency which, on the respective dates of payment of principal and interest, 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 State Sinking Fund Commission, Charleston, West Virginia, or at the option of the holder at _____, _____.

This bond is one of an authorized issue of Bonds in the aggregate principal amount of not in excess of Four Hundred Sivty-five Thousand Dollars ($465,000.00) of like date and of like tenor and effect, except as to number, interest rate and date of maturity, issued to finance the cost of acquisition and construction of certain additions, betterments and improvements to the municipal Sewer System (the "Sewer System") of the City of Hurricane, West Virginia, under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly, Article 13 of Chapter 16 of the Code of West Virginia, 1931, as amended (hereinafter referred to as "Act"), and an Ordinance duly adopted by the Council of the City of Hurricane on the _____ day of _____, 1977, (hereinafter referred to as the "1977 Supplemental Ordinance"), supplementing an ordinance adopted by said Council on March 8, 1961, (hereinafter referred to as "Original Ordinance"), (The said Original Ordinance together with the said 1977 Supplemental Ordinance all being hereinafter referred to collectively as the "Ordinance"), and subject to all the terms and conditions of said Ordinance.

The Bonds maturing in the year 1988 and thereafter shall be callable prior to maturity at the option of the City of Hurricane, in whole or in part, in inverse numerical order if less than all, on April 1, 1987, or on any interest payment date thereafter, at the price of the par value thereof and accrued interest to the date of redemption plus a premium one-half of one per centum (1/2 of 1%) of the par value of any Bond so redeemed for each year or fraction thereof from the date of redemption to the stated date of maturity of any Bond so redeemed, provided, however, that such premium in no event shall exceed three percent (3%) of the par value thereof; provided, however, that a notice of such intended redemption shall be published at least once not less than thirty days prior to the date of redemption in a financial paper published in the City of New York. Interest shall cease upon any Bonds called for redemption on the redemption date provided that payment thereof has been duly made or provided for.

This bond and all other bonds of the issue of which this Bond is one are payable only from and secured by the net revenues to be derived from the operation of the Sewer System of the City which net revenues shall be sufficient

may be issued for the construction, acquisition, improvement, extension or betterment of such Sewer System as and when the same become due and payable, and which shall be set aside as a special fund hereby pledged for such purpose. This bond does not constitute a corporate indebtedness of the City of Hurricane within the meaning of any constitutional or statutory provisions or limitations, nor shall said City be obligated to pay the same or the interest thereon except from said special fund provided from the revenues from the operation of said Sewer System. The City in said Ordinance has covenanted and agreed to fix and establish and maintain such rates and collect such charges for the services and facilities of said Sewer System, and to revise the same from time to time whenever necessary, as will always provide revenues sufficient to provide for operation and maintenance of the Sewer System and leave a balance each year equal to at least 130% of the amount required during such year to pay the interest as the same becomes due and accomplish retirement of all Bonds for the payment of which such revenues have been pledged, charged or otherwise encumbered.

This bond is one of an issue of not in excess of Four Hundred Sixty-five Thousand Dollars ($465,000.00), par value, issued on a parity, and ranking equally as to source of payment, security and in all other respects with $130,000 par value of Sewer Revenue Bonds of the City of Hurricane issued under the Original Ordinance and outstanding as of the date of issuance hereof, without preference or distinction between any one bond and any other bond by reason of priority of issuance or otherwise, but additional pari passu bonds may be issued upon compliance with certain terms and conditions more fully set forth in the Ordinance authorizing the issuance of said revenue bonds, for the terms of which reference is here made to said Ordinance.

This bond is fully negotiable but may be registered as to principal only in the name of the holder on the books in the office of the Recorder of the City of Hurricane such registration to be evidenced by notation on the back hereof by the Recorder, after which no transfer shall be valid unless made on said books and similarly noted hereon, but it may be discharged from such registration by being transferred to bearer after which it shall be transferable by delivery, but it may be registered again as before. The registration

of the coupons be delivery merely. This bond and the coupons appertaining hereto is and has all the qualities of a negotiable instrument under the laws of the State of West Virginia.

All moneys received from the sale of this bond or other bonds of the issue of which this bond is one, after reimbursement and repayment of all amounts advanced for preliminary expenses as provided by law, shall be applied solely to the payment of the cost of extensions, betterments and improvements described in the 1977 Supplemental Ordinance, including payment of any indebtedness incurred by the City of Hurricane for such purposes which is required to be paid from the moneys received from the sale of such bonds, or to the appurtenant sinking fund and there shall be and hereby is created and granted a lien upon such moneys, until so applied, in favor of the holder or holders of said bonds.

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

All provisions of the ordinances 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 said City of Hurricane has caused this bond to be signed by its Mayor, attested by its City Recorder and its corporate seal to be hereunto affixed, and the coupons hereto attached to be executed with the facsimile signatures of said Mayor and City Recorder, which officials by the execution of this bond do adopt as their own property signatures their facsimile signatures appearing

_____
Mayor

ATTEST:

_____
City Recorder

(FORM OF COUPON)

No. $_____

On the _____ day of _____, 19__, (unless the Bond hereinafter mentioned shall have been duly called for prior redemption and payment of the redemption price has been duly made as provided for),* the City of Hurricane West Virginia will pay to bearer upon presentation of and surrender of this coupon the sum of _____ Dollars ($_____), out of the special fund provided therefor, at the office of the State Sinking Fund Commission or at the _____ at the option of the holder hereof, said payment is legal tender for the payment of public and private debts under the laws of the United States of America, as provided in, and for interest then due, on the Sewer Revenue Bond, Series 1977, dated April 1, 1977, to which this coupon is attached.

_____
Mayor

_____
City Recorder

(No writing on this bond except by the Recorder of the City of Hurricane, West Virginia, as Registrar)

Date of Registration	In Whose Name Registered	Signature of Registrar
_____	_____	_____

ARTICLE IV

SECURITY OF BONDS

Section 4.01. Bonds on Parity with Other Pari Passu Revenue Bonds. The Bonds issued pursuant to this ordinance shall be on a parity and rank equally as to source of payment, security and in all other respects with the outstanding 1961 Bonds, and with any additional pari passu obligations hereafter issued pursuant to and within the terms, limitations and conditions contained in Section 9 of said Original Ordinance, and in this ordinance.

Section 4.02 Bonds Secured by Original Ordinance. The Bonds authorized by this ordinance shall be deemed to have been issued pursuant to said Original Ordinance (to which this 1977 Supplemental Ordinance is supplemental) as fully and to the same extent as the 1961 Bonds and all of the covenants and agreements contained in said Original Ordinance shall be deemed to have been made for the benefit of the holders of the Bonds issued pursuant to this ordinance, and of any pari passu additional obligations heretofore or hereafter issued within the terms, conditions and limitations contained in Section 9 of said Original Ordinance, as fully and to the same extent as for the holders of said outstanding 1961 Bonds.

The Sewer Revenue Fund, the Sewer Revenue Bond Interest and Sinking Fund, the Operation and Maintenance Fund and the Depreciation Fund created and established pursuant to said Original Ordinance shall be maintained as long as any of the Bonds issued pursuant to this 1977 Supplemental Ordinance, or interest thereon, are outstanding and unpaid, and it is hereby determined and agreed that from and after the delivery of any of the Bonds hereby authorized there shall be set aside and paid into said sinking fund on or before the tenth day of each month out of the revenues of said system an amount equal to at least (1) one-fifth of the amount of interest becoming due on the 1961 Bonds and the bonds hereby authorized on the next succeeding interest

due during the next succeeding twelve months, provided that when there shall have been accumulated and maintained in said sinking fund sufficient moneys to pay the amount of interest and principal becoming due on all of said bonds during the next succeeding twenty-four (24) months then the amount to be so set aside and paid into said sinking fund may be reduced to one-sixth of the amount of interest and one-twelfth of the amount of principal respectively; computations for such payments into said sinking fund shall be made as of April 1 of each year. No further payments need be made into said sinking fund after and so long as such amount then held in said sinking fund is equal to the entire amount required for retirement at maturity of all of such bonds and to pay all interest that will have accrued and become due at the time of such retirement of maturity. No preference, priority or distinction of any kind shall exist or be exercised in payments from said Sinking Fund between the outstanding Bonds, and the Bonds issued pursuant to this 1977 Supplemental Ordinance, and any pari passu additional obligations hereafter issued pursuant to the terms, limitations and conditions contained in said Original Ordinance.

ARTICLE V

APPLICATION OF BOND PROCEEDS

Section 5.01. Construction Trust Fund. From the moneys received from the sale of any or all of the Sewer Revenue Bonds, Series 1977, authorized and issued pursuant to this 1977 Supplemental Ordinance, the following amounts shall be first deducted and deposited as follows:

(A) All accrued interest received from the purchaser of said Sewer Revenue Bonds, Series 1977, shall be deposited in the Sinking Fund and used to pay the next maturing interest on the Sewer Revenue Bonds, Series 1977.

(B) The remaining moneys derived from the sale of said Sewer Revenue Bonds, Series 1977, shall be deposited by the City in a special bank account in a fund to be known as the "Construction Trust Fund", which is hereby created, which fund shall be kept separate and apart from all other

the City, and shall be drawn out, used and applied by the Sanitary Board of the City solely for the payments of the cost of the construction and acquisition of said Project, and purposes incidental thereto, and for no other purposes whatsoever. The moneys in said fund shall be secured at all times by the deposit by such bonds in direct obligation of the United States of America having a fair market value at least equal to the balance in said fund in excess of $100,000. If for any reason such proceeds, or any part thereof, are not necessary for, or are not applied to, such purposes, then such unapplied proceeds shall be deposited by the City in the Sinking Fund established pursuant to the Original Ordinance, and shall be used only as provided therein. All such proceeds shall be and constitute a trust fund for such purposes and there is hereby created a lien upon such moneys until so applied, in favor of the holders of the Sewer Revenue Bonds, Series 1977, herein authorized.

Expenditures or disbursements from said Construction Trust Fund, except for legal, fiscal and engineering expenses and expenses in connection with the issuance and sale of the Sewer Revenue Bonds, Series 1977, shall be made only after such expenditures or disbursements shall have been approved in writing by the Consulting Engineer.

ARTICLE VI

ADDITIONAL COVENANTS OF THE CITY

Section 6.01. Issuance of Additional Obligations Payable From Sewer Revenues. The City covenants that it will not issue any obligations hereafter payable from the revenues of said Sewer System having a lien on said revenues prior or superior to the lien thereon of the holders of Bonds issued hereunder; or being on a parity and ranking equally with the lien of the holders of Bonds issued hereunder on such revenues, except pari passu additional obligations issued within the terms, limitations and conditions contained in Section 9 of said Original Ordinance; and that any obligations hereafter issued payable from the revenues of said Sewer System, except such pari passu additional obligations hereafter issued as aforesaid, shall contain an express statement that such obligations are junior, inferior and subordinate, as to

lien, source and security for payment from said revenues and in all other respects, to the Bonds issued pursuant to this ordinance, and the outstanding 1961 Bonds.

With the written consent in advance of the investment banker or bankers or underwriter or underwriters which originally purchased directly from the City, the Bonds originally issued hereunder, and upon compliance with the terms, limitations and conditions contained in Section 9 of the Original Ordinance, pari passu additional Bonds in the aggregate principal amount of not more than $100,000 may be authorized and issued by the City pursuant to supplemental ordinance solely to complete the Project in accordance with the plans and specifications therefor now on file with the Recorder of the City in the event that the Bonds issued hereunder should be insufficient, together with other funds lawfully available therefor, to pay all costs of construction and acquisition of the Project, provided, however, that prior to the issuance of such pari passu additional Bonds under the provisions of this paragraph, the Consulting Engineer shall file with the Recorder a statement to the effect that additional funds are needed for such purpose. All such pari passu additional Bonds authorized and issued under the provisions of this paragraph shall be limited to the aggregate principal amount required to make up any deficiency in funds for payment of the construction costs to complete the Project or $100,000, whichever is less, and the maturities of any such pari passu additional Bonds shall be in years and amounts suggested by such original purchaser of the Bonds issued hereunder.

Section 6.02. Completion of Project. The City will complete the construction and acquisition of the Project provided for in this 1977 Supplemental Ordinance in an economical and efficient manner with all practicable dispatch, and thereafter will maintain the Sewer System in good condition and continuously operate the same in an efficient manner and at a reasonable cost as a revenue-producing enterprise.

Section 6.03. Restrictions as to Arbitrage Bonds. The City shall not permit at any time or times any of the proceeds of the Sewer Revenue Bonds, Series 1977, or any other funds of the City to be used directly or indirectly to acquire any securities or obligations the acquisition of

[illegible] such Bond to be an "arb[illegible]rage bond" as defined in Section 103(d)(2) of the Internal Revenue Code and the Mayor of th[illegible] City shall deliver his c[illegible]ificate, based upon this covenant, with regard thereto to the original purchaser or purchasers of the Sewer Revenue Bonds, Series 1977.

Section 6.04. Investment of Funds. Pending the application of moneys in any fund or funds established by or pursuant to this 1977 Supplemental Ordinance to the purposes thereof, the moneys therein shall be invested and reinvested, as the City Council of the City of Hurricane shall direct by resolution or ordinance which may be general, or specific as to one or more investments or reinvestments, in direct obligations of the United States of America, or time deposits secured by direct obligations of the United States of America, having a maturity date or dates not later than the estimated time when the invested moneys will be needed for the purposes thereof as determined by the Council or any person designated by the Council to make such determination.

Section 6.05. Minimum Rates. So long as any of the Sewer Revenue Bonds, Series 1977, shall remain outstanding and unpaid the rates, fees or other charges for the services of the Sewer System in effect as of the date of issuance of such Bonds shall be the minimum monthly rates to be charged for services rendered by the Sewer System.

The schedule of rates and charges shall at all times be adequate to produce gross revenues from said Sewer System to make the required payments into the Operation and Maintenance Fund and leave a balance of net revenues sufficient to make the prescribed payments into the Sinking Fund and Depreciation Fund as provided in the Original Ordinance and this 1977 Supplemental Ordinance. 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. Notwithstanding any other provision hereof, 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 City hereby covenants and agrees that the schedule of rates or charges from time to time in effect shall be sufficient to provide for all required payments into the Operation and Maintenance Fund and leave a balance each year equal to at

[illegible] amount required during suc[illegible] year to pay the interest as the same becomes due and accomplish retirement of all Bonds for th[illegible] payment of which such re[illegible]nues have been pledged, charged or otherwise encumbered.

Section 6.06. Services Rendered to the City. The City will not render or cause to be rendered any free services of any nature by its Sewer System, nor will any preferential rates be established for users of the same class; and in the event the City or any department, agency, instrumentality, officer or employee of the City shall avail itself or themselves of the facilities or services provided by the Sewer System or any part thereof, the same rates, fees or charges applicable to other customers receiving like services under similar circumstances shall be charged the City and any such department, agency, instrumentality, officer or employee. Such charges shall be paid as they accrue, and the City shall transfer from its general funds sufficient sums to pay such charges for service to any of its departments or properties. The revenues so received shall be deemed to be revenues derived from the operation of the Sewer System, and shall be deposited and accounted for in the same manner as other revenues derived from such operation of the Sewer System.

Section 6.07. Operating Budget. The Sanitary Board of the City of Hurricane shall annually, at least forty-five days preceding the beginning of each Fiscal Year, prepare and adopt by resolution a detailed budget of the estimated expenditures for operation and maintenance of the Sewer System during the succeeding Fiscal Year. No expenditures for the operation and maintenance of the Sewer System shall be made in any Fiscal Year in excess of the amounts provided therefor in such budget without a written finding and recommendation by the Consulting Engineers, which finding and recommendation shall state in detail the purpose of and necessity for such increased expenditures for the operation and maintenance of the Sewer System, and no such increased expenditures shall be made until the Council of the City of Hurricane shall have approved such finding and recommendation by a resolution duly adopted. No increased expenditures in excess of ten per centum of the amount of such budget shall be made except upon the further certificate of the Consulting Engineers that such increased expenditures are necessary for the continued operation of the Sewer System. The City shall mail copies of such annual budget and all resolutions authorizing increased expenditures for operation and mainten-

City and request in writing that copies of all such budgets and resolutions be furnished him, and shall make available such budgets and all resolutions authorizing [illegible] expenditures for operation and maintenance of the Sewer System at all reasonable times to any Bondholder or anyone acting for and in behalf of such Bondholder.

Section 6.08. Enforcement of Collections. The City will diligently enforce and collect all fees, rentals or other charges for the services and facilities of the Sewer System, and take all steps, actions and proceedings for the enforcement and collection of such fees, rentals or other charges which shall become delinquent to the full extent permitted or authorized by the Act, the Charter of the City and other laws of the State of West Virginia.

The City further covenants and agrees that it will, to the full extent permitted by law, under reasonable rules and regulations, discontinue and shut off the services and facilities of the waterworks system serving the City of Hurricane for nonpayment of the fees, rentals or other charges for the services and facilities of the Sewer System, and will not restore the services of such System until all delinquent charges for the services and facilities of all parts of the Sewer System, plus reasonable panalties and charges for the restoration of service, have been fully paid.

Section 6.09. No Competing Franchise. The City will not grant or cause, consent to or allow the granting of, any franchise or permit to any person, firm, corporation or body, or agency or instrumentality whatsoever for the providing of any services which would compete with services provided by the Sewer System.

Section 6.10. Mandatory Connections. The mandatory use of the sewer facilities of the Sewer System is essential and necessary for the protection and preservation of the public health, comfort, safety, convenience and welfare and the economy of the inhabitants of the City and in order to assure the rendering harmless of sewage and water-borne waste matter produced or arising within the territory served by the sewer facilities. Accordingly, every owner, tenant and occupant of every lot, parcel and tract of land which abuts on a street, alley or other public way in which any sewer line, main or facility is

[illegible], or which [illegible] within a reasonable distance thereof, not exceeding 300 feet, and reasonably accessible thereto, and upon which lot, parcel or tract a building or other habitable structure has been or shall be erected for residential, commercial or industrial use, shall connect the waste or sewage lines of such building or structure with the sewer facilities of the Sewer System immediately upon completion of the Project if sewage will flow by gravity from such building or structure into the sewer facilities of the Sewer System, and shall thereupon and thereafter refrain from using and shall cease to use any other method for the disposal of sewage or water-borne waste matter and shall pay all charges, fees and rates lawfully provided for use of the sewer facilities.

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

Section 6.11. Insurance. The City will carry such insurance as is customarily carried with respect to works and properties similar to the Sewer System, with a reputable insurance carrier or carriers against loss or damage by fire, explosion, hurricane, earthquake, cyclone, occupancy or other hazards and risks, which insurance shall at all times be in an amount or amounts equal to the fair appraisal value of the buildings, properties, furniture, fixtures and equipment of the Sewer System. In time of war, the City shall also carry in said amount such insurance as may be available against loss or damage by risks and hazards of war. The proceeds of all such insurance policies shall be placed in the Depreciation Fund and used only for the repair and restoration of the damaged or destroyed properties or for the other purposes provided herein for said Depreciation Fund. The City will also carry liability insurance for damage or injury to persons or property in amounts adequate for such purposes and customarily carried with respect to works and properties similar to the Sewer System.

ARTICLE VII

MISCELLANEOUS

Section 7.01. Modification or Amendment. No

ordinance or of a ordinance or resolution mandatory hereof or supplemental hereto which would materially and adversely affect the rights of bondholders shall be made without the consent in writing of the holders of two-thirds or more in principal amount of the bonds then outstanding; provided, however, that no 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 City to pay such principal and interest out of the revenues of the Sewer System without the consent of the holder thereof. No amendment or modification shall be made which would reduce the percentage of the principal amount of bonds required for consent to the above permitted amendments or modifications.

Section 7.02. Severability of Invalid Provisions. If any section, paragraph, clause or provision of this ordinance shall be held invalid, such invalidity shall not affect any of the remaining provisions of this ordinance.

Section 7.03 Publication of Ordinance. The City Recorder is hereby authorized and directed to publish this Ordinance as a Class II legal advertisement in compliance with the provisions of Article 3 of Chapter 59 of the Code of West Virginia, 1931, as amended, in the Hurricane Breeze, a newspaper of general circulation in the City of Hurricane, with a notice to all persons concerned stating that this Ordinance has been adopted, and that the City of Hurricane contemplates the issuance of the Sewer Revenue Bonds described in this Ordinance, and that any person interested may appear before the Council, in the Council chamber in the City Building in said City on the 4th day of May, 1977, at 7:30 pm, EDST, as provided in said notice, and present such protest or protests as to such person or persons may seem proper. The last date of the successive publications aforesaid shall be at least ten (10) days prior to said date for the hearing of protests.

At such hearing the objections and suggestions shall be heard and the City Council shall take such action as it shall deem prope in the premises; provided, that if at such hearing written protest is filed by thirty per cent (30%) or more of the owners of real estate in said City, then the Council shall not take further action unless four-fifths of the qualified members thereof assent thereto.

Section 7.04. Sale of Bonds. The Sewer Revenue

Bonds, Series 1977, shall be offered for sale such manner at such time and under such conditions as shall be hereafter determined by resolution of the Council of the City of Hurricane to be in the best interest of the City, provided that said Bonds shall not be negotiated at a price lower than a price which when computed to maturity upon standard tables of bond values will show a net return of more than 8% per annum to the purchaser upon the amount paid therefor.

Section 7.05. Repeal of Conflicting Ordinances. All ordinances, resolutions and orders, or parts thereof, in conflict with this 1977 Supplemental Ordinance are to the extent of such conflict repealed.

Section 7.06. Representation of Due Procedure, Etc. The City represents that all acts, conditions, things and procedures required to exist, to happen, to be performed or to be taken precedent to and in the final enactment and passage of this Ordinance do exist, have happened, have been performed and have been taken in regular and due time, form and manner as required by and in full compliance with the laws and Constitution of the State of West Virginia applicable thereto; and that the Mayor, the Recorder and the members of Council of the City 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 7.07. Defeasance. If the City shall pay or cause to be paid, or there shall otherwise be paid, to the holders of all Bonds issued hereunder and coupons the principal of, and redemption premium, if applicable, and interest due or to become due thereon, at the times and in the manner stipulated therein and in the Ordinance, then the pledge of any revenues, and other moneys and securities pledged under the Ordinance and all covenants, agreements and other obligations of the City to such Bondholders, shall thereupon cease, terminate and become void and be discharged and satisfied.

Bonds or coupons or interest installments for the payment or redemption of which moneys shall have been set aside and shall be held in trust by the Paying Agent (through deposit by the City for such payment or redemption or otherwise) at the maturity or redemption date thereof shall be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section. All Bonds issued hereunder

paid within the meaning and with the effect expressed in the first paragraph of this section if (a) in case any of said Bonds are to be redeemed on any date prior to their maturity if they shall have given to the Sinking Fund Commission in form satisfactory to it irrevocable instructions to publish as provided herein notice of redemption of such Bonds on said date, (b) there shall have been deposited with the Sinking Fund Commission either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which when due will provide moneys which, together with the moneys, if any, deposited with the Sinking Fund Comission at the same time, shall be sufficient, to pay when due the principal of and redemption premium, if applicable, and interest due and to become due on said Bonds on and prior to the redemption date or maturity date thereof, as the case may be, and (c) in the event said Bonds are not by their terms subject to redemption with the next succeeding sixty (60) days, the City shall have given the Sinking Fund Commission in form satisfactory to it irrevocable instructions to publish, as soon as practicable, a notice to the holders of such Bonds and coupons that the deposit required by (b) above has been made with the Sinking Fund Commission and that said Bonds and coupons are deemed to have been paid in accordance with this section and stating such maturity or redemption date upon which moneys are to be available for the payment of the principal of and redemption premium, if applicable, on said Bonds. Neither securities nor moneys deposited with the Sinking Fund 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 of and redemption premium, if applicable, and interest on said Bonds; provided that any cash received from such principal or interest payments on such securities deposited with the Sinking Fund Commission, 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 of and redemption premium, if applicable, and interest to become due on said Bonds on and prior to such redemption date or maturity date thereof, as the case may be, and interest earned from such reinvestments shall be paid over to the City, as received by the Sinking Fund Commission, free and clear of any trust, lien or pledge. For the purposes of this section, securities shall mean and include only obligations of, or obligations guaranteed by the United States of America.

NOTICE TO ALL PERSONS CONCERNED

The following Ordinance has been adopted by the Council of the City of Hurricane on April 12, 1977. The City of Hurricane contemplates the issuance of the Sewer Revenue Bonds described in this Ordinance. Any person interested may appear before the Council in the Council Chambers, in the City Building, in said City, on the 10th day of May, 1977, at 7:30 o'clock, P.M., E.D.S.T., as provided in this Notice, and present such protest or protests as such person or persons may deem proper. At such hearing all objections or suggestions shall be heard and the Council shall take such action as it shall deem proper in the premises.

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

ED 11-20

STATE OF WEST VIRGINIA
WATER DEVELOPMENT AUTHORITY
1201 DUNBAR AVENUE
DUNBAR, WV 25064

(304) 348-3612

December 4, 1989

Vincent A. Collins, Esq.
Steptoe and Johnson
P.O. Box 2190
Clarksburg WV 26302-2190

CITY OF HURRICANE

This letter is in response to your request for the City of Hurricane to issue approximately $2,440,000 in revenue bonds to the Water Development Authority (WDA) on a junior and subordinate basis.

In view of the restrictive covenants on the existing bond issues and the amount to be borrowed in relation to the debt currently outstanding, the WDA agrees to purchase the 1989 A Series and 1989 B Series bonds totaling approximately $2,440,000 as second and third lien bonds.

It must be understood the the City of Hurricane is required to meet all other WDA bond program requirements precedent to bond closing.

If you have any questions concerning this approval, please call me.

Daniel B. Yonkosky

DANIEL B. YONKOSKY - DIRECTOR

db

c City of Hurricane

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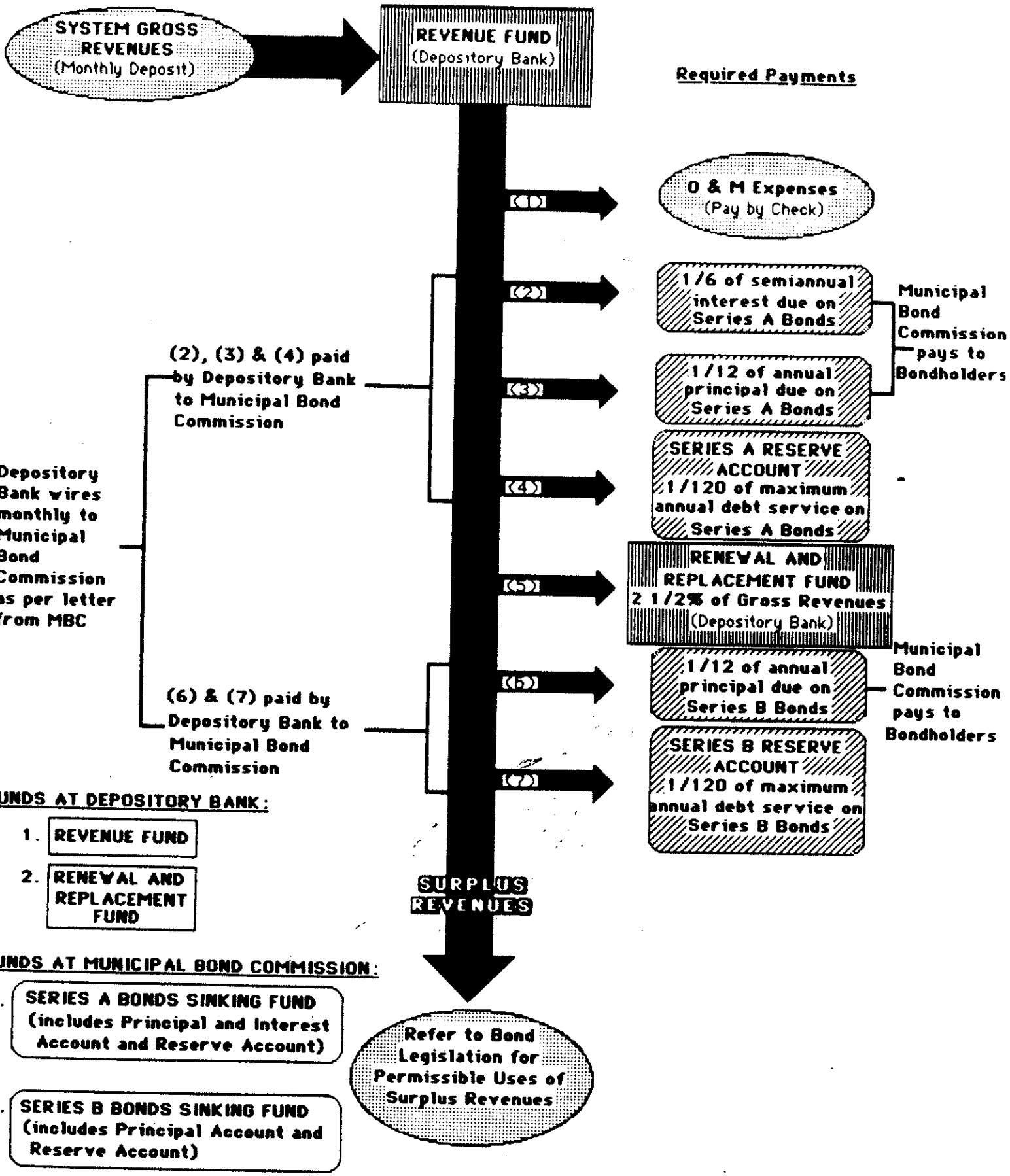
FLOW OF FUNDS SCHEMATIC DIAGRAM SYSTEM REVENUES