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City of Hurricane
Water Revenue Bonds, Series 1994

TO ALL ON ATTACHED DISTRIBUTION LIST

Ladies and Gentlemen:

Enclosed is a transcript for the above-captioned bond issue. Please review it and give me a call if you have any questions. Thank you for your attention to this matter.

Very truly yours,

Francesca Tan

Francesca Tan

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05/05/94
DISTL.T
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CITY OF HURRICANE

Water Revenue Bonds, Series 1994

Date of Closing: May 5, 1994

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CITY OF HURRICANE
WATER REVENUE BONDS, SERIES 1994
BOND ORDINANCE

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CITY OF HURRICANE

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF ADDITIONS, BETTERMENTS AND IMPROVEMENTS FOR THE EXISTING WATERWORKS SYSTEM 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 \$1,100,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 1994; PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

BE IT ORDAINED AND ENACTED BY THE COUNCIL OF THE CITY OF 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 and enacted pursuant to the provisions of Chapter 8, Article 19 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 now owns and operates a public water treatment and distribution system. However, it is deemed necessary and desirable for the health and welfare of the inhabitants of the Issuer that there be constructed certain additions, betterments and improvements for such existing waterworks system of the Issuer, consisting of repairs to the water storage tanks and replacements of the water lines, filters and back

wash pumps, together with all appurtenant facilities (collectively, the "Project") (the existing waterworks facilities, the Project and any further additions, improvements and betterments thereto or extensions thereof are herein called the "System") at an estimated cost of \$1,248,200, 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 Series 1994 Bonds and all sinking funds, reserve accounts and other payments provided for herein and in the Prior Ordinance, all as such terms are hereinafter defined.

D. It is deemed necessary for the Issuer to issue its Water Revenue Bonds, Series 1994, in the total aggregate principal amount of not more than \$1,100,000 (the "Series 1994 Bonds"), to be initially represented by a single Bond, to permanently finance the costs of acquisition and construction of the Project. Said costs shall be deemed to include the repayment of the Notes (hereinafter defined), the cost of all property rights, easements and franchises deemed necessary or convenient therefor; interest upon the Series 1994 Bonds prior to and during acquisition or construction and for a period not exceeding 6 months after completion of acquisition or construction of the Project; amounts which may be deposited in the Series 1994 Bonds Reserve Account (hereinafter defined); engineering and legal expenses; expenses for estimates of costs and revenues, expenses for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the Project, administrative expense, commitment fees, fees and expenses of the Authority (as hereinafter defined), discount, initial fees for the services of registrars, paying agents, depositories or trustees or other costs in connection with the sale of the Series 1994 Bonds and such other expenses as may be necessary or incidental to the financing herein authorized, the acquisition or construction of the Project and the placing of same in operation, and the performance of the things herein required or permitted, in connection with any thereof; provided, that reimbursement to the Issuer for any amounts expended by it for allowable costs prior to the issuance of the Series 1994 Bonds or the repayment of indebtedness incurred by the Issuer for such purposes, shall be deemed Costs of the Project, as hereinafter defined.

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

F. It is in the best interests of the Issuer that its Series 1994 Bonds be sold to the West Virginia Water Development Authority (the "Authority") pursuant to the terms and provisions of a loan agreement (the "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 a resolution supplemental hereto.

G. There is an outstanding obligation of the Issuer which will rank on parity with the Series 1994 Bonds as to liens, pledge, source of and security for payment, being the Issuer's Water Revenue Bonds, Series 1965, dated May 1, 1965, issued in the original aggregate principal amount of \$475,000 (the "Prior Bonds"), pursuant to an ordinance enacted by the Issuer on May 12, 1965 (the "Prior Ordinance").

The Issuer has met the parity requirements of the Prior Bonds and the Series 1994 Bonds shall be issued on a parity with the Prior Bonds with respect to liens, pledge and source of and security for payment and in all other respects.

H. The Issuer has complied with all requirements of West Virginia law relating to authorization of the acquisition, construction and operation of the Project and the System and issuance of the Bonds, or will have so complied prior to issuance thereof.

I. The Issuer is a governmental unit which has general taxing powers to finance operations of or facilities of the nature of the Project and the System; 95% or more of the Net Proceeds of the issues of the Series 1994 Bonds are to be used for local governmental activities of the Issuer (or of a governmental unit the jurisdiction of which is entirely within the jurisdiction of the Issuer); and the Issuer, all subordinate entities, all entities which issue obligations on behalf of the Issuer, and all entities formed or, to the extent provided under Section 148 of the Code, herein defined, availed of, to avoid the purposes of Section 148(f)(4)(D) of the Code and all other entities benefiting thereby reasonably expect to issue less than \$5,000,000 aggregate principal amount of tax-exempt obligations (other than private activity bonds) during the calendar year in which the Series 1994 Bonds are to be issued.

Section 1.03. Bond Legislation Constitutes Contract. In consideration of the acceptance of the Series 1994 Bonds by those who shall be the registered owners of the same from time to time, this Bond Legislation shall be deemed to be and shall constitute a contract between the Issuer and such Bondholders, and the covenants and agreements herein set forth to be performed by the Issuer shall be for the equal benefit, protection and security of the registered owners of any and all of such Bonds, all which shall be of equal rank and without preference, priority or distinction between any one Bond and any other Bond by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

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

"Act" means Chapter 8, Article 19 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 Series 1994 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 Ordinance" or "Local Act" means this Bond Ordinance and all ordinances, orders and resolutions supplemental hereto or amendatory hereof.

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

"Bond Year" means each one-year period (or shorter period from the date of issuance of the Series 1994 Bonds) that ends at the close of business on October 1, unless otherwise required under the Code.

"Bonds" means, collectively, the Series 1994 Bonds, and, where appropriate, the Prior Bonds and any bonds on a parity with the Series 1994 Bonds.

"Closing Date" means the date upon which there is an exchange of the Series 1994 Bonds for the proceeds representing the purchase of the Series 1994 Bonds by the Authority.

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

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

"Consulting Engineers" means Randolph Engineering, Inc., Scott Depot, West Virginia, or any engineer or firm of engineers that shall at any time hereafter be retained by the Issuer as Consulting Engineers for the System, or portion thereof.

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

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

"Depreciation Fund" means the Depreciation Fund established by the Prior Ordinance and continued hereby.

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

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

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

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

"Grant" means all moneys received by the Issuer on account of any Grant for the Project.

"Grant Agreement" means a written commitment for the payment of any Grant, 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.

"Grant Receipts" means all moneys received by the Issuer on account of any Grant.

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

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

"Independent Certified Public Accountants" means any certified public accountant or firm of certified public accountants that shall at any time hereafter be retained by the Issuer to prepare an independent annual or special audit of the accounts of the System

or for any other purpose except keeping the accounts of the System in the normal operation of its business and affairs.

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

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

"Loan Agreement" means the Loan Agreement to be entered into between the Authority and the Issuer, providing for the purchase of the Series 1994 Bonds from the Issuer by the Authority, the form of which shall be approved, and the execution and delivery by the Issuer authorized and directed or ratified by the Supplemental Resolution.

"Mayor" means the Mayor of the Issuer.

"Net Proceeds" means the face amount of the Series 1994 Bonds, plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds, if any, deposited in the Series 1994 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 1994 Bonds, without regard to whether or not such investment is made in tax-exempt obligations.

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

"Nonpurpose Investment" means any Investment Property which is acquired with the gross proceeds or any other proceeds of the Series 1994 Bonds and is not acquired in order to carry out the governmental purpose of the Series 1994 Bonds.

"Notes" means the Issuer's notes, issued in the aggregate principal amount of \$758,216, and payable to Putnam County Bank.

"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 and Paying Agent (all as herein defined), other than those capitalized as part of the Costs, payments to pension or retirement funds, taxes and such other reasonable operating costs and expenses as should normally and regularly be included under generally accepted accounting principles; provided, that "Operating Expenses" does not include payments on account of the principal of or redemption premium, if any, or interest on the Series 1994 Bonds, charges for depreciation, losses from the sale or other disposition of, or from any decrease in the value of, capital assets, amortization of debt discount or such miscellaneous deductions as are applicable to prior accounting periods.

"Operation and Maintenance Fund" means the Operation and Maintenance Fund established by the Prior Ordinance and continued hereby.

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

"Prior Bonds" means the Issuer's Water Revenue Bonds, Series 1965, dated May 1, 1965, issued in the original aggregate principal amount of \$475,000.

"Prior Bonds Sinking Fund" means the 1965 Sinking Fund established by the Prior Ordinance and continued hereby.

"Prior Ordinance" means the ordinance enacted by the Issuer on May 12, 1965, authorizing the Prior Bonds.

"Private Business Use" means use directly or indirectly in a trade or business carried on by a natural person, including all persons "related" to such person within the meaning of Section 144(a)(3) of the Code, or in any activity carried on by a person other than a natural person, including all persons "related" to such person within the meaning of Section 144(a)(3) of the Code, excluding, however, use by a state or local governmental

unit and use as a member of the general public. All of the foregoing shall be determined in accordance with the Code, including, without limitation, giving due regard to "incidental use," if any, of the proceeds of the issue and/or proceeds used for "qualified improvements," if any.

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

"Project" means the acquisition and construction of certain additions, betterments and improvements for the Issuer's existing public waterworks system, consisting of repairs to the water storage tanks and replacements of the water lines, filters and back wash pumps, together with all appurtenant facilities.

"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" means the Recorder of the Issuer.

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

"Registrar" means the Bond Registrar.

"Regulations" means all applicable regulations promulgated under the Code, or any predecessor thereto.

"Revenue Fund" means the Revenue Fund established by the Prior Ordinance and continued hereby.

"Series 1994 Bonds" means the not more than \$1,100,000 in aggregate principal amount of Water Revenue Bonds, Series 1994, of the Issuer.

"Series 1994 Bonds Reserve Account" means the Series 1994 Bonds Reserve Account established in the Series 1994 Bonds Sinking Fund pursuant to Section 5.02 hereof.

"Series 1994 Bonds Reserve Requirement" means, as of any date of calculation, the maximum amount of principal and interest which will become due on the Series 1994 Bonds in the then current or any succeeding year.

"Series 1994 Bonds Sinking Fund" means the Series 1994 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 Series 1994 Bonds; provided, that any matter intended by this Ordinance to be included in the Supplemental Resolution with respect to the Series 1994 Bonds and not so included, may be included in another Supplemental Resolution.

"Surplus Revenues" means the Net Revenues not required by the Bond Legislation to be set aside and held for the payment of or security for the Bonds, the Prior Bonds or any other obligations of the Issuer, including, without limitation, 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 complete public waterworks system of the Issuer, as presently existing in its entirety or any integral part thereof, and shall include the Project and any further improvements or extensions thereto hereafter constructed or acquired from any sources whatsoever.

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

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

ARTICLE II

AUTHORIZATION OF ACQUISITION AND CONSTRUCTION OF THE PROJECT

Section 2.01. Authorization of Acquisition and Construction of the Project. There is hereby authorized the acquisition and construction of the Project, at an estimated cost of \$1,248,200, 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 Bonds hereby authorized shall be applied as provided in Article VI hereof.

The Issuer has received bids or entered into contracts for the acquisition and construction of the Project, compatible with the financing plan submitted to the Authority.

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 1994 Bonds, funding a reserve account for the Series 1994 Bonds, repaying the Notes, paying Costs of the Project not otherwise provided for and paying certain costs of issuance and related costs, or any or all of such purposes, as determined by the Supplemental Resolution, there shall be and hereby are authorized to be issued negotiable Series 1994 Bonds of the Issuer. The Series 1994 Bonds shall be issued as a single bond, designated "Water Revenue Bond, Series 1994," in the aggregate principal amount of not more than \$1,100,000, and shall have such terms as set forth hereinafter and in the Supplemental Resolution. The proceeds of the Series 1994 Bonds remaining after funding of the Series 1994 Bonds Reserve Account (if funded from Bond proceeds) and capitalization of interest, if any, shall be deposited in the Bond Construction Trust Fund established by Section 5.01 hereof.

Section 3.02. Terms of Bonds. The Series 1994 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 Series 1994 Bonds shall be paid by check or draft of the Paying Agent, mailed to the registered owner thereof at the address as it appears on the books of the Bond Registrar, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner thereof.

Unless otherwise provided by the Supplemental Resolution, the Series 1994 Bonds shall be issued in the form of a single bond, fully registered to the Authority, with a debt service schedule attached, representing the aggregate principal amount of the Series 1994 Bonds, and shall mature in principal installments, all as provided in the Supplemental Resolution. The Bonds shall be exchangeable at the option and expense of the 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 Series 1994 Bonds shall

be dated as of the date specified in a Supplemental Resolution and shall bear interest from such date.

Section 3.03. Execution of Bonds. The Series 1994 Bonds shall be executed in the name of the Issuer by the Mayor, and the seal of the Issuer shall be affixed thereto or imprinted thereon and attested by the Recorder. In case any one or more of the officers who shall have signed or sealed any of the Series 1994 Bonds shall cease to be such officer of the Issuer before the Series 1994 Bonds so signed and sealed have been actually sold and delivered, such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Any Bonds may be signed and sealed on behalf of the Issuer by such person as at the actual time of the execution of such Bonds shall hold the proper office in the Issuer, although at the date of such Bonds such person may not have held such office or may not have been so authorized.

Section 3.04. Authentication and Registration. No Series 1994 Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Bond Legislation unless and until the Certificate of Authentication and Registration on such Bond, substantially in the form set forth in Section 3.10 shall have been manually executed by the Bond Registrar. Any such executed Certificate of Authentication and Registration upon any such Bond shall be conclusive evidence that such Bond has been authenticated, registered and delivered under this Bond Legislation. The Certificate of Authentication and Registration on any Bond shall be deemed to have been executed by the Bond Registrar if manually signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of the Bonds issued hereunder.

Section 3.05. Negotiability, Transfer and Registration. Subject to the provisions for transfer of registration set forth below, the Series 1994 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 Series 1994 Bond shall become mutilated or be destroyed, stolen or lost, the Issuer may, in its discretion, issue, and the Bond Registrar shall, if so advised by the Issuer, authenticate and deliver, a new Bond of the same series and of like tenor as the Bonds so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond, or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the Holder's furnishing satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer may prescribe and paying such expenses as the Issuer and the Bond Registrar may incur. All Bonds so surrendered shall be cancelled by the Bond Registrar and held for the account of the Issuer. If any such Bond shall have matured or be about to mature, instead of issuing a substitute Bond, the Issuer may pay the same, upon being indemnified as aforesaid, and if such Bond be lost, stolen or destroyed, without surrender thereof.

Section 3.07. Bonds not to be Indebtedness of the Issuer. The Series 1994 Bonds shall not, in any event, be or constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation, but shall be payable solely from the Gross Revenues derived from the operation of the System as herein provided and amounts, if any, in the Series 1994 Bonds Reserve Account. No holder or holders of any of the Series 1994 Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 1994 Bonds or the interest thereon.

Section 3.08. Bonds Secured by Pledge of Gross Revenues; Lien Positions with Respect to Prior Bonds. The payment of the debt service of all the Series 1994 Bonds shall be secured forthwith equally and ratably with each other, by a lien on the Gross Revenues derived from the System, on a parity with the lien on the Gross Revenues in favor of the Holder of the Prior Bonds. Such Gross Revenues in an amount sufficient to pay the principal of and interest on and other payments for the Prior Bonds and the Series 1994 Bonds and to make the payments into the sinking funds, the reserve accounts therein, and the Depreciation Fund either existing or hereinafter established, and all other payments

provided for in the Bond Legislation, are hereby irrevocably pledged to the payment of the principal of and interest on the Prior Bonds and the Series 1994 Bonds as the same become due.

Section 3.09. Delivery of Bonds. The Issuer shall execute and deliver the Series 1994 Bonds to the Bond Registrar, and the Bond Registrar shall authenticate, register and deliver the Series 1994 Bonds to the original purchasers upon receipt of the documents set forth below:

A. If other than the Authority, a list of the names in which the Series 1994 Bonds are to be registered upon original issuance, together with such taxpayer identification and other information as the Bond Registrar may reasonably require;

B. A request and authorization to the Bond Registrar on behalf of the Issuer, signed by an Authorized Officer, to authenticate and deliver the Series 1994 Bonds to the original purchasers; and

C. The unqualified approving opinion of bond counsel on the Series 1994 Bonds.

Section 3.10. Form of Bonds. The text of the Series 1994 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 BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF HURRICANE
WATER REVENUE BOND, SERIES 1994

No. R-_____

\$_____

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 _____ DOLLARS (\$_____), 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 _____ 1, 199____. 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 _____, 199____.

This Bond is issued (i) to pay certain notes (the "Notes") of the Issuer heretofore issued to pay a portion of the costs of acquisition and construction of certain additions, betterments and improvements for the existing waterworks facilities of the Issuer

(the "Project"); (ii) to pay the remaining costs of acquisition and construction of the Project; (iii) [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; (iv) to fund a reserve account for the Bonds; and (v)] to pay certain costs of issuance hereof and related costs. The existing waterworks system of the Issuer, the Project, and any further additions, betterments and improvements thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 8, Article 19 of the West Virginia Code of 1931, as amended (the "Act"), and a Bond Ordinance duly enacted by the Issuer on _____, 199____, and a Supplemental Resolution duly adopted by the Issuer on _____, 199____ (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S WATER REVENUE BONDS, SERIES 1965, DATED MAY 1, 1965, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$475,000 AND DESCRIBED IN THE BOND LEGISLATION (THE "PRIOR BONDS").

This Bond is payable only from and secured by a pledge of the Gross Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Gross Revenues in favor of the Holders of the Prior Bonds, and from moneys in the reserve account created under the Bond Legislation for the Bonds (the "Series 1994 Bonds Reserve Account"), and unexpended proceeds of the Bonds. Such Gross 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 Gross Revenues, the moneys in the Series 1994 Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 140% of the maximum amount payable in any year for principal of and interest on the Bonds, and all other obligations secured by a lien on or payable from such revenues prior to or on a parity with the Bonds, including the Prior Bonds, so long as the Prior Bonds are outstanding, and thereafter, 115% of such amount; provided however, that if the Prior Bonds are no longer outstanding and so long as there exists in the Series 1994 Bonds Reserve Account an amount at least equal to the maximum amount of

principal and interest which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding prior to or on a parity with the Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

All money received from the sale of this Bond, after reimbursement and repayment of all amounts advanced for preliminary expenses as provided by law, shall be applied solely to the repayment of the Notes and 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 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 affixed hereon and attested by its Recorder, and has caused this Bond to be dated _____, 199 ____.

[SEAL]

Mayor

ATTEST:

Recorder

(Form of)

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 1994 Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: _____, 199____.

ONE VALLEY BANK,
NATIONAL ASSOCIATION,
as Registrar

By _____
Its Authorized Officer

EXHIBIT A

SCHEDULE OF ANNUAL DEBT SERVICE

(Form of)

ASSIGNMENT

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

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

Dated: _____, _____.

In the presence of:

Section 3.11. Sale of Bonds; Approval and Ratification of Execution of Loan Agreement with Authority. The Series 1994 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, approved, ratified and confirmed.

Section 3.12. "Amended Schedule A" Filing. Upon completion of acquisition and construction of the Project, the Issuer will file with the Authority a schedule in substantially the form of the "Amended Schedule A" to the Loan Agreement, setting forth the actual Costs of the Project and sources of funds therefor.

ARTICLE IV

[RESERVED]

ARTICLE V

FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION THEREOF

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

- (1) Revenue Fund (established by the Prior Ordinance);
- (2) Operation and Maintenance Fund (established by the Prior Ordinance);
- (3) Depreciation Fund (established by the Prior Ordinance); and
- (4) Bond Construction Trust Fund.

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

- (1) 1965 Sinking Fund (established by the Prior Ordinance and hereinafter called the "Prior Bonds Sinking Fund");
- (2) Series 1994 Bonds Sinking Fund; and
- (3) Within the Series 1994 Bonds Sinking Fund, the Series 1994 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 (i) on the first day of each month, transfer from the Revenue Fund and pay to the Commission the amounts required by the Prior Ordinance to be deposited in the Prior Bonds Sinking Fund for payment of the principal of and interest on the Prior Bonds, (ii) simultaneously with the transfer set forth in subsection 5.03A(1)(i), on the first day of each month, commencing 7 months prior to the first date of payment of interest on

the Series 1994 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 1994 Bonds Sinking Fund, a sum equal to 1/6th of the amount of interest which will become due on the Series 1994 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 1994 Bonds Sinking Fund and the next semiannual interest payment date is less than 7 months, then such monthly payments shall be increased proportionately to provide, one month prior to the next semiannual interest payment date, the required amount of interest coming due on such date, and (iii) simultaneously with the transfer set forth in subsections 5.03A(1)(i) and (ii), on the first day of each month, commencing 13 months prior to the first date of payment of principal on the Series 1994 Bonds, apportion and set apart out of the Revenue Fund and remit to the Commission for deposit in the Series 1994 Bonds Sinking Fund, a sum equal to 1/12th of the amount of principal which will mature and become due on the Series 1994 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 1994 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.

(2) 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 1994 Bonds, if not fully funded upon issuance of the Series 1994 Bonds, apportion and set apart out of the Revenue Fund and remit to the Commission for deposit in the Series 1994 Bonds Reserve Account, an amount equal to 1/120 of the Series 1994 Bonds Reserve Requirement; provided, that no further payments shall be made into the Series 1994 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 1994 Bonds Reserve Requirement.

(3) The Issuer shall next, each month, transfer from the Revenue Fund to the Operation and Maintenance Fund a sum sufficient to pay the current Operating Expenses of the System.

(4) The Issuer shall next, from the moneys remaining in the Revenue Fund, on the first day of each month, transfer to the Depreciation Fund, a sum equal to 10% of the Gross Revenues each month, until there has been accumulated in the Depreciation Fund the sum of \$24,000, and thereafter, a sum equal to 2 1/2% of the Gross Revenues each month, exclusive of any payments for account of any Reserve Account. All funds in

the Depreciation 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 Depreciation Fund for replacements, emergency repairs, improvements or extensions to the System; provided, that any deficiencies in the Series 1994 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 from the Depreciation Fund.

Moneys in the Series 1994 Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest on the Series 1994 Bonds as the same shall become due. Moneys in the Series 1994 Bonds Reserve Account shall be used only for the purpose of paying principal of and interest on the Series 1994 Bonds as the same shall come due, when other moneys in the Series 1994 Bonds Sinking Fund are insufficient therefor, and for no other purpose.

All investment earnings on moneys in the Series 1994 Bonds Sinking Fund and the Series 1994 Bonds Reserve Account shall be returned, not less than once each year, by the Commission to the Issuer, and such amounts shall, during construction of the Project, be deposited in the 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 payment due on the Series 1994 Bonds, and then to the next ensuing principal payment due thereon.

Any withdrawals from the Series 1994 Bonds Reserve Account which result in a reduction in the balance of the Series 1994 Bonds Reserve Account to below the Series 1994 Bonds Reserve Requirement shall be subsequently restored from the first Gross Revenues available after all required payments have been made in full to the Prior Bonds Sinking Fund and Series 1994 Bonds Sinking Fund.

As and when additional Bonds ranking on a parity with the Series 1994 Bonds are issued, provision shall be made for additional payments into the respective sinking funds sufficient to pay the interest on such additional parity Bonds and accomplish retirement thereof at maturity and to accumulate a balance in the appropriate reserve account in an amount equal to the maximum 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 1994 Bonds Sinking Fund, or the Series 1994 Bonds Reserve Account therein when the aggregate amount of funds therein are at least equal to the aggregate principal amount of the Series 1994 Bonds issued pursuant to this Bond Legislation then Outstanding and all interest to accrue until the maturity thereof.

The Commission is hereby designated as the fiscal agent for the administration of the Series 1994 Bonds Sinking Fund created hereunder, and all amounts required for the Series 1994 Bonds Sinking Fund shall be remitted to the Commission from the Revenue Fund by the Issuer at the times provided herein.

The payments into the Series 1994 Bonds Sinking 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 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 Series 1994 Bonds Reserve Account shall be invested and reinvested by the Commission in accordance with Section 8.01 hereof.

The Series 1994 Bonds Sinking Fund, including the Series 1994 Bonds Reserve Account therein, shall be used solely and only for, and are hereby pledged for, the purpose of servicing the Series 1994 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 Series 1994 Bonds Sinking Fund, including the Series 1994 Bonds Reserve Account therein, the Prior Bonds Sinking Fund, the Operation and Maintenance Fund, 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.

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 charges, fees and expenses of the Depository Bank, the Commission, the Registrar and the Paying Agent.

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 Gross 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.

ARTICLE VI

BOND PROCEEDS; CONSTRUCTION DISBURSEMENTS

Section 6.01. Application of Bond Proceeds; Pledge of Unexpended Bond Proceeds. From the moneys received from the sale of any or all of the Series 1994 Bonds, the following amounts shall be first deducted and deposited in the order set forth below:

A. From the proceeds of the Series 1994 Bonds, there shall first be deposited with the Commission in the Series 1994 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 1994 Bonds for the period commencing on the date of issuance of the Series 1994 Bonds and ending 6 months after the estimated date of completion of construction of the Project.

B. Next, from the proceeds of the Series 1994 Bonds, there shall be deposited with the Commission in the Series 1994 Bonds Reserve Account, the sum, if any, set forth in the Supplemental Resolution for funding of the Series 1994 Bonds Reserve Account.

C. Next, from the proceeds of the Series 1994 Bonds, there shall first be credited to the Bond Construction Trust Fund and then deposited with the paying agent for the Notes, the amount which will be sufficient to pay, on the Closing Date, the entire principal of and interest accrued on the Notes.

D. Next, from the proceeds of the Series 1994 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.

E. The remaining moneys derived from the sale of the Series 1994 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.

F. 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 transferred or expended, are hereby pledged as additional security for the Series 1994 Bonds.

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

Except as provided in Section 6.01 hereof, disbursements from the Bond Construction Trust Fund (except for the costs of issuance of the Series 1994 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, and all Costs have been paid, the Depository Bank shall transfer any moneys remaining in the Bond Construction Trust Fund to the Series 1994 Bonds Reserve Account, and when fully funded, shall return such remaining moneys to the Issuer for deposit in the Revenue Fund; provided that, in no event shall more than 10% of the proceeds of the Series 1994 Bonds be deposited in the Series 1994 Bonds Reserve Account and any balance in excess of said amounts shall be returned to the Issuer for deposit in the Revenue Fund. The Issuer shall thereafter, apply such moneys in full, first to the next ensuing interest payments due on the Series 1994 Bonds and thereafter to the next ensuing principal payments due thereon.

ARTICLE VII

ADDITIONAL COVENANTS OF THE ISSUER

Section 7.01. General Covenants of the Issuer. All the covenants, agreements and provisions of this Bond Legislation shall be and constitute valid and legally binding covenants of the Issuer and shall be enforceable in any court of competent jurisdiction by any Holder or Holders of the Series 1994 Bonds. In addition to the other covenants, agreements and provisions of this Bond Legislation, the Issuer hereby covenants and agrees with the Holders of the Series 1994 Bonds as hereinafter provided in this Article VII. All such covenants, agreements and provisions shall be irrevocable, except as provided herein, as long as the Series 1994 Bonds or the interest thereon is Outstanding and unpaid.

Section 7.02. Bonds not to be Indebtedness of the Issuer. The Series 1994 Bonds shall not 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 the Series 1994 Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 1994 Bonds or the interest thereon.

Section 7.03. Bonds Secured by Pledge of Gross Revenues; Lien Positions with Respect to Prior Bonds. The payment of the debt service of the Series 1994 Bonds issued hereunder shall be secured forthwith equally and ratably by a lien on the Gross Revenues derived from the operation of the System, on a parity with the lien on said Gross Revenues in favor of the Holders of the Prior Bonds. The Revenues derived from the System, in an amount sufficient to pay the principal of and interest on the Prior Bonds and the Series 1994 Bonds and to make the payments into the Prior Bonds Sinking Fund and the Series 1994 Bonds Sinking Fund, including the Series 1994 Bonds Reserve Account 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 Prior Bonds and the Series 1994 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 water rate ordinance of the Issuer enacted August 10, 1992, which rates are incorporated herein by reference as a part hereof.

Section 7.05. Sale of the System. So long as the Prior Bonds are outstanding, the Issuer shall not sell, lease, loan, mortgage or in any manner dispose of or encumber the System, or any part thereof, except as provided in the Prior Ordinance and with the written consent of the Authority.

So long as the Series 1994 Bonds are outstanding and except as otherwise required by law or with the written consent of the Authority, the System may not be sold, mortgaged, leased or otherwise disposed of except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to pay fully all the Bonds Outstanding, or to effectively defease this Bond Legislation in accordance with Article X hereof. The proceeds from any such sale, mortgage, lease or other disposition of the System shall, with respect to the 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 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.

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, and, so long as any of the Series 1994 Bonds are Outstanding, the Issuer shall not issue any other obligations whatsoever payable from the revenues of the System which rank prior to, or equally, as to lien on and source of and security for payment from such revenues with the Series 1994 Bonds. All obligations issued by the Issuer after the issuance of the Series 1994 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 1994 Bonds; provided, that no such subordinate obligations shall be issued unless payments required to be made into all funds and accounts established by the Prior Ordinance and this Bond Legislation have been made and are current at the time of the issuance of such subordinate obligations.

Except as provided above, the Issuer shall not create, or cause or permit to be created, any debt, lien, pledge, assignment, encumbrance or any other charge having priority over or being on a parity with the lien of the Series 1994 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.

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

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 1994 Bonds.

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 the Series 1994 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, so long as any of the Prior Bonds are Outstanding, not be less than 140%, and thereafter, shall not be less than 115%, of the largest aggregate amount that will mature and become due in any succeeding Fiscal Year for principal of and interest on the following:

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

The "estimated average increased annual Net Revenues to be received in each of the 3 succeeding years," as that term is used in the computation provided in the above paragraph, shall refer only to the increased Net Revenues estimated to be derived from (a) the improvements to be financed by such Parity Bonds and (b) any increase in rates enacted by the Issuer, the period for appeal of which has expired prior to the date of 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.

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 Prior Bonds and the Series 1994 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 Prior Bonds or the Series 1994 Bonds.

No Parity Bonds shall be issued any time, however, unless all the payments into the respective funds and accounts provided for in this Bond Legislation and the Prior Ordinance with respect to the Bonds then Outstanding, and any other payments provided for in this Bond Legislation and the Prior Ordinance, 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 and the Prior Ordinance.

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 issued pursuant to this Bond Legislation shall have the right at all reasonable times to inspect the System and all parts thereof and all records, accounts and data of the Issuer relating thereto.

The accounting system for the System shall follow current generally accepted accounting principles and safeguards to the extent allowed and as prescribed by the Public Service Commission of West Virginia. Separate control accounting records shall be maintained by the Issuer. Subsidiary records as may be required shall be kept in the

manner and on the forms, books and other bookkeeping records as prescribed by the Governing Body. The Governing Body shall prescribe and institute the manner by which subsidiary records of the accounting system which may be installed remote from the direct supervision of the Governing Body shall be reported to such agent of the Issuer as the Governing Body shall direct.

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

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

(B) A balance sheet statement showing all deposits in all the funds and accounts provided for in this Bond Legislation and the Prior Ordinance with respect to all Outstanding Bonds and the status of all said funds and accounts.

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

The Issuer shall also, at least once a year, cause the books, records and accounts of the System to be audited by Independent Certified Public Accountants 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, and shall submit said report to 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 and that the revenues of the System are adequate to meet the Issuer's Operating Expenses and debt service requirements.

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 140% of the maximum amount

required in any year for payment of principal of and interest on the Series 1994 Bonds and all other obligations secured by a lien on or payable from such revenues prior to or on a parity with the Series 1994 Bonds, including the Prior Bonds, so long as the Prior Bonds are Outstanding, and thereafter 115% of such amount; provided that, when the Prior Bonds are no longer Outstanding and an amount equal to or in excess of the reserve requirement is on deposit in the Series 1994 Bonds Reserve Account and reserve accounts for obligations prior to or on a parity with the Series 1994 Bonds are funded at least at the requirement therefor, such balance each year need only equal at least 110% of the maximum amount required in any year for payment of principal of and interest on the Series 1994 Bonds and all other obligations secured by a lien on or payable from such revenues prior to or on a parity with the Series 1994 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 revenues and expenditures for operation and maintenance of the System during the succeeding Fiscal Year and shall submit a copy of such budget to the Authority within 30 days of adoption thereof. No expenditures for the operation and maintenance of the System shall be made in any Fiscal Year in excess of the amounts provided therefor in such budget without a written finding and recommendation by 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 Authority and to any Holder of any Bonds who shall file his or her address with the Issuer and request in writing that copies of all such budgets and resolutions be furnished him or her and shall make available such budgets and all resolutions authorizing increased expenditures for operation and maintenance of the System at all reasonable times to any Holder of any Bonds or anyone acting for and in behalf of such Holder of any Bonds.

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 and that the revenues of the System are adequate to meet the Issuer's Operating Expenses and debt service requirements.

Section 7.11. No Competing Franchise. To the extent legally allowable, the Issuer will not grant or cause, consent to or allow the granting of, any franchise or

permit to any person, firm, corporation, body, agency or instrumentality whatsoever for the providing of any services which would compete with services provided by the System.

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

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

Section 7.13. 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. Engineering Services and Operating Personnel. The Issuer shall provide and maintain competent and adequate resident engineering services satisfactory to the Authority covering the supervision and inspection of the development and construction of the Project, and bearing the responsibility of assuring that construction conforms to the plans, specifications and designs prepared by the Consulting Engineers, which have been approved by all necessary governmental bodies. Such resident engineer shall certify to the Authority and the Issuer at the completion of construction that construction of the Project is in accordance with the approved plans, specifications and

designs, or amendments thereto, approved by all necessary governmental bodies. The Issuer shall retain qualified operating personnel, properly certified by the State, to operate the System so long as the Bonds are outstanding.

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

(1) FIRE, LIGHTNING, VANDALISM, MALICIOUS MISCHIEF AND EXTENDED COVERAGE INSURANCE, on all above-ground insurable portions of the System in an amount equal to the actual cost thereof. In time of war the Issuer will also carry and maintain insurance to the extent available against the risks and hazards of war. The proceeds of all such insurance policies shall be placed in the Depreciation Fund and used only for the repairs and restoration of the damaged or destroyed properties or for the other purposes provided herein for the Depreciation 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 \$500,000 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.

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

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

Section 7.16. Connections. To the extent permitted by the laws of the State and rules and regulations of the Public Service Commission of West Virginia, the Issuer shall require every owner, tenant or occupant of any house, dwelling or building intended to be served by the System to connect thereto.

Section 7.17. Completion of Project; Permits and Orders. The Issuer will complete the Project as promptly as possible and operate and maintain the System in good condition and in accordance with all federal and state requirements and standards.

The Issuer will obtain all permits required by state and federal laws for the acquisition and construction of the Project and all orders and approvals from the West Virginia Public Service Commission, if necessary, for the acquisition and construction of the Project and the operation of the System.

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

A. PRIVATE BUSINESS USE LIMITATION. The Issuer shall assure that (i) not in excess of 10% of the Net Proceeds of the Series 1994 Bonds are used for Private Business Use if, in addition, the payment of more than 10% of the principal or 10% of the interest due on the Series 1994 Bonds during the term thereof is, under the terms of the Series 1994 Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for a Private Business Use or in payments in respect of property used or to be used for a Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or

to be used for a Private Business Use; and (ii) and that, in the event that both (A) in excess of 5% of the Net Proceeds of the Series 1994 Bonds are used for a Private Business Use, and (B) an amount in excess of 5% of the principal or 5% of the interest due on the Series 1994 Bonds during the term thereof is, under the terms of the Series 1994 Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for said Private Business Use or in payments in respect of property used or to be used for said Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for said Private Business Use, then said excess over said 5% of Net Proceeds of the Series 1994 Bonds used for a Private Business Use shall be used for a Private Business Use related to the governmental use of the Project, or if the Series 1994 Bonds are for the purpose of financing more than one project, a portion of the Project, and shall not exceed the proceeds used for the governmental use of that portion of the Project to which such Private Business Use is related. All of the foregoing shall be determined in accordance with the Code.

B. PRIVATE LOAN LIMITATION. The Issuer shall assure that not in excess of 5% of the Net Proceeds of the Series 1994 Bonds are used, directly or indirectly, to make or finance a loan (other than loans constituting Nonpurpose Investments) to persons other than state or local government units.

C. FEDERAL GUARANTEE PROHIBITION. The Issuer shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause the Series 1994 Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code.

D. INFORMATION RETURN. The Issuer will file all statements, instruments and returns necessary to assure the tax-exempt status of the Series 1994 Bonds and the interest thereon, including, without limitation, the information return required under Section 149(e) of the Code.

E. FURTHER ACTIONS. The Issuer will take any and all actions that may be required of it (including, without limitation, those deemed necessary by the Authority) so that the interest on the Series 1994 Bonds will be and remain excludable from gross income for federal income tax purposes, and will not take any actions, or fail to take any actions (including, without limitation, those deemed necessary by the Authority), the result of which would adversely affect such exclusion.

Section 7.19. Statutory Mortgage Lien. For the further protection of the Holders of the Series 1994 Bonds, a statutory mortgage lien upon the System is granted and created by the Act, which statutory mortgage lien is hereby recognized and declared to be valid and binding, shall take effect immediately upon delivery of the Series 1994 Bonds and shall be for the equal benefit of all Holders of the Series 1994 Bonds, provided however, that the statutory mortgage lien in favor of the Holders of the Series 1994 Bonds shall be on a parity with that in favor of the Holders of the Prior Bonds.

Section 7.20. Compliance with Loan Agreement and Law. The Issuer agrees to comply with all the terms and conditions of the Loan Agreement and with all applicable laws, rules and regulations issued by state, federal or local bodies in regard to the acquisition and construction of the Project and the operation, maintenance and use of the System.

ARTICLE VIII

INVESTMENT OF FUNDS; NON ARBITRAGE

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

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

The Depository Bank shall keep complete and accurate records of all funds, accounts and investments, and shall distribute to the Issuer, at least once each year (or more often if reasonably requested by the Issuer), a summary of such funds, accounts and investment earnings. The Issuer shall retain all such records and any additional records with respect to such funds, accounts and investment earnings so long as any of the Series 1994 Bonds are Outstanding and as long thereafter as necessary to comply with the Code and assure the exclusion of interest on the Series 1994 Bonds from gross income for federal income tax purposes.

Section 8.02. Arbitrage. The Issuer covenants that (i) it shall not take, or permit or suffer to be taken, any action with respect to the gross or other proceeds of the Series 1994 Bonds which would cause the Series 1994 Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code, and (ii) it will take all actions that may be required of it (including, without implied limitation, the timely filing of a Federal information return

with respect to the Series 1994 Bonds) so that the interest on the Series 1994 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)(D) of the Code, the Issuer covenants that it is a governmental unit with general taxing powers; that no part of the Series 1994 Bonds are private activity bonds; that 95% or more of the Net Proceeds of the Series 1994 Bonds are to be used for local governmental activities of the Issuer (or of a governmental unit the jurisdiction of which is entirely within the jurisdiction of the Issuer); and that the aggregate face amount of all the tax-exempt obligations (other than private activity bonds) issued by the Issuer during the calendar year in which the Series 1994 Bonds are issued does not and will not exceed \$5,000,000, determined in accordance with Section 148(f)(4)(D) of the Code and the Regulations from time to time in effect and applicable to the Series 1994 Bonds. For purposes of this first paragraph of Section 8.03 and for purposes of applying Section 148(f)(4)(D) of the Code, the Issuer and all entities which issue obligations on behalf of the Issuer shall be treated as one issuer; all obligations issued by a governmental unit to make loans to other governmental units with general taxing powers not subordinate to such unit shall, for purposes of applying this first paragraph of Section 8.03 and Section 148(f)(4)(D) of the Code, be treated as not issued by such unit; all obligations issued by a subordinate entity shall, for purposes of applying this first paragraph of Section 8.03 and Section 148(f)(4)(D) of the Code to each other entity to which such entity is subordinate, be treated as issued by such other entity; and an entity formed (or, to the extent provided by the Secretary, as set forth in the Code, availed of) to avoid the purposes of such Section 148(f)(4)(D) of the Code and all other entities benefiting thereby shall be treated as one issuer.

Notwithstanding the foregoing, if in fact the Issuer is subject to the rebate requirements of Section 148(f) of the Code, and not exempted from such requirements, the Issuer covenants to make, or cause to be made, all rebate calculations, computations and payments in the time, manner and as required in Section 148(f) of the Code and the Regulations from time to time in effect and applicable to the Series 1994 Bonds and otherwise covenants and agrees to comply with the provisions of such Section 148(f) of the Code and the Regulations from time to time in effect and applicable to the Series 1994 Bonds. In the event of a failure to pay any such amount or amounts, the Issuer will pay, from any lawful sources available therefor, to the United States an amount equal to the sum of 50% of the amount not paid, plus interest at the required rate on the portion of the amount which was not paid on the required date, beginning on such date, unless waived. In order to provide for the administration of this paragraph, the Issuer may provide for the employment of independent attorneys, accountants and consultants compensated on such reasonable basis as the Issuer may deem appropriate.

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

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

The Issuer shall submit to the Authority within 15 days following the end of each Bond Year a certified copy of its rebate calculation or, if the Issuer qualifies for the small governmental issue exception to rebate, the Issuer shall submit a certificate stating that it is exempt from the rebate provisions and that no event has occurred to its knowledge during the Bond Year which would make the Series 1994 Bonds subject to rebate. The Issuer shall also furnish to the Authority, at any time, such additional information relating to rebate as may be reasonably requested by the Authority, including information with respect to earnings on all funds constituting "gross proceeds" of the Bonds (as such term "gross proceeds" is defined in the Code).

ARTICLE IX

DEFAULT AND REMEDIES

Section 9.01. Events of Default. Each of the following events shall constitute an "Event of Default" with respect to the 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 Bond, may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his or her rights and, in particular, (i) bring suit for any unpaid principal or interest then due, (ii) by mandamus or other appropriate proceeding enforce all rights of such Registered Owners including the right to require the Issuer to perform its duties under the Act and the Bond Legislation relating thereto, including but not limited to the making and collection of sufficient rates or charges for services rendered by the System, (iii) bring suit upon the Bonds, (iv) by action at law or bill in equity require the Issuer to account as if it were the trustee of an express trust for the Registered Owners of the Bonds, and (v) by action or bill in equity enjoin any acts in violation of the Bond Legislation with respect to the Bonds, or the rights of such Registered Owners, provided however, that all rights and remedies of the Holders of the Series 1994 Bonds shall be on a parity with those of the Holders of the Prior Bonds.

Section 9.03. Appointment of Receiver. Any Registered Owner of a Bond, may, by proper legal action, compel the performance of the duties of the Issuer under the Bond Legislation and the Act, including, after commencement of operation of the System, the making and collection of sufficient rates and charges for services rendered by the System and segregation of the revenues therefrom and the application thereof. If there be any Event of Default with respect to such Bonds, any Registered Owner of a Bond shall, in addition to all other remedies or rights, have the right by appropriate legal proceedings

to obtain the appointment of a receiver to administer the System or to complete the acquisition and construction of the Project on behalf of the Issuer with power to charge rates, rentals, fees and other charges sufficient to provide for the payment of Operating Expenses of the System, the payment of the Bonds and interest and the deposits into the funds and accounts hereby established, and to apply such rates, rentals, fees, charges or other revenues in conformity with the provisions of this Bond Legislation and the Act.

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

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

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

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

ARTICLE X

DEFEASANCE

Section 10.01. Defeasance of Bonds. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the respective Holders of all Series 1994 Bonds, the principal of and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Bond Legislation, then the pledge of Gross Revenues and other 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 1994 Bonds shall thereupon cease, terminate and become void and be discharged and satisfied, except as may otherwise be necessary to assure the exclusion of interest on the Series 1994 Bonds from gross income for federal income tax purposes.

Series 1994 Bonds for the payment of which either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with the moneys, if any, deposited with the Paying Agent at the same or earlier time, shall be sufficient, to pay as and when due either at maturity or at the next redemption date, the principal installments of and interest on such Series 1994 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 1994 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 1994 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 1994 Bonds; provided, that any cash received from such principal or interest payments on such securities deposited with the Commission or its agent, if not then needed for such purpose, shall, to the extent practicable, be reinvested in securities maturing at times and in amounts sufficient to pay when due the principal installments of and interest to become due on said Bonds on and prior to the next redemption date or the maturity dates thereof, and interest earned from such reinvestments shall be paid over to the Issuer as received by the Commission or its agent, free and clear of any trust, lien or pledge. For the purpose of this section, securities shall mean and include only Government Obligations.

ARTICLE XI

MISCELLANEOUS

Section 11.01. Amendment or Modification of Bond Legislation. No material modification or amendment of this Bond Legislation, or of any ordinance, resolution or order amendatory or supplemental hereto, that would materially and adversely affect the rights of Registered Owners of the Bonds shall be made without the consent in writing of the Registered Owners of 66-2/3% or more in principal amount of the Series 1994 Bonds so affected and then Outstanding; provided, that no change shall be made in the maturity of the Series 1994 Bonds or the rate of interest thereon, or in the principal amount thereof, or affecting the unconditional promise of the Issuer to pay such principal and interest out of the funds herein pledged therefor without the consent of the Registered Owner thereof. No amendment or modification shall be made that would reduce the percentage of the principal amount of Series 1994 Bonds required for consent to the above-permitted amendments or modifications. Notwithstanding the foregoing, this Bond Legislation may be amended without the consent of any Bondholder as may be necessary to assure the exclusion of interest on the Series 1994 Bonds from gross income of the Holders thereof.

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

Section 11.03. Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Ordinance should be held invalid by any court of competent jurisdiction, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Ordinance, the Supplemental Resolution or the Series 1994 Bonds.

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

Section 11.05. Conflicting Provisions Repealed; Prior Ordinance. All ordinances, orders or resolutions and or parts thereof in conflict with the provisions of this Ordinance are, to the extent of such conflict, hereby repealed, provided that, in the event of any conflict between this Ordinance and the Prior Ordinance, the Prior Ordinance shall control (unless less restrictive), so long as the Prior Bonds 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 adoption of this Ordinance do exist, have happened, have been performed and have been taken in regular and due time, form and manner as required by and in full compliance with the laws and Constitution of the State of West Virginia applicable thereto; and that the Mayor, 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.

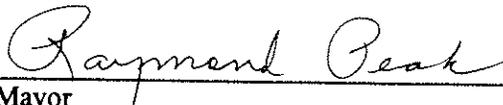
Section 11.07. Effective Date. This Ordinance shall take effect immediately following public hearing hereon.

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 described herein 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 - April 4, 1994

Passed on Second Reading - April 11, 1994

Passed on Final Reading
Following Public
Hearing - May 2, 1994



Mayor



Recorder

CERTIFICATION

Certified a true copy of an Ordinance duly enacted by the Council of the CITY OF HURRICANE on the 2nd of May, 1994.

Dated: May 5, 1994.

[SEAL]


Recorder

04/28/94
HWC.A4
43563/91001

"EXHIBIT A"

[Included as Document No. 3 of Bond Transcript]

CITY OF HURRICANE

Water Revenue Bonds, Series 1994

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNT, DATE, MATURITY DATE, REDEMPTION PROVISION, INTEREST RATE, INTEREST AND PRINCIPAL PAYMENT DATES, SALE PRICE AND OTHER TERMS OF THE WATER REVENUE BONDS, SERIES 1994, OF THE CITY OF HURRICANE; AUTHORIZING AND APPROVING A LOAN AGREEMENT RELATING TO SUCH BONDS AND THE SALE AND DELIVERY OF SUCH BONDS TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

WHEREAS, the city council (the "Governing Body") of the City of Hurricane (the "Issuer"), has duly and officially adopted and enacted a bond ordinance, effective May 2, 1994 (the "Bond Ordinance"), entitled:

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF ADDITIONS, BETTERMENTS AND IMPROVEMENTS FOR THE EXISTING WATERWORKS SYSTEM 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 \$1,100,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 1994; PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

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

WHEREAS, the Bond Ordinance provides for the issuance of Water Revenue Bonds, Series 1994, of the Issuer (the "Bonds" or the "Series 1994 Bonds"), in the aggregate principal amount not to exceed \$1,100,000, and has authorized the execution and delivery of a loan agreement relating to the Bonds to be dated the date of delivery of the Bonds (the "Loan Agreement"), by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), all in accordance with Chapter 8, Article 19 of the West Virginia Code of 1931, as amended (the "Act"); and in the Bond Ordinance it is provided that the form of the Loan Agreement and the exact principal amount, date, maturity date, redemption provision, interest rate, interest and principal payment dates, sale price and other terms of the Bonds should be established by a supplemental resolution pertaining to the Bonds; and that other matters relating to the Bonds be herein provided for;

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

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

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

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF 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 the Water Revenue Bonds, Series 1994, of the Issuer, originally represented by a single Bond, numbered R-1, in the principal amount of \$1,100,000. The Series 1994 Bonds shall be dated the date of delivery thereof, shall finally mature October 1, 2033, shall bear interest at the rate of 6.75% per annum, payable semiannually on April 1 and October 1 of each year, first interest payable October 1, 1994, 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 1994 Bonds, and shall be payable in installments of principal on October 1 in each of the years 1995 through 2033, inclusive, and in the amounts as set forth in "Schedule X," attached thereto and to the 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, a copy of which is incorporated herein by reference, and the execution and delivery of the Loan Agreement by the Mayor, and the performance of the obligations contained therein, on behalf of the Issuer are hereby authorized, directed and approved. The price of the Bonds shall be 100% of par value, there being no interest accrued thereon.

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

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

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

Section 7. Series 1994 Bonds proceeds in the amount of \$-0- shall be deposited in the Series 1994 Bonds Sinking Fund, as capitalized interest.

Section 8. Series 1994 Bonds proceeds in the amount of \$80,555 shall be deposited in the Series 1994 Bonds Reserve Account.

Section 9. Series 1994 Bonds proceeds in the amount of \$809,234.62 shall be paid to Putnam County Bank to pay in full the principal of and interest on certain notes (the "Notes"), issued to said Bank for the purpose of temporarily financing the costs of acquisition and construction of the Project.

Section 10. The balance of the proceeds of the Bonds shall be deposited in or credited to the Bond Construction Trust Fund for payment of Costs of the Project not previously paid with proceeds of the Notes, including costs of issuance of the Bonds.

Section 11. The Issuer hereby determines to pay, on the date of delivery of the Bonds and receipt of proceeds thereof, all borrowings of the Issuer heretofore incurred for the purpose of temporarily financing a portion of the Costs of the Project, if any, including, but not limited to, all borrowings from the Issuer's general fund or from the Authority.

Section 12. 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 May 5, 1994, to the Authority pursuant to the Loan Agreement.

Section 13. The acquisition and construction of the project and the financing thereof in part with proceeds of the Bonds is in the public interest, serves a public purpose of the Issuer and will promote the health, welfare and safety of the residents of the Issuer.

Section 14. The Issuer hereby determines that it is in the best interest of the Issuer to invest all moneys in the funds and accounts established by the Bond Ordinance held by the Depository Bank until expended, in repurchase agreements or time accounts, secured by a pledge of Government Obligations, and therefore, the Issuer hereby directs the Depository Bank to take such actions as may be necessary to cause such moneys to be invested in such repurchase agreements or time accounts, until further directed in writing by the Issuer. Moneys in the Series 1994 Bonds Sinking Fund, including the Series 1994 Bonds Reserve Account therein, shall be invested by the West Virginia Municipal Bond Commission in the West Virginia Consolidated Fund.

Section 15. The Issuer shall not permit at any time or times any of the proceeds of the Bonds or any other funds of the Issuer to be used directly or indirectly in a manner which would result in the exclusion of the Bonds from the treatment afforded by Section 103(a) of the Internal Revenue Code of 1986, as amended, and any regulations promulgated thereunder or under any predecessor thereto (the "Code"), by reason of the classification of the Bonds as "private activity bonds" within the meaning of the Code. The Issuer will take all actions necessary to comply with the Code and Treasury Regulations to be promulgated thereunder.

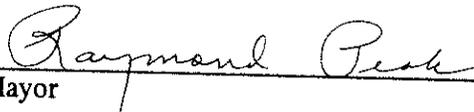
Section 16. The Issuer is a governmental unit with general taxing powers to finance operations of or facilities of the nature of the Project and the System; no part of the Bonds are private activity bonds; 95% or more of the net proceeds of the Bonds are to be used for local governmental activities of the Issuer; and the Issuer reasonably expects to issue less than \$5,000,000 aggregate principal face amount of tax-exempt obligations (other than private activity bonds) during the calendar year 1994, being the calendar year in which the Bonds are to be issued. For purposes of this Section and for purposes of applying Section 148(f)(4)(D) of the Code, the Issuer and all entities which issue obligations on behalf of the Issuer shall be treated as one issuer; all obligations issued by a governmental

unit to make loans to other governmental units with general taxing powers not subordinate to such unit shall, for purposes of applying this Section and Section 148(f)(4)(D) of the Code, be treated as not issued by such unit; all obligations issued by a subordinate entity shall, for purposes of applying this Section and Section 148(f)(4)(D) of the Code to each other entity to which such entity is subordinate, be treated as issued by such other entity; and an entity formed (or, to the extent provided by the Secretary, as set forth in the Code, availed of) to avoid the purposes of such Section 148(f)(4)(D) of the Code and all other entities benefiting thereby shall be treated as one issuer.

Section 17. This Supplemental Resolution shall be effective immediately following adoption hereof.

Adopted this 2nd day of May, 1994

CITY OF HURRICANE



Mayor



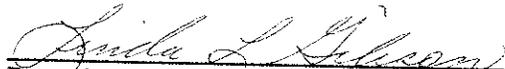
Recorder

CERTIFICATION

Certified a true copy of a Supplemental Resolution duly adopted by the Council of the CITY OF HURRICANE on the 2nd of May, 1994.

Dated: May 5, 1994.

[SEAL]



Recorder

04/13/94
HWC.B1
43563/91001

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LOAN AGREEMENT

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

CITY OF HURRICANE

(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 professional engineer, licensed by the State, who shall not be a regular, full-time employee of the State or any of its agencies, commissions or political sub-divisions, and designated in the Application and any qualified successor thereto.

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

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

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

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

1.7 "Origination Fee" means the fee paid by a Governmental Agency with respect to its participation in the State's Revolving Fund program established pursuant to Title VI of the Water Quality Act of 1987, to provide funds for the acquisition and construction of wastewater Projects.

1.8 "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.

1.9 "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.

1.10 "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.

1.11 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 Division of Natural Resources* (or in the process of preparation by such

* Now administered by the West Virginia Division of Environmental Protection.

Director), has been approved by the West Virginia Bureau of Public 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 unless a sale or transfer of all or a portion of said property is approved by the Authority.

2.4 The Governmental Agency agrees that the Authority and its duly authorized agents shall have the right at all reasonable times to enter upon the Project site and Project facilities and to examine and inspect the same. The Governmental Agency further agrees that the Authority and its duly authorized agents and representatives shall, prior to, 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 with respect to the System pursuant to the pertinent provisions of the Act.

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

2.6 The Governmental Agency agrees that it will permit the Authority and its agents and representatives to have access to the records of the Governmental Agency pertaining to the operation

and maintenance of the System at any reasonable time following completion of construction of the Project and commencement of operation thereof or if the Project is an improvement to an existing system at any reasonable time following commencement of construction.

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

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.

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

ARTICLE III

Conditions to Loan; Issuance of Local Bonds

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

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

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

(c) The Governmental Agency shall either have received bids or entered 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 the form of which certificate is attached hereto as Exhibit A;

(d) No Loan shall be made for the purpose of refinancing any outstanding long-term indebtedness of a Governmental Agency unless an opinion of counsel is received by the Authority to the effect that such refinancing is permitted by the Act and the Resolution, and that such refinancing will not cause a violation of any covenant, representation or agreement of the Authority contained in the Resolution or Tax Regulatory Agreement with respect to the exclusion of the interest on the Bonds from gross income of the holder thereof for federal income tax purposes;

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

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

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

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

(i) Such rates and charges for the System shall be sufficient to comply with the provisions of 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

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

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

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

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

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 purchase the Local Bonds 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 or with the written consent of the Authority, the System may not be sold, mortgaged, leased or otherwise disposed of except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to pay fully all the Local Bonds outstanding, with further restrictions on the disposition of portions of the System as are normally contained in such covenants;

(v) That the Governmental Agency shall not issue any other obligations payable from the revenues of the System which rank prior to, or equally, as to lien and security with the Local Bonds, except parity bonds which shall only be issued if net revenues of the System prior to issuance of such parity bonds, plus reasonably projected revenues from rate increases and the improvements to be financed by such parity bonds, shall not be less than one hundred fifteen percent (115%) of the maximum debt service in any succeeding year on all Local Bonds and parity bonds theretofore and then being issued and on any obligations secured by a lien on or payable from the revenues of the System prior to the Local Bonds; 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 or independent public accountant and shall submit the report of said audit to the Authority, which report shall include a statement that the Governmental Agency is in compliance with the terms and provisions of the Local Act and this Loan Agreement and that the Governmental Agency's revenues are adequate to meet its operation and maintenance expenses and debt service requirements;

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

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

(xiv) That the proceeds of the Local Bonds, except for accrued interest and capitalized interest, if any, must (a) be deposited in a construction fund, which, except as otherwise agreed to in writing by the Authority, shall be held separate and apart from all other funds of the Governmental Agency and on which the owners of the Local Bonds shall have a lien until such proceeds are applied to the construction of the Project (including the repayment of any incidental interim financing 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;

(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;

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

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

(xx) That the Governmental Agency shall furnish to the Authority such information with respect to earnings on all funds constituting "gross proceeds" of the Local Bonds (as that

term is defined in the Code) from time to time as the Authority may request.

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 B.

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

4.3 An Origination Fee Account shall be established with the Trustee to hold the portion of the proceeds of any Loan established to fund an Origination Fee. Amounts on deposit in an Origination Fee Account shall belong to the Governmental Agency receiving the related Loan, but such amounts may only be disbursed from the Account to pay the Origination Fee as and when required to satisfy the requirements of the State's Revolving Fund program established pursuant to Title VI of the Water Quality Act of 1987 or for such other purposes as the Authority may approve in writing.

4.4 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.

4.5 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.

4.6 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.

4.7 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.

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

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

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

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

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

7.6 This Loan Agreement 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

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

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

City of Hurricane
[Proper Name of Governmental Agency]

(SEAL)

By: Raymond Besh

Its: Mayor

Attest:

Date: May 5, 1994

Luella L. Gibson

Its: Recorder

WEST VIRGINIA WATER DEVELOPMENT
AUTHORITY

(SEAL)

By: Daniel B. Yarbark
Director

Attest:

Date: May 5, 1994

Barbara B. Meadows
Secretary-Treasurer

WDA-5X
(May 1993)

SCHEDULE X
DESCRIPTION OF LOCAL BONDS

Principal Amount of Local Bonds \$ 1,100,000
Purchase Price of Local Bonds \$ 1,100,000

Interest on the Local Bonds is payable on April 1 and October 1 in each year, beginning with the first semiannual interest payment date after delivery of the Local Bonds to the Authority, until the Local Bonds are paid in full, at the rate of 6.75 % 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:

City of Hurricane Water Revenue Bonds issued May 1, 1965, in the original principal amount of \$475,000.

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:

**West Virginia Water Development Authority
Interest Bearing Local Loan from Bridge Financing Program
Debt Service Schedule - City of Hurricane**

Avg Coup = 6.75%
TIC = 6.754503%
NIC = 6.749999%
WAM = 27.90 yrs.

Closing May 5, 1994

Interest Bearing Loan: \$1,100,000.00

Date	Coupon	Principal	Interest	Debt Service
10/1/94	6.75%	0.00	30,112.49	30,112.49
10/1/95	6.75%	6,305.95	74,249.98	80,555.93
10/1/96	6.75%	6,731.60	73,824.33	80,555.93
10/1/97	6.75%	7,185.98	73,369.95	80,555.93
10/1/98	6.75%	7,671.03	72,884.90	80,555.93
10/1/99	6.75%	8,188.83	72,367.11	80,555.94
10/1/00	6.75%	8,741.58	71,814.36	80,555.94
10/1/01	6.75%	9,331.64	71,224.30	80,555.94
10/1/02	6.75%	9,961.52	70,594.41	80,555.93
10/1/03	6.75%	10,633.93	69,922.01	80,555.94
10/1/04	6.75%	11,351.71	69,204.22	80,555.93
10/1/05	6.75%	12,117.95	68,437.98	80,555.93
10/1/06	6.75%	12,935.91	67,620.02	80,555.93
10/1/07	6.75%	13,809.08	66,746.85	80,555.93
10/1/08	6.75%	14,741.19	65,814.74	80,555.93
10/1/09	6.75%	15,736.23	64,819.71	80,555.94
10/1/10	6.75%	16,798.42	63,757.51	80,555.93
10/1/11	6.75%	17,932.31	62,623.62	80,555.93
10/1/12	6.75%	19,142.75	61,413.19	80,555.94
10/1/13	6.75%	20,434.88	60,121.05	80,555.93
10/1/14	6.75%	21,814.23	58,741.70	80,555.93
10/1/15	6.75%	23,286.69	57,269.24	80,555.93
10/1/16	6.75%	24,858.54	55,697.39	80,555.93
10/1/17	6.75%	26,536.49	54,019.44	80,555.93
10/1/18	6.75%	28,327.71	52,228.23	80,555.94
10/1/19	6.75%	30,239.83	50,316.11	80,555.94
10/1/20	6.75%	32,281.02	48,274.92	80,555.94
10/1/21	6.75%	34,459.99	46,095.95	80,555.94
10/1/22	6.75%	36,786.04	43,769.90	80,555.94
10/1/23	6.75%	39,269.09	41,286.84	80,555.93
10/1/24	6.75%	41,919.75	38,636.18	80,555.93
10/1/25	6.75%	44,749.34	35,806.60	80,555.94
10/1/26	6.75%	47,769.92	32,786.02	80,555.94
10/1/27	6.75%	50,994.38	29,561.55	80,555.93
10/1/28	6.75%	54,436.50	26,119.43	80,555.93
10/1/29	6.75%	58,110.96	22,444.97	80,555.93
10/1/30	6.75%	62,033.46	18,522.48	80,555.94
10/1/31	6.75%	66,220.72	14,335.22	80,555.94
10/1/32	6.75%	70,690.62	9,865.32	80,555.94
10/1/33	6.75%	75,462.23	5,093.70	80,555.93
		1,100,000.00	2,071,793.92	3,171,793.92

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 the extent not otherwise limited by an outstanding local ordinance, 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, beginning thirteen (13) months prior to the first date of payment of principal of the Local Bonds, 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 (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;

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

(iv) to pay Operating Expenses of the System; and

(v) 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. "Local Statute" means Chapter 8, Article 19, of the Code of West Virginia, 1931, as amended.

2. "System" means the waterworks system owned by the Governmental Agency in its entirety or any integral part thereof, including mains, hydrants, meters, valves, standpipes, storage tanks, pump tanks, pumping stations, intakes, wells, impounding reservoirs, pumps, machinery, purification plants, softening apparatus and all other facilities necessary, appropriate, useful, convenient or incidental in connection with or to a water supply system, and any additions, betterments or improvements thereto hereafter constructed or acquired from any sources whatsoever and includes the Project.

Additional Conditions and Covenants

1. As a condition precedent to the Authority's making the Loan, the Governmental Agency shall have obtained, among other permits required, a permit from the West Virginia Bureau of Public Health.

2. 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 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 the System until all delinquent charges for the services of the System have been fully paid.

3. Subject to any prior or parity obligations described in Schedules X and Y attached to the Loan Agreement, the gross revenues derived from the operation of the System are pledged to the payment of the principal of and interest on the Local Bonds.

4. The paying agent for the Local Bonds shall be the West Virginia Municipal Bond Commission or any successor to the functions thereof.

5. As a condition precedent to the Authority's making the Loan, the Governmental Agency shall deliver to the Authority a certificate representing the following:

- (a) The Governmental Agency expects to enter into a contract within six months of the date thereof for the construction of the Project, and the amount to be expended pursuant to such contract exceeds the lesser of 2-1/2 percent of the estimated total Project cost financed with proceeds from the sale of the Local Bonds or \$100,000;
- (b) Work with respect to the construction of the Project will proceed with due diligence to completion. Construction is expected to be completed within three years from the date of issuance of the Authority's water development revenue bonds;
- (c) All of the proceeds from the sale of the Local Bonds which will be used for payment of costs of the Project will be expended for 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.

AN ORDINANCE providing for the issuance of Water Revenue Bonds, Series 1965, of the Town of Hurricane, West Virginia, for the purpose of financing the cost, not otherwise provided, of betterments and improvements to the municipal waterworks system of said Town; setting forth the terms and conditions upon which such bonds and any additional bonds ranking on a parity therewith are to be and may be issued and outstanding; providing for the payment of such bonds and interest thereon from available revenues of said Town and fixing the minimum rates and charges for water and water service.

* * * *

WHEREAS, the Town of Hurricane, in Putnam County, West Virginia, a municipality organized and operating under and pursuant to the Constitution and General Laws of West Virginia, presently owns and operates a municipal waterworks system supplying water and water service in and adjacent to said Town for public, domestic and commercial purposes, and in that connection said Town has heretofore issued and presently has outstanding:

\$76,000 principal amount of 3% Water Works Revenue Bonds, Second Series, dated November 1, 1947, maturing serially on November 1 of each of the years 1965 to 1981, inclusive, pursuant to an ordinance adopted September 24, 1947, which by their terms are payable from and secured by a lien and charge on the revenues derived from the operation of said municipal waterworks system;

and for the security of which sinking funds and reserves are being maintained in the amounts and manner as prescribed by said ordinance; and

WHEREAS the estimated cost of said betterments and improvements, including engineering, financing, legal and other pertinent costs and expenses is \$475,000, and the Town is currently making application so that a portion of said cost may be paid from funds to be made available pursuant to a federal grant but the availability and amount of such federal grant has not yet been determined,

thus making it necessary at this time that provision be made for the issuance of additional revenue bonds to the amount of \$475,000 as hereinafter provided under the provisions of Article 12 of Chapter 8 of the West Virginia Code and to prescribe the conditions and restrictions whereunder similar bonds may be subsequently issued ranking on a parity therewith, all of which will be subject to the vested rights and priorities in favor of said Water Works Revenue Bonds, Second Series, dated November 1, 1947 as may be outstanding from time to time:

NOW, THEREFORE, Be It Ordained by the Council of the Town of Hurricane, West Virginia, as follows:

Section 1. That it is hereby found to be necessary that the Town of Hurricane, West Virginia, construct betterments and improvements to its municipal waterworks system briefly described as consisting of:

A new 150,000 gallon tank in the downtown area, reconstruction of a 280,000 gallon tank, two new impoundment dams, doubling the size of the present water plant and impoundment area, additional fire hydrants, new 3", 6" and 8" water lines, together with necessary appurtenances

all as more particularly described in the Engineering Report dated December 15, 1963 and revised February 1, 1965, prepared by Robert R. Anderson, Consulting Engineer, of Charleston, West Virginia, now on file in the office of the Recorder of said Town.

Section 2. That in order to provide for the payment of the cost, not otherwise provided, of said betterments and improvements as referred to in Section 1 hereof there are hereby authorized to be issued the negotiable Water Revenue Bonds, Series 1965, of said Town in the aggregate principal amount of \$475,000. Said bonds shall be dated May 1, 1965, of the denomination of \$1,000,

numbered consecutively 1 to 475, inclusive, and scheduled to mature in numerical order on November 1 of the respective years as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
1966	\$4,000	1984	\$14,000
1967	4,000	1985	15,000
1968	4,000	1986	15,000
1969	4,000	1987	16,000
1970	4,000	1988	17,000
1971	5,000	1989	17,000
1972	5,000	1990	18,000
1973	5,000	1991	19,000
1974	5,000	1992	20,000
1975	5,000	1993	20,000
1976	5,000	1994	21,000
1977	6,000	1995	22,000
1978	6,000	1996	23,000
1979	6,000	1997	24,000
1980	6,000	1998	25,000
1981	6,000	1999	26,000
1982	13,000	2000	28,000
1983	13,000	2001	29,000

provided, however, that said bonds numbered 41 to 475, inclusive, shall be optional for redemption by said Town prior to maturity upon terms of par and accrued interest plus a redemption premium of three per cent (3%) of the principal amount thereof on any interest payment date on or after May 1, 1975, in whole or from time to time in part in the inverse order of their maturities (less than all of a single maturity to be selected by lot). Notice of the exercise of such option as to any or all of said bonds specifying the bonds to be redeemed shall be published at least once not less than thirty days prior to such redemption date in a newspaper or financial journal of general circulation published in the City of New York, New York.

Said bonds shall bear interest at the coupon rate of six per cent (6%) per annum or such lesser coupon rate or rates as may be determined in accordance with the provisions of the agreement for the sale of the bonds hereby authorized, as hereinafter

referred to in Section 8 of this ordinance; and in the event any of said bonds are to bear interest at a coupon rate of less than six per cent (6%) per annum then prior to the delivery thereof to the purchaser the Council of the Town of Hurricane shall adopt a resolution or resolutions fixing the interest coupon rate or rates for said bonds. All interest at the coupon rate shall be evidenced by proper interest coupons attached to each of said bonds and to be payable November 1, 1965, and semiannually thereafter on the first days of May and November of each year.

Said bonds shall be executed by the Mayor and sealed with the corporate seal of said Town, attested by the Recorder, and the interest coupons attached to said bonds shall bear the facsimile signatures of said Mayor and said Recorder; and both principal and interest shall be 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 of the respective bonds and interest coupons at the principal office of First National City Bank in the City of New York, New York. Said bonds, together with interest thereon and any additional bonds ranking on a parity therewith that may be hereafter issued under the conditions and restrictions hereinafter set forth, shall be payable only out of the "Water Revenue Bonds, Series 1965, Interest and Sinking Fund" as hereinafter provided and the fixed amount of the revenues of the waterworks system of said Town pledged to said fund; and the holders of said bonds shall have a valid claim against said fund, and the moneys in said fund shall be and are hereby pledged for the payment of said bonds and the

interest thereon, all subject, however, to the vested rights and priorities in favor of the security and payment out of the revenues of said waterworks system of the presently outstanding Water Works Revenue Bonds, Second Series, dated November 1, 1947.

Section 3. That said bonds and interest coupons shall be fully negotiable, but 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 the 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. The bonds hereby authorized and the coupons to be attached thereto and provisions for registration thereof shall be in substantially the following form:

(Form of Bond)

UNITED STATES OF AMERICA

STATE OF WEST VIRGINIA

COUNTY OF PUTNAM

TOWN OF HURRICANE

WATER REVENUE BOND, SERIES 1965

Number _____

\$1,000

KNOW ALL MEN BY THESE PRESENTS that the Town of Hurricane, West Virginia, a municipal corporation organized and existing under

the laws of the State of West Virginia (hereinafter sometimes referred to as the "Town"), for value received, hereby promises to pay to the bearer hereof or, if this bond be registered, to the registered holder, as hereinafter provided, the sum of One Thousand Dollars (\$1,000) on the first day of November, _____, and to pay interest on said sum from the date hereof at the rate of _____ per cent (____%) per annum, payable November 1, 1965 and semiannually thereafter on the first days of May and November in each year until paid except that the provisions hereinafter set forth with respect to prior redemption may be and become applicable hereto, such interest as may accrue on and prior to maturity hereof to be payable on presentation and surrender of the annexed interest coupons as they severally mature, both principal and interest 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 First National City Bank in the City of New York, New York.

This bond is one of a series of bonds numbered consecutively from 1 to 475, inclusive, authorized to be issued by ordinance duly adopted by the Council of said Town for the purpose of financing the cost, not otherwise provided, of betterments and improvements to the municipal waterworks system of said Town under and in full compliance with the Constitution and Statutes of the State of West Virginia, including particularly Article 12 of Chapter 8 of the West Virginia Code.

This bond and the series of which it forms a part, including interest thereon, together with any additional bonds ranking

on a parity therewith that may be issued under the conditions and restrictions set forth in said ordinance, are payable only from a fixed amount of the revenues to be derived from the operation of said waterworks system, which amount shall be sufficient to pay the principal of and interest on such bonds as and when the same become due and payable, subject, however, to the vested rights and priorities in favor of the security and payment from such revenues of the presently outstanding Water Works Revenue Bonds, Second Series, dated November 1, 1947, of said Town. Provision has been made for setting aside as a special fund, identified as the "Water Revenue Bonds, Series 1965, Interest and Sinking Fund", a sufficient portion of said revenues to pay the principal of and interest on all of said bonds, subject to the vested rights and priorities aforesaid. This bond and the series of which it forms a part do not constitute an indebtedness of said Town of Hurricane within the meaning of any constitutional or statutory provision or limitation.

Said Town of Hurricane hereby reserves the right to call and redeem the bonds numbered 41 to 475, inclusive, of the series of bonds of which this is one prior to maturity upon terms of par and accrued interest plus a redemption premium of three per cent (3%) of the principal amount thereof on any interest payment date on or after May 1, 1975, in whole or from time to time in part in the inverse order of their maturities (less than all of a single maturity to be selected by lot). Notice of the exercise of such option as to any or all of said bonds, specifying the bonds to be redeemed, will be published at least once not less than thirty days prior to such redemption date in a newspaper or financial journal

of general circulation published in the City of New York, New York. All such bonds as to which said Town reserves and exercises the right of redemption as aforesaid and as to which notice shall have been given, and for the redemption of which upon the terms aforesaid funds are duly provided, will cease to bear interest on the redemption date.

A statutory mortgage lien on said municipal waterworks system is created by said Article 12 of Chapter 8 of the West Virginia Code to and in favor of the holder or holders of this bond and the series of which it is one and in favor of the holder or holders of the coupons attached thereto, and the same is hereby recognized as valid and binding; and said waterworks system, together with any additions, betterments and improvements that may be made thereto, shall remain subject to such statutory mortgage lien as provided by the ordinance authorizing said series of bonds until the payment in full of the principal of and interest on this bond and the series of which it is one, subject, however, to the vested rights and priorities in favor of said Water Works Revenue Bonds, Second Series, dated November 1, 1947, as may be outstanding from time to time.

This bond shall be fully negotiable and pass by delivery but may be registered as to principal on the books of the Recorder of the Town, evidence of such registration to be noted on the reverse hereof by the Recorder, after which no transfer shall be valid unless made on said books at the written request of the person in whose name it is registered or his duly authorized attorney and similarly noted on the reverse hereof; but this bond may be discharged from registration by being in like manner transferred

to bearer, after which it shall again be transferable by delivery, but this bond may again from time to time be registered or transferred to bearer as before. The registration of this bond, however, shall not affect the negotiability of the coupons which shall continue to pass by delivery.

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 do exist, have happened and have been performed in the manner and form required by law; that said Town will continuously operate its waterworks system; and that a sufficient amount of the revenues derived from the operation thereof after allowance for the vested rights and priorities aforesaid has been pledged to and will be set aside into said special fund for the purpose of paying the principal of and interest on this bond and the issue of which it forms a part; 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.

IN WITNESS WHEREOF, said Town of Hurricane, in the State of West Virginia, has caused this bond to be executed by its Mayor and its corporate seal to be hereto affixed, attested by its Recorder, and the coupons hereto attached to bear the facsimile signatures of said Mayor and Recorder; and said officials, by the execution of this bond, thereby adopt as and for their official signatures their respective facsimile signatures on said coupons, all as of the first day of May, 1965.

Attest:

Mayor

Recorder

(Form of Coupon)

No. _____ \$ _____

On the first day of _____, _____, the Town of Hurricane, West Virginia, upon surrender hereof, will pay to bearer out of its "Water Revenue Bonds, Series 1965, Interest and Sinking Fund" _____ Dollars (\$ _____) 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 First National City Bank in the City of New York, New York, as provided in and for interest then due on its Water Revenue Bond, Series 1965, dated May 1, 1965, Number _____.

Attest:

Mayor

Recorder

(Provisions for registration to be printed on back of each bond)

REGISTRATION

Date of Registration	In Whose Name Registered	Signature of Recorder
:	:	:
:	:	:
:	:	:
:	:	:
:	:	:
:	:	:

Section 5. That all proceedings preliminary to and in connection with the issuance of said presently outstanding Water Works Revenue Bonds, Second Series, dated November 1, 1947, whereby provision was made for the operation of the waterworks system of

said Town on a revenue producing basis and for the segregation, allocation, custody and application of revenues derived from the operation of said waterworks system and for the enforcement and payment of said bonds, are hereby ratified and confirmed and except as otherwise provided by this ordinance shall continue in force and inure to the security and benefit of the bonds herein authorized to the same extent and with like force and effect as if such provisions and proceedings were herein set out in full.

Section 6. From and after the delivery of any bonds issued under the provisions of this ordinance the municipal waterworks system of said Town shall continue to be operated as a revenue producing and self-liquidating undertaking, and the revenues derived from the operation of said waterworks system shall be set aside into a special and separate fund designated the "Water Revenue Fund" to be used and apportioned as follows:

(1) There is hereby created a special fund to be known as "Water Revenue Bonds, Series 1965, Interest and Sinking Fund" (hereinafter sometimes referred to as the "1965 sinking fund") into which there shall be paid out of said Water Revenue Fund each month all or such portion of the balance of said revenues remaining after making the monthly payments into "The Town of Hurricane Water Works Bonds and Interest Redemption Account" for the outstanding Water Works Revenue Bonds, Second Series, dated November 1, 1947, as required and provided by said ordinance adopted September 24, 1947 as shall be sufficient to pay the accrued interest and retire the bonds herein authorized at or before the time the same will become due and to establish and maintain a reserve therefor, and it is hereby determined that the minimum amounts so to be paid into the 1965 sinking fund for account of the bonds herein

authorized 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 to interest to accrue on said bonds for six months shall be paid into said 1965 sinking fund. From and after the issuance of any of the bonds herein authorized and commencing no later than November 1, 1965, there shall be paid into said 1965 sinking fund each month an amount equal to at least (1) one-fifth of the amount of interest becoming due on the bonds hereby authorized on the next succeeding interest payment date, plus (2) one-tenth of the amount of principal (if any) of the bonds hereby authorized becoming due on the next succeeding November 1, provided that when there shall have been accumulated and so long as there is maintained a balance in said 1965 sinking fund as a reserve an amount sufficient to pay the interest and principal becoming due on the bonds hereby authorized then outstanding during the next succeeding twelve months then the amount to be so set aside and paid into said 1965 sinking fund each month may be reduced to not less than one-sixth of the amount of interest and one-twelfth of the amount of principal as hereinbefore otherwise provided.

As and when additional bonds ranking on a parity with the bonds hereby authorized are issued, provision shall be made for additional payments into said 1965 sinking fund in like manner and proportion as herein provided for the bonds hereby authorized so as to pay the interest on and principal of such additional parity bonds as and when the same become due and for increasing the amount of the reserve in said 1965 sinking fund to an amount sufficient to pay the interest and principal becoming due on all bonds, including such additional bonds which by their terms are payable from said 1965 sinking fund, then outstanding during the next succeeding twelve months.

No further payments need be made into said 1965 sinking fund after and so long as such amount of the bonds shall have been

retired that the amount then held in said 1965 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.

The amount by which any balance in said 1965 sinking fund exceeds the current interest and principal requirements on all bonds outstanding which by their terms are payable from said 1965 sinking fund shall be held in said 1965 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 1965 sinking fund the respective minimum amounts, then an amount equivalent to such deficiency shall be set apart and paid into said 1965 sinking 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 1965 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 any bonds which by their terms are payable from said 1965 sinking fund as to which there would otherwise be a default, but such reserve shall be reimbursed therefor from the first available payments made into said 1965 sinking fund in the following month or months in excess of the required payments.

Such payments into such 1965 sinking fund shall be made on the first day of each month except when the first day of any month shall be a Sunday or 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 custody, use and application thereof consistent with the provisions of this ordinance.

Said 1965 sinking fund shall be used solely and only and is hereby pledged for the purpose of paying the principal of and interest on the bonds herein authorized and any additional bonds ranking on a parity therewith as may be outstanding from time to time. No funds in said 1965 sinking fund shall be used to purchase or retire bonds in advance of maturity except that part in excess of the amount required for the payment of the principal of and interest on all bonds which by their terms are payable from said 1965 sinking fund becoming due and maturing on the next two succeeding interest payment dates plus the required reserve unless all bonds then outstanding are to be so purchased or retired.

(2) There shall be and there is hereby created a fund known as the "Operation and Maintenance Fund", and from the balance of the revenues in said Water Revenue Fund remaining after the required payments into said "The Town of Hurricane Water Works Bonds and Interest Redemption Account", and the aforesaid payments into the 1965 sinking fund, there shall be set aside on the first day of each month into said fund such amount as may be determined to be necessary and sufficient to pay the reasonable and current expenses of operating and maintaining said waterworks system for the current month, which expenses of operation and maintenance shall include, without limiting in any manner, fiscal agency charges for paying bonds and interest thereon which by

their terms are payable solely from the revenues of said waterworks system. After said first day of each month further transfers may be made in like manner but only if and to the extent it may be found to be necessary to pay such expenses actually accrued and payable.

(3) From the balance of the revenues of said waterworks system remaining in said Water Revenue Fund after the required payments into said "The Town of Hurricane Water Works Bonds and Interest Redemption Account" and the aforesaid payments into the 1965 sinking fund and Operation and Maintenance Fund, there shall be set aside annually in equal monthly installments commencing no later than November 1, 1965 a sum equal to ten per cent (10%) of the gross annual revenues paid into said Water Revenue Fund into a fund to be known as the "Depreciation Fund". The required minimum level for this fund shall be at least \$24,000. Whenever withdrawals are made from said fund reducing the balance therein to less than \$24,000, the aforesaid prescribed payments shall continue to be made therein so as to restore the amount to at least \$24,000. Said Depreciation Fund shall be used for the purpose of paying the cost of renewals to and replacements of properties of said waterworks system or to the extent not required for such purpose, for the purpose of paying the cost of additions to and extensions of such properties, and provided also that withdrawals and disbursements shall be made from said Depreciation Fund to meet the payment of the principal of or interest on any revenue bonds, including the Water Works Revenue Bonds, Second Series, dated November 1, 1947, to whatever extent and if for any reason funds in the respective sinking funds for

said bonds and the bonds herein authorized are insufficient for that purpose. No withdrawals shall be made from said fund except for purposes authorized by this paragraph.

When all the specified and required transfers and payments into the special funds hereinbefore provided have been made, if there is a balance of revenues remaining in excess of estimated amounts to be so transferred and paid into said "The Town of Hurricane Water Works Bonds and Interest Redemption Account", said 1965 sinking fund and said Depreciation Fund during the succeeding six months and said Operation and Maintenance Fund during the succeeding twelve months, such excess shall be deemed and considered surplus revenues, and all or any part of such excess may be paid into "The Town of Hurricane Water Works Bond and Interest Redemption Account", or the 1965 sinking fund, or may be used for extensions and improvements to said waterworks system, or to retire bonds payable from the revenues of said waterworks system in advance of maturity, and such surplus shall not be available for any other purpose.

Excess funds in the 1965 sinking fund or Water 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.

All moneys as paid into said Water 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 7. So long as any of the bonds issued hereunder shall remain outstanding and unpaid, the following rates shall be the minimum monthly rates charged for services rendered by said waterworks system:

Applicable to entire territory served.

AVAILABILITY OF SERVICE

Available for general domestic, commercial and industrial service.

RATE - Within corporate limits

First	2,000 gallons used per month	\$4.50	
Next	8,000 gallons used per month @	1.40	per 1,000 gallons
Next	90,000 gallons used per month @	0.70	per 1,000 gallons
All over	100,000 gallons used per month @	0.40	per 1,000 gallons

RATE - Outside corporate limits

First	2,000 gallons used per month	\$5.63	
Next	8,000 gallons used per month @	1.75	per 1,000 gallons
Next	90,000 gallons used per month @	.875	" 1,000 gallons
Next	100,000 gallons used per month @	.50	" 1,000 gallons

MINIMUM CHARGE

No bill will be rendered for less than the following amount, according to the size of the meter installed, to-wit:

	<u>Within</u> <u>Corporate Limits</u>	<u>Outside</u> <u>Corporate Limits</u>
5/8"	\$ 4.50	\$ 5.63
3/4"	7.55	9.44
1 "	13.30	16.63
1 1/4"	20.80	26.00
1 1/2"	30.00	37.50
2 "	53.30	66.63
3 "	119.60	149.50
4 "	213.20	266.50

MULTIPLE OCCUPANCY

On apartment buildings, or other multiple occupancy buildings or house trailer courts or parks, each unit shall be required to pay not less than the above minimum monthly charge.

SERVICE CONNECTION FEE

\$100.00 (One Hundred Dollars) per new service line connection, including the cost of the installed meter.

PRIVATE FIRE PROTECTION

Applicant for private fire protection will pay the full cost of the service line to the property line including connection to the main. In addition, the applicant will pay the following flat rate service charge:

2"	-	\$2.00	per month
3"	-	2.40	per month
4"	-	3.20	per month
6"	-	7.20	per month

PUBLIC FIRE PROTECTION

Town fire hydrant rental - \$20.00 per hydrant per year

Bills for services and facilities afforded by the municipal waterworks system shall be rendered to consumers of such services and facilities on the first day of each month next following the month in which such service shall have been rendered, or as soon thereafter as the meters may be read and the bills prepared, and shall be paid not later than the tenth day after such bill shall have been rendered.

If such bill shall not be paid on or prior to the tenth day after date of rendition, a delayed payment penalty of 10% of the amount of such bill shall attach and be payable in addition to the amount of such bill, and if the amount of such bill shall remain unpaid for a period of thirty days after the date of rendition, the services and facilities of said system afforded to such

consumer shall be shut off and disconnected and shall not be again connected, resumed or afforded to the use of such consumer until the payment by such consumer of a reconnection charge of \$2.00 and all charges for prior service, together with any penalty which may have accrued in accordance with the terms of this ordinance, all of which charges shall be paid before service to such consumer is resumed.

No free use of the services and facilities of said municipal waterworks system shall be permitted or provided so long as any of the bonds hereby authorized remain outstanding. The reasonable value of all water, services and facilities furnished to the Town or any department thereof by the waterworks system shall be charged against said Town and paid as such charges accrue, and all revenues thus received shall be deemed and accounted for hereunder as other revenues of the waterworks system.

If any or all of the foregoing rates shall be insufficient to produce revenues necessary to meet the requirements for the creation and maintenance of the accounts and special funds hereinabove referred to, such rates shall be increased in amounts sufficient to meet the required payments.

Section 8. That the bonds hereby authorized be executed as herein provided and shall thereupon be sold and delivered to Young Moore & Company, Inc. pursuant to an agreement dated March 25, 1965, for the purchase of said bonds in such amount or amounts and at such time or times as may be provided by resolution or resolutions of the Council 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 and to represent

a sale of said bonds upon a net interest cost basis of less than the statutory maximum of six per cent per annum as computed to the maturity of said bonds upon standard tables of bond values. 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 betterments and improvements to the waterworks system of said Town all as generally described and referred to in Section 1 hereof; provided that interest on said bonds for six months shall be deemed interest during construction of said betterments 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 on the bonds so delivered shall be set aside into the 1965 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 in Hurricane, West Virginia 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 funds. Any surplus remaining after completion of such construction shall be paid into the 1965 sinking fund aforesaid.

The Mayor and Recorder shall be and hereby are authorized to deliver said bonds and to execute and deliver any other documents and data which the purchaser may reasonably require.

Section 9. That said Town hereby covenants and agrees with the holder or holders of the bonds issued hereunder, or any of them, that it will perform all duties with reference to said waterworks system required hereunder and by the Constitution and the Statutes of the State of West Virginia, and the Town hereby irrevocably covenants, binds and obligates itself not to sell, lease or in any manner dispose of any integral part of said waterworks system, including any extensions or additions that may be made thereto until all the bonds issued hereunder shall have been paid in full, both principal and interest, or unless and until legal and sufficient provisions shall have been made for the payment of said bonds and the interest thereon in full; and the Town

further covenants and agrees with the holders of said bonds to maintain in good condition and to operate said waterworks system and to charge and collect adequate rates and charges for the service rendered thereby so that the revenues will be sufficient at all times to meet the requirements of this ordinance.

Section 10. For the further protection of the holders of the bonds issued hereunder and the coupons attached thereto a statutory mortgage lien upon said waterworks system and all additions, betterments and improvements thereto is granted and created by said Article 12 of Chapter 8 of the West Virginia Code, which statutory mortgage lien is hereby recognized as valid and binding and shall become effective immediately upon the delivery of any bond issued hereunder, and said waterworks system and all additions, betterments and improvements thereto shall remain subject to such statutory mortgage lien until payment in full of the principal of and interest on said bonds in accordance with the aforesaid statutory provisions, all subject, however, to the vested rights and priorities in favor of said presently outstanding Water Works Revenue Bonds, Second Series, dated November 1, 1947, of said Town. Any holder of the bonds hereby authorized or any of the coupons may, either at law or in equity, by suit, action, mandamus or other proceedings, protect the statutory mortgage lien hereby conferred and may by suit, action, mandamus or other proceedings enforce and compel the performance of all duties required by said statute and this ordinance, including the making and collecting of sufficient rates, the segregating of revenues and the application thereof.

If a default shall occur in the payment of principal or interest of any of said bonds, then upon the institution of a

suit by any holder of said bonds or of any of the coupons any court having jurisdiction of the action may appoint a receiver to administer said waterworks system and/or said additions, betterments and improvements on behalf of the Town with the power to charge and collect rates sufficient to provide for the payment of the principal of and interest on the bonds outstanding and for the payment of the operating expenses and depreciation charges and to apply the revenues therefrom in conformity with this ordinance.

Section 11. 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 revenues of said municipal waterworks system regardless of the time or times of their issuance, it being the intention of the Council that there shall be no priority among the bonds authorized 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 from time to time payable from the revenues of said municipal waterworks system ranking on a parity with the bonds herein authorized for the purpose of paying the cost of further betterments and improvements to said waterworks system, but before any such additional parity bonds are issued there shall have been procured and filed with the Recorder of said Town a statement by an independent certified public accountant not in the regular employ of the Town on a monthly salary basis reciting the conclusion based upon the necessary investigation that the net annual revenues of said waterworks system for twelve (12)

consecutive months out of the preceding eighteen (18) months (with adjustments as hereinafter provided) 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 bonds then outstanding and the additional parity bonds then proposed to be issued. The term "net annual revenues" hereinbefore used is hereby defined as gross revenues less operating expenses, which shall include salaries, wages, cost of maintenance and operation, materials, supplies, pumping costs and insurance, as well as all other items which are normally and regularly included under operating expenses by recognized accounting practices, exclusive of allowances for depreciation; and the amount of net annual revenues aforesaid may be adjusted for the purpose of the foregoing computations by the written certification of an independent consulting engineer of national reputation in the field of waterworks engineering and licensed in the State of West Virginia and not otherwise interested in the municipal waterworks system or betterments and improvements thereto, so as to reflect any revision in the schedule of rates and charges being imposed at the time of the issuance of any such additional parity bonds or to reflect any increase in the net annual revenues by reason of the betterments and improvements to said 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 betterments and improvements have been or will be entered into prior to the issuance of such additional parity bonds.

So long as any of said Water Works Revenue Bonds, Second Series, dated November 1, 1947, are outstanding, the annual interest

and principal requirements for account thereof shall be included in making the foregoing computations.

The interest payment dates for all such additional parity bonds shall be semiannually on May 1 and November 1 of each year, and the principal maturities of any such additional parity bonds shall be on November 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 revenues of said municipal waterworks system on a parity with the bonds herein specifically authorized and shall not be deemed to include or prohibit the issuance of other obligations the security and source of payment of which are subordinate and subject to the priority of payments into the 1965 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 12. It is hereby covenanted and agreed that so long as any of the bonds hereby authorized are outstanding, the Town will carry for the benefit of the holders of the bonds adequate fire and windstorm insurance on all buildings and structures of the municipal waterworks system which are subject to loss through fire or windstorm and will carry adequate public liability

insurance and will carry for the benefit of the holders of the bonds insurance of the kinds and in the amounts normally carried by private companies in the operation of similar properties in West Virginia. All moneys received for losses under any of such insurance policies, except public liability, shall be paid into the Depreciation Account, and such payments shall not reduce the amounts otherwise required to be paid into said fund. Disbursement of such proceeds shall be made in the same manner and for the same purposes as are other disbursements made from the Depreciation Account.

Section 13. That the Town hereby covenants and agrees it will cause proper books and accounts adapted to the municipal waterworks system to be kept and will cause the books and accounts to be audited annually by an independent certified public accountant or firm of certified public accountants and will furnish to the original purchaser of the bonds hereby authorized and to the holders of any of said bonds who request same in writing the balance sheet and the profit and loss statement of the municipal waterworks system as certified by such accountants. The holders of any of said bonds shall have at all reasonable times the right to inspect the municipal waterworks system and the records, accounts and data of the Town relating thereto. Said Town further covenants and agrees to furnish monthly to the original purchaser of the bonds hereby authorized, on such forms as may be supplied by said purchaser, 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 1965 sinking fund as hereinbefore provided and monthly statements in

reasonable detail showing the income and disbursements for account of said municipal waterworks system.

Section 14. 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 15. The provisions of this ordinance shall constitute a contract between the Town of Hurricane and the holders of the bonds herein authorized, and after the issuance of any of the bonds no change, variation or alteration of any kind of the provisions of this ordinance or of said ordinance adopted September 24, 1947, 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 16. That 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, and it is hereby specifically ordered and provided that any proceedings heretofore taken for the issuance of other bonds payable or secured in any manner by the income and revenues of said municipal waterworks system, and which bonds have not heretofore been issued and delivered, are hereby revoked and rescinded, and none of said other bonds shall be issued and delivered.

Section 17. That the Recorder is hereby authorized and directed to cause this ordinance with an appropriate notice of hearing to be published once each week for two consecutive weeks in The Hurricane Breeze, the only newspaper published in said Town, and any person or persons interested in the matters herein referred

to may appear before this Council at a public meeting to be held at the _____ in the Town of Hurricane, West Virginia, on the _____ day of _____, 1965, at _____ o'clock __.M.. The last of said publications shall appear at least ten (10) days prior to the date of said hearing.

Passed and approved _____, 1965.

Mayor

Attest:

Recorder

Recorded: _____, 1965

Recorder

Hurricane, West Virginia
_____, 1965

The Council of the Town of Hurricane, in Putnam County, West Virginia, met in regular session pursuant to law and to the rules of said Council at the _____ in said Town at _____ o'clock __.M. The meeting was called to order by the Mayor, and the roll being called there were present _____, Mayor, presiding, and the following named Councilmen: _____

_____;

also _____, Recorder.

Absent: None.

* * * *

This being the date fixed by prior action of the Council for the hearing of protests concerning the issuance of Water Revenue Bonds, Series 1965, of the Town of Hurricane as contemplated and provided for in an ordinance adopted _____, 1965, the Council heard all protests, objections and suggestions from all persons concerned and further discussed the question of issuing the aforesaid bonds, whereupon Councilman _____ introduced and caused to be read the resolution next set out and moved that all rules be suspended and said resolution be adopted; Councilman _____ seconded the motion, and after due consideration the Mayor put the question on the motion for adoption of said resolution, and upon the roll being called the following voted:

Aye: _____
_____;

Nay: None.

Whereupon the Mayor declared the motion duly carried and said resolution duly adopted.

RESOLUTION

WHEREAS, this Council, as the governing authority of the Town of Hurricane, West Virginia, did heretofore by ordinance duly adopted on _____, 1965, authorize Water Revenue Bonds, Series 1965, of said Town in the principal amount of \$475,000 and in and by said ordinance provided that any person or persons interested in the matters referred to in said ordinance might appear before this Council at its meeting to be held at the time and place whereat this resolution is adopted; and

WHEREAS, notice of such ordinance and of said hearing was duly given in the manner provided and required by Article 12 of Chapter 8 of the West Virginia Code, and any person or persons interested in the matters referred to in said ordinance have been afforded an opportunity of offering objections and suggestions, but no written protest has been filed by the requisite number of owners of real estate situated in said Town, and this Council has given due consideration to all matters for which such hearing was afforded:

NOW BE IT RESOLVED AND ORDERED by the Council of the Town of Hurricane, West Virginia, as follows:

Section 1. That the provisions of the ordinance heretofore adopted and as referred to in the preamble hereof and all matters in connection therewith are hereby ratified and confirmed, and all action contemplated by said ordinance is hereby ordered carried out in accordance therewith.

Section 2. That all resolutions and orders insofar as same may be in conflict herewith are hereby repealed and that this resolution be effective forthwith upon its passage and approval.

Passed and approved _____, 1965

Attest:

Mayor

Recorder

Recorded: _____, 1965

Recorder

* * * *

On motion and vote the meeting adjourned.

Mayor

Attest:

Recorder

STATE OF WEST VIRGINIA }
COUNTY OF PUTNAM } SS.

I, _____, the duly qualified and acting Recorder of the Town of Hurricane, County and State aforesaid, do hereby certify that the foregoing is a true, correct and complete transcript of the official record of the proceedings of the Council of said Town with relation to the issuance by said Town of \$475,000 Water Revenue Bonds, Series 1965, dated May 1, 1965.

IN WITNESS WHEREOF, I have hereunto affixed my official signature and the seal of said Town this _____ day of _____, 1965.

Recorder

(SEAL)

STATE OF WEST VIRGINIA }
 COUNTY OF PUTNAM }

I, _____, Recorder of the Town of Hurricane, in the county and state aforesaid, do hereby certify that said town is organized and operating under the provisions of the general laws of West Virginia and not under any special legislative or home rule charter; that there is no litigation pending or threatened involving the incorporation of said town, the inclusion of any territory therein, or the incumbency in office of any of the officials hereinafter named; and that the following named persons are officials of said town as indicated:

<u>Name</u>	<u>Title</u>	<u>Term of Office Expires</u>
_____	Mayor	_____
_____	Recorder	_____
_____	Councilman	_____

I further certify that pursuant to an ordinance approved by the Council on July 1, 1952, said town has created a Sanitation Commission charged with the responsibility of administering the municipal waterworks system and that the following named persons presently constitute said Commission:

<u>Name</u>	<u>Title</u>
_____	Chairman
_____	Secretary-Treasurer
_____	Mayor and Member
_____	Member
_____	Member

I further certify that according to the records of said town in my office the waterworks system in and for said town is owned and operated by said town and that said town presently has no bonds or other obligations outstanding payable from or secured by water revenues or charges except \$76,000 principal amount of 3% Water Works Revenue Bonds, Second Series, dated November 1, 1947.

IN WITNESS WHEREOF, I have hereunto affixed my official signature and the corporate seal of said town this _____, 1965.

(SEAL)

 Recorder

Hurricane, West Virginia
_____, 1965

The Council of the Town of Hurricane, West Virginia, met in regular session pursuant to law and the rules of said Council at the _____ in said town at _____ o'clock __.M. The meeting was called to order, and there were present _____, Mayor, presiding, and the following named Councilmen:

also in attendance _____, Recorder.

Absent: None.

* * * *

On motion and vote the meeting adjourned to reconvene on _____, 1965, at _____ o'clock __.M. in the _____ in said town for the purpose of considering the adoption of an ordinance making provision for the issuance of Water Revenue Bonds, Series 1965, of said town for the purpose of constructing betterments and improvements to the municipal waterworks system.

Mayor

Attest:

Recorder

STATE OF WEST VIRGINIA)
COUNTY OF PUTNAM) SS

I, _____, do hereby certify that I am the duly qualified and acting Recorder of the Town of Hurricane, West Virginia.

I further certify that attached hereto is a true and correct copy of the proceedings of the Council of said town on _____, 1965, insofar as same relate to the convening, councilmen present and absent, and the adjournment thereof, as shown by the proceedings of said Council which are officially of record in my office.

IN WITNESS WHEREOF, I have hereunto subscribed my official signature and affixed the seal of said town this _____ day of _____, 1965.

Recorder

(SEAL)

Hurricane, West Virginia
_____, 1965

The Council of the Town of Hurricane, in Putnam County, West Virginia, met in adjourned regular session pursuant to law and to the rules of said Council at the _____ in said Town at _____ o'clock __.M. The meeting was called to order by the Mayor, and the roll being called there were present _____, Mayor, presiding, and the following named Councilmen: _____

_____;

also in attendance _____, Recorder.

Absent: None.

* * * *

Councilman _____ introduced and caused to be read in full a proposed ordinance entitled:

"AN ORDINANCE providing for the issuance of Water Revenue Bonds, Series 1965, of the Town of Hurricane, West Virginia, for the purpose of financing the cost, not otherwise provided, of betterments and improvements to the municipal waterworks system of said Town; setting forth the terms and conditions upon which such bonds and any additional bonds ranking on a parity therewith are to be and may be issued and outstanding; providing for the payment of such bonds and interest thereon from available revenues of said Town and fixing the minimum rates and charges for water and water service."

and moved that all rules be suspended and that said ordinance be adopted. Councilman _____ seconded the motion, and after due consideration the Mayor put the question on the motion

for the adoption of said ordinance, and upon the roll being called the following voted:

Aye: _____

_____;

Nay: None.

Whereupon the Mayor declared the motion duly carried and said ordinance duly adopted.

* * * *

On motion and vote the meeting adjourned.

Mayor

Attest:

Recorder

Hurricane, West Virginia

_____, 1965

To the Council of the Town of
Hurricane, West Virginia

Gentlemen:

The undersigned, constituting the Sanitation Commission of the Town of Hurricane, West Virginia, do hereby certify that the attached proposed ordinance providing for the construction of betterments and improvements to the municipal waterworks system of said Town and the issuance of revenue bonds in connection therewith has been duly considered and approved as to form and substance by said Sanitation Commission and the Council of the Town is hereby petitioned to adopt same and take all appropriate action in connection therewith.

Respectfully submitted,

SANITATION COMMISSION,
TOWN OF HURRICANE
WEST VIRGINIA

By _____
Chairman

By _____
Secretary-Treasurer

By _____
Member

By _____
Member

By _____
Member

Attest:

Recorder

N O T I C E

The following ordinance providing for the issuance and sale of Water Revenue Bonds, Series 1965, of the Town of Hurricane, West Virginia, to the aggregate amount of \$475,000 for the purpose of financing the cost, not otherwise provided, of constructing betterments and improvements to the municipal waterworks system of said Town and fixing the minimum rates and charges for the facilities rendered by such waterworks system was adopted at a meeting of the Council of said Town on the _____ day of _____, 1965.

Said Town contemplates the issuance of said bonds, and a public hearing in connection therewith will be held at the _____ in said Town on the _____ day of _____, 19____, at _____ o'clock __.M., at which time all persons interested are now and hereby notified that they may appear before said Council at the same time and place aforesaid and then and there may present protests against the said ordinance and the issuance of said bonds.

Recorder



CITY OF HURRICANE

Water Revenue Bonds, Series 1994

CROSS-RECEIPT FOR BONDS AND BOND PROCEEDS

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

1. On the 5th day of May, 1994, the Authority received the entire original issue of \$1,100,000 in aggregate principal amount of Water Revenue Bonds, Series 1994, of the Issuer (the "Bonds"), issued as a single, fully registered Bond, numbered R-1, and dated May 5, 1994.
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, and Linda Gibson, as Recorder of the Issuer, by their respective manual signatures, and the official seal of the Issuer had been affixed upon the Bonds.
3. The Issuer has received and hereby acknowledges receipt from the Authority, as the original purchaser of the Bonds, of the proceeds of the Bonds in the aggregate amount of \$1,100,000 (100% of par value), there being no interest accrued.

WITNESS our respective signatures on this 5th day of May, 1994.

WEST VIRGINIA WATER DEVELOPMENT
AUTHORITY

By Barbara B Meadows
Secretary-Treasurer

CITY OF HURRICANE

By Raymond Peak
Mayor

05/02/94
HWJ.H3
43563/91001

5

1

2

CITY OF HURRICANE

Water Revenue Bonds, Series 1994

DIRECTION TO AUTHENTICATE AND DELIVER BONDS

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

Ladies and Gentlemen:

There are delivered to you herewith:

- (1) Bond No. R-1, constituting the entire original issue of the City of Hurricane Water Revenue Bonds, Series 1994, in the principal amount of \$1,100,000, dated May 5, 1994 (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 duly enacted by the Issuer on May 2, 1994, and a Supplemental Resolution duly adopted by the Issuer on May 2, 1994 (collectively, the "Bond Legislation");
- (2) A copy of the Bond Legislation authorizing the above-described Bond issue, duly certified by the Recorder of the Issuer;
- (3) Executed counterparts of the loan agreement, dated May 5, 1994, by and between the West Virginia Water Development Authority (the "Authority") and the Issuer (the "Loan Agreement"); and
- (4) An executed opinion of nationally recognized bond counsel regarding the validity of the Loan Agreement and the Bonds.

You are hereby requested and authorized to deliver the Bonds to the Authority upon payment to the account of the Issuer of the sum of \$1,100,000, 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 and registered by an authorized officer, as Bond Registrar, in accordance with the form of Certificate of Authentication and Registration thereon.

6

Dated this 5th day of May, 1994.

CITY OF HURRICANE

By Raymond Peak
Mayor

04/11/94
HWC.II
43563/91001



(SPECIMEN BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF HURRICANE
WATER REVENUE BOND, SERIES 1994

No. R-1

\$1,100,000

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 MILLION ONE HUNDRED THOUSAND DOLLARS (\$1,100,000), 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 October 1, 1994. 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 May 5, 1994.

This Bond is issued (i) to pay certain notes (the "Notes") of the Issuer heretofore issued to pay a portion of the costs of acquisition and construction of certain additions, betterments and improvements for the existing waterworks facilities of the

Issuer (the "Project"); (ii) to pay the remaining costs of acquisition and construction of the Project; (iii) to fund a reserve account for the Bonds of this Series (the "Bonds"); and (iv) to pay certain costs of issuance hereof and related costs. The existing waterworks system of the Issuer, the Project, and any further additions, betterments and improvements thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 8, Article 19 of the West Virginia Code of 1931, as amended (the "Act"), and a Bond Ordinance duly enacted by the Issuer on May 2, 1994, and a Supplemental Resolution duly adopted by the Issuer on May 2, 1994 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S WATER REVENUE BONDS, SERIES 1965, DATED MAY 1, 1965, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$475,000 AND DESCRIBED IN THE BOND LEGISLATION (THE "PRIOR BONDS").

This Bond is payable only from and secured by a pledge of the Gross Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Gross Revenues in favor of the Holders of the Prior Bonds, and from moneys in the reserve account created under the Bond Legislation for the Bonds (the "Series 1994 Bonds Reserve Account"), and unexpended proceeds of the Bonds. Such Gross 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 Gross Revenues, the moneys in the Series 1994 Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 140% of the maximum amount payable in any year for principal of and interest on the Bonds, and all other obligations secured by a lien on or payable from such revenues prior to or on a parity with the Bonds, including the Prior Bonds, so long as the Prior Bonds are outstanding, and thereafter, 115% of such amount; provided however, that if the

Prior Bonds are no longer outstanding and so long as there exists in the Series 1994 Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding prior to or on a parity with the Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

All money received from the sale of this Bond, after reimbursement and repayment of all amounts advanced for preliminary expenses as provided by law, shall be applied solely to the repayment of the Notes and 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 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 affixed hereon and attested by its Recorder, and has caused this Bond to be dated May 5, 1994.

[SEAL]

Mayor

ATTEST:

Recorder

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 1994 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: May 5, 1994.

ONE VALLEY BANK, NATIONAL
ASSOCIATION, as Registrar

By _____
Its Authorized Officer

**West Virginia Water Development Authority
Interest Bearing Local Loan from Bridge Financing Program
Debt Service Schedule - City of Hurricane**

Avg Coup = 6.75%
TIC = 6.754503%
NIC = 6.749999%
WAM = 27.90 yrs.

Closing May 5, 1994
Interest Bearing Loan: \$1,100,000.00

Date	Coupon	Principal	Interest	Debt Service
10/1/94	6.75%	0.00	30,112.49	30,112.49
10/1/95	6.75%	6,305.95	74,249.98	80,555.93
10/1/96	6.75%	6,731.60	73,824.33	80,555.93
10/1/97	6.75%	7,185.98	73,369.95	80,555.93
10/1/98	6.75%	7,671.03	72,884.90	80,555.93
10/1/99	6.75%	8,188.83	72,367.11	80,555.94
10/1/00	6.75%	8,741.58	71,814.36	80,555.94
10/1/01	6.75%	9,331.64	71,224.30	80,555.94
10/1/02	6.75%	9,961.52	70,594.41	80,555.93
10/1/03	6.75%	10,633.93	69,922.01	80,555.94
10/1/04	6.75%	11,351.71	69,204.22	80,555.93
10/1/05	6.75%	12,117.95	68,437.98	80,555.93
10/1/06	6.75%	12,935.91	67,620.02	80,555.93
10/1/07	6.75%	13,809.08	66,746.85	80,555.93
10/1/08	6.75%	14,741.19	65,814.74	80,555.93
10/1/09	6.75%	15,736.23	64,819.71	80,555.94
10/1/10	6.75%	16,798.42	63,757.51	80,555.93
10/1/11	6.75%	17,932.31	62,623.62	80,555.93
10/1/12	6.75%	19,142.75	61,413.19	80,555.94
10/1/13	6.75%	20,434.88	60,121.05	80,555.93
10/1/14	6.75%	21,814.23	58,741.70	80,555.93
10/1/15	6.75%	23,286.69	57,269.24	80,555.93
10/1/16	6.75%	24,858.54	55,697.39	80,555.93
10/1/17	6.75%	26,536.49	54,019.44	80,555.93
10/1/18	6.75%	28,327.71	52,228.23	80,555.94
10/1/19	6.75%	30,239.83	50,316.11	80,555.94
10/1/20	6.75%	32,281.02	48,274.92	80,555.94
10/1/21	6.75%	34,459.99	46,095.95	80,555.94
10/1/22	6.75%	36,786.04	43,769.90	80,555.94
10/1/23	6.75%	39,269.09	41,286.84	80,555.93
10/1/24	6.75%	41,919.75	38,636.18	80,555.93
10/1/25	6.75%	44,749.34	35,806.60	80,555.94
10/1/26	6.75%	47,769.92	32,786.02	80,555.94
10/1/27	6.75%	50,994.38	29,561.55	80,555.93
10/1/28	6.75%	54,436.50	26,119.43	80,555.93
10/1/29	6.75%	58,110.96	22,444.97	80,555.93
10/1/30	6.75%	62,033.46	18,522.48	80,555.94
10/1/31	6.75%	66,220.72	14,335.22	80,555.94
10/1/32	6.75%	70,690.62	9,865.32	80,555.94
10/1/33	6.75%	75,462.23	5,093.70	80,555.93
		<u>1,100,000.00</u>	<u>2,071,793.92</u>	<u>3,171,793.92</u>

Prepared 4/6/94

ASSIGNMENT

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

Dated: _____, _____.

In the presence of:



STEPTOE & JOHNSON

ATTORNEYS AT LAW

SIXTH FLOOR

BANK ONE CENTER

P. O. BOX 2190

CLARKSBURG, W. VA. 26302-2190

(304) 624-8000

FACSIMILE (304) 624-8183

May 5, 1994

104 WEST CONGRESS STREET

P. O. BOX 100

CHARLES TOWN, W. VA. 25414-0100

(304) 725-1414

FACSIMILE (304) 725-1913

THE BRYAN CENTRE

P. O. BOX 570

82 WEST WASHINGTON STREET, SUITE 301
HAGERSTOWN, MARYLAND 21740-0570

(301) 739-8600

FACSIMILE (301) 739-8742

WRITER'S DIRECT DIAL NUMBER

SEVENTH FLOOR, BANK ONE CENTER

P. O. BOX 1588

CHARLESTON, W. VA. 25302-1588

(304) 353-8000

FACSIMILE (304) 353-8180

1000 HAMPTON CENTER

P. O. BOX 1616

MORGANTOWN, W. VA. 26507-1616

(304) 598-8000

FACSIMILE (304) 598-8116

126 EAST BURKE STREET

P. O. BOX 2629

MARTINSBURG, W. VA. 25401-5429

(304) 263-6991

FACSIMILE (304) 263-4785

City of Hurricane Water Revenue Bonds, Series 1994

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

Ladies and Gentlemen:

We have served 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 \$1,100,000 Water Revenue Bonds, Series 1994, dated the date hereof (the "Bonds").

We have examined the law and certified copies of proceedings and other papers relating to the authorization of a loan agreement, dated May 5, 1994, including all schedules and exhibits attached thereto (the "Loan Agreement"), by and between the Issuer and the West Virginia Water Development Authority (the "Authority") and the Bonds, which are to be purchased by the Authority in accordance with the provisions of the Loan Agreement. The Bonds are originally issued in the form of one bond, registered as to principal and interest to the Authority, with interest payable April 1 and October 1 of each year, commencing October 1, 1994, at the rate of 6.75% per annum, and with principal installments payable on October 1 in each of the years 1995 through 2033, inclusive, all as set forth in "Schedule X," attached to the Loan Agreement and incorporated in and made a part of the Bonds.

The Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly, Chapter 8, Article 19 of the West Virginia Code of 1931, as amended (the "Act"), for the purposes of (i) paying certain notes (the "Notes") of the Issuer heretofore issued to pay a portion of the costs of acquisition and construction of certain additions, betterments and improvements to the existing waterworks facilities of the Issuer (the "Project"); (ii) paying the remaining costs of acquisition and construction of the Project; (iii) funding a reserve account for the Bonds; and (iv) paying certain issuance and other related costs in connection therewith.

We have also examined the applicable provisions of the Act, the Bond Ordinance duly enacted by the Issuer on May 2, 1994, as supplemented by a Supplemental Resolution duly adopted by the Issuer on May 2, 1994 (collectively, the "Bond Legislation"), pursuant to and under which Act and Bond Legislation the Bonds are authorized and issued, and the Loan Agreement has been entered into. The Bonds are subject to redemption prior to maturity to the extent, at the time, under the conditions and subject to the limitations set forth in the Bond Legislation and the Loan Agreement.

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

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

1. The Issuer is a duly 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 Bonds, all under the Act and other applicable provisions of law.
2. The Loan Agreement has been duly authorized by and executed on behalf of the Issuer, is a valid and binding special obligation of the Issuer enforceable in accordance with the terms thereof, and inures to the benefit of the Authority and cannot be amended so as to affect adversely the rights of the Authority or diminish the obligations of the Issuer without the written consent of the Authority.
3. The Bond Legislation and all other necessary ordinances and resolutions have been duly and effectively enacted and adopted by the Issuer and constitute valid and binding obligations of the Issuer enforceable upon the Issuer. The Bond Legislation contains provisions and covenants substantially in the form of those set forth in Section 4.1 of the Loan Agreement.
4. The Bonds have been duly authorized, issued, executed and delivered by the Issuer to the Authority and are valid, legally enforceable and binding special obligations of the Issuer, payable from the Gross Revenues of the System referred to in the Bond Legislation and secured by a first lien on and pledge of the Gross Revenues of said System, on a parity with respect to liens, pledge and source of and security for payment with the Issuer's Water Revenue Bonds, Series 1965, dated May 1, 1965, issued in the original aggregate principal amount of \$475,000, all in accordance with the terms of the Bonds and the Bond Legislation.
5. Under existing laws, regulations, rulings and judicial decisions of the United States of America, as presently written and applied, the interest on the Bonds (a) is excludable from gross income of the owners thereof for federal income tax purposes pursuant to the Code and (b) is not an item of tax preference for purposes of the federal alternative minimum tax imposed upon individuals and corporations under the Code. It should be noted, however, that interest on the Bonds is included in the adjusted current earnings of certain corporations for purposes of computing the alternative minimum tax that may be imposed with respect to corporations. The opinions set forth above are subject

to the condition that the Issuer comply, on a continuing basis, with all requirements of the Code that must be satisfied subsequent to issuance of the Bonds for interest thereon to be or continue to be excludable from gross income for federal income tax purposes and all certifications, covenants and representations which may affect the excludability from gross income of the interest on the Bonds set forth in the Bond Legislation and the Certificate as to Arbitrage, and other certificates delivered in connection with the issuance of the Bonds. Failure to comply with certain of such Code provisions or such certifications, covenants and representations could cause the interest on the Bonds to be includable in gross income retroactive to the date of issuance of the Bonds. We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

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

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

We have examined the executed and authenticated 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,

Step toe & Johnson

STEPTOE & JOHNSON

04/28/94
HWC.J2
43563/91001

TURLEY, SORSAIA & GARVIN

ATTORNEYS AT LAW

3058 MT. VERNON ROAD

HURRICANE, WEST VIRGINIA 25526

TELEPHONE 304-757-0021

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JAMES E. GARVIN
MARK A. SORSAIA
MURHL C. TURLEY
M. GLENN TURLEY
RUSSELL S. COOK

12 TENNESSEE AVE
CHARLESTON, WEST VIRGINIA 25302
TELEPHONE 342-3349
REPLY TO: HURRICANE OFFICE

May 5, 1994

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

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

Re: City of Hurricane
Water Revenue Bonds, Series 1994

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 opinion of Steptoe & Johnson, as bond counsel, a loan agreement dated May 5, 1994, including all schedules and exhibits attached thereto (the "Loan Agreement"), by and between the West Virginia Water Development Authority (the "Authority") and the Issuer, a Bond Ordinance duly enacted by the Issuer on May 2, 1994, as supplemented by a Supplemental Resolution duly adopted by the Issuer on May 2, 1994 (collectively, the "Bond Legislation") and other documents relating to the above-captioned Bonds of the Issuer (the "Bonds"). Terms used in said opinion, Bond Legislation and Loan Agreement and not otherwise defined herein have the same meanings as therein when used 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 enforceable in accordance with its terms.

9A

2. The Issuer has been duly created and is validly existing, and the Mayor, Recorder and members of the council of the Issuer have been duly and properly elected or appointed, as applicable, have taken the requisite oaths, and are authorized to act on behalf of the Issuer in their respective capacities.

3. The Bond Legislation has been duly adopted and enacted 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 Bond Legislation, and the carrying out of the terms thereof, do not and will not, in any material respect, conflict with or constitute on the part of the Issuer a breach of or default under any ordinance, resolution, order, agreement or other instrument to which the Issuer is a party or any existing law, regulation, court order or consent decree to which the Issuer is subject.

5. The Issuer has received all permits, licenses, approvals and authorizations necessary for the issuance of the Bonds, the acquisition and construction of the Project, the operation of the System and for the imposition of rates and charges for use of the system, and has taken any other action required for the imposition of such rates and charges, including, without limitation, the enactment of 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.

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

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

Very truly yours,



Mark A. Sorsaia

THOMAS N. HANNA
Attorney at Law
216 BROOKS STREET, SUITE 301
CHARLESTON, WV 25301

MAILING ADDRESS:
P. O. BOX 3967
CHARLESTON, WV 25339

May 5, 1994

TELEPHONE (304) 342-1687
FAX (304) 342-8761

City of Hurricane
Water Revenue Bonds, Series 1994

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

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

Ladies and Gentlemen:

I am special counsel to the City of Hurricane, in Putnam County, West Virginia (the "Issuer"). As such counsel, I have examined the components of the Issuer's water project financed by the above-captioned bonds (the "Project") and the applicable provisions of the West Virginia Code. Based upon such examination, I am of the opinion that a certificate of public convenience and necessity under West Virginia Code Section 24-2-11 is not required for this Project because such Project consists only of repairs and replacements, and does not constitute or include the construction of any plant, equipment, property or facility, other than ordinary extensions of existing systems in the usual course of business.

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

Very truly yours,



Thomas N. Hanna

TNH/vy

cc: R. Peak, Mayor



CITY OF HURRICANE

Water Revenue Bonds, Series 1994

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. GRANTS
11. LOAN AGREEMENT
12. RATES
13. SIGNATURES AND DELIVERY
14. BOND PROCEEDS
15. PUBLICATION AND PUBLIC HEARING ON BOND ORDINANCE
16. PRIVATE USE OF FACILITIES
17. NO FEDERAL GUARANTY
18. IRS INFORMATION RETURN
19. SPECIMEN BONDS
20. CONFLICT OF INTEREST

We, the undersigned MAYOR and RECORDER of the City of Hurricane, in Putnam County, West Virginia (the "Issuer"), and the undersigned Counsel to the Issuer, hereby certify in connection with the \$1,100,000 aggregate principal amount of the City of Hurricane Water Revenue Bonds, Series 1994 (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 May 2, 1994, and a Supplemental Resolution adopted May 2, 1994 (collectively, the "Bond Legislation").

2. **NO LITIGATION:** No controversy or litigation of any nature is now pending or threatened, restraining, enjoining or affecting in any manner the issuance, sale or delivery of the Bonds, the acquisition and construction of the Project, the operation of the System, the receipt of the Grant Receipts or the Gross 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 Gross Revenues or any other moneys or security provided for the payment of the Bonds

or the existence or the powers of the Issuer insofar as they relate to the authorization, sale and issuance of the Bonds, the acquisition and construction of the Project, the operation of the System, the receipt of the Grant Receipts or such pledge or application of moneys and security or the collection of the Gross Revenues or pledge thereof.

3. **GOVERNMENTAL APPROVALS AND BIDDING:** All applicable approvals, permits, exemptions, consents, authorizations, registrations and certificates required by law for the acquisition and construction of the Project, the operation of the System and the issuance of the Bonds have been obtained and remain in full force and effect, and competitive bids for the acquisition and 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. The Issuer has previously entered into binding contracts for the construction of the Project.

In reliance upon the opinion of its special counsel, the Issuer has determined that it is not required to obtain a certificate of public convenience and necessity from the Public Service Commission of West Virginia for this Project.

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.

There is an outstanding obligation of the Issuer which will rank on parity with the Series 1994 Bonds as to liens, pledge, source of and security for payment, being the Issuer's Water Revenue Bonds, Series 1965, dated May 1, 1965, issued in the original aggregate principal amount of \$475,000 (the "Prior Bonds"), pursuant to an ordinance enacted by the Issuer on May 12, 1965 (the "Prior Ordinance").

The Issuer has met the parity requirements of the Prior Bonds and the Prior Ordinance, and the Series 1994 Bonds shall be issued on a parity with the Prior Bonds with respect to liens, pledge and source of and security for payment and in all other respects. The Issuer is current on all payments with respect to the Prior Bonds and is in compliance with all covenants and requirements contained in the Prior Ordinance.

A portion of the proceeds of the Bonds will be used to pay Putnam County Bank in full for the principal of and interest on certain notes of the Issuer, issued to said Bank for the purpose of temporarily financing the costs of acquisition and construction of the Project. Upon receipt of such Bond proceeds, Putnam County Bank will execute a release discharging all liens, pledges and encumbrances securing such notes.

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:

Certificate of Incorporation and Charter of the City of Hurricane.

Oaths of Office of City Officers and Councilmembers.

1965 Bond Ordinance.

Bond Ordinance.

Supplemental Resolution.

Rate Ordinance.

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

Affidavit of Publication of Rate Ordinance and Notice of Public Hearing.

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

Minutes on Enactment of Rate Ordinance.

Loan Agreement.

Evidence of Small Cities Block Grant.

6. **INCUMBENCY AND OFFICIAL NAME:** The proper corporate title of the Issuer is the "City of Hurricane." The Issuer is a municipal corporation in Putnam County and is presently existing under the laws of, and a political subdivision of, the State of West Virginia. The governing body of the Issuer is its Council, consisting of a Mayor, a Recorder and 5 councilmembers, all duly elected or appointed, as applicable, qualified and acting, and whose names and dates of commencement and termination of current terms of office are as follows:

<u>Name</u>	<u>Date of Commencement of Office</u>	<u>Date of Termination of Office</u>
Raymond Peak - Mayor	July 1, 1991	June 30, 1995
Linda Gibson - Recorder	July 1, 1991	June 30, 1995
Reggie Billups - Councilmember	July 1, 1991	June 30, 1995
Carl Gilfilen - Councilmember	July 1, 1991	June 30, 1995
Wanda Johnson - Councilmember	July 1, 1991	June 30, 1995
Kermit McDaniel - Councilmember	July 1, 1991	June 30, 1995
Steve Sovine - Councilmember	July 1, 1991	June 30, 1995

The duly appointed and acting City Attorney of the Issuer is Mark A. Sorsaia.

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

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

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

10. GRANTS: As of the date hereof, the grant from the Department of Housing and Urban Development (Small Cities Block Grant through the State of West Virginia) in the amount of \$148,200 is committed and in full force and effect.

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

12. RATES: The Issuer has duly enacted a rate ordinance on August 10, 1992, 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.

13. SIGNATURES AND DELIVERY: On the date hereof, the undersigned Mayor did officially sign all of the Bonds of the aforesaid issue, all dated May 5, 1994, 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.

14. BOND PROCEEDS: On the date hereof, the Issuer received from the Authority the agreed purchase price of the Bonds, being \$1,100,000 (100% of par value), there being no interest accrued thereon.

15. PUBLICATION AND PUBLIC HEARING ON BOND ORDINANCE: Upon adoption of the Bond Ordinance, an abstract thereof, determined by the Governing Body to contain sufficient information as to give notice of the contents thereof, was published once each week for 2 successive weeks, with not less than 6 full days between each publication, the first such publication occurring not less than 10 days before the date stated below for the public hearing, in The Hurricane Breeze, 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 Bond Ordinance, stating that any person interested may appear before the Council at the public hearing held at a public meeting of Council on the 2nd day of May, 1994, at 7:30 p.m., in the Council Chambers of the Hurricane City Hall and present protests, and stating that a certified copy of the Bond Ordinance was on file at the office of the Recorder of the Issuer for review by interested

parties during the office hours of the Issuer. At such hearing all objections and suggestions were heard by the Governing Body and the Bond Ordinance became finally adopted, enacted and effective as of the date of such public hearing, and remains in full force and effect.

16. **PRIVATE USE OF FACILITIES:** The Issuer shall at all times take, and refrain from taking, and shall not fail to take, any and all actions necessary in order to assure the initial and continued tax-exempt status of the Bonds and the interest thereon. Less than 10% of the proceeds of the Bonds will be used, directly or indirectly, for any private business use, and less than 10% of the payment of principal of, or the interest on, such issue, under the terms of such issue or any underlying arrangement, is, directly or indirectly, secured by any interest in property used or to be used for a private business use, payments in respect of such property, or to be derived from payments (whether or not to the Issuer) in respect of property, or borrowed money, used or to be used for a private business use. None of the proceeds of the Bonds will be used, directly or indirectly, for any private business use which is not related to the governmental use of the proceeds of the Bonds, including the disproportionate related business use of the proceeds of the Bonds, and none of the payment of principal on, or the interest on, such issue, under the terms of any underlying arrangement, is, directly or indirectly, secured by any interest in property used, or to be used for a private business use, payments in respect of such property or to be derived from payments (whether or not to the Issuer) in respect of property, or borrowed money, used or to be used for a private business use with respect to such private business use, which is not related to any government use of such proceeds, including the disproportionate business use of the issue of the Bonds. None of the proceeds of the issue of the Bonds will be used, directly or indirectly, to make or finance loans to persons other than governmental units. For purposes of this paragraph, private business use means use, directly or indirectly, in a trade or business carried on by any person, including related persons, other than a governmental unit or other than use as a member of the general public. All of the foregoing shall be determined in accordance with and within the meaning of the Internal Revenue Code of 1986, as amended, including any successor provisions and rules and regulations thereunder (the "Code").

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

18. **IRS INFORMATION RETURN:** On the date hereof, the undersigned Mayor did officially 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.

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

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

WITNESS our signatures and the official seal of the CITY OF HURRICANE on this 5th day of May, 1994.

[CORPORATE SEAL]

SIGNATURE

OFFICIAL TITLE

Raymond Bush

Mayor

Lucia L. Gibson

Recorder

Mark C. [Signature]

Counsel to Issuer

04/28/94
HWC.L2
43563/91001



CITY OF HURRICANE

Water Revenue Bonds, Series 1994

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 \$1,100,000 aggregate principal amount of Water Revenue Bonds, Series 1994, of the Issuer, dated May 5, 1994 (the "Bonds" or "Series 1994 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 duly charged with the responsibility of issuing the 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. Capitalized terms used herein and not otherwise defined herein shall have the meanings set forth in the Bond Ordinance enacted by the Issuer on May 2, 1994 (the "Bond Ordinance").
2. This certificate may be relied upon as the certificate of the Issuer.
3. The Issuer has not been notified by the Internal Revenue Service of any listing or proposed listing of it as an issuer that may not certify its bonds or the certification of which may not be relied upon by holders of obligations of the Issuer or that there is any disqualification of the Issuer by the Internal Revenue Service because a certification made by the Issuer contains a material misrepresentation.
4. This certificate is based upon facts, circumstances, estimates and expectations of the Issuer in existence on May 5, 1994, the date on which the 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. The Bonds were sold on May 5, 1994, to the West Virginia Water Development Authority (the "Authority") for a purchase price of \$1,100,000 (100% of par). No accrued interest has been or will be paid on the Bonds.
6. In the Bond Ordinance, the Issuer has covenanted to not take, or permit or suffer to be taken, any action with respect to the gross or other proceeds of the Bonds which would cause any of the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code. The Issuer has, therefore, covenanted to not intentionally use any portion of the proceeds of the Bonds to acquire higher yielding investments or to replace funds which were used directly or indirectly to acquire higher yielding investments, except as otherwise allowed under Section 148 of the Code. The Issuer, in the Bond Ordinance,

has further covenanted that it will take all actions that may be required of it so that the interest on the Bonds will be and remain excluded from gross income for federal income tax purposes, and will not take any actions which would adversely affect such exclusion.

7. The Bonds are being delivered simultaneously with the delivery of this certificate and are issued for the purposes of (i) paying certain notes (the "Notes") of the Issuer heretofore issued to pay a portion of the costs of acquisition and construction of certain additions, betterments and improvements for the existing waterworks facilities of the Issuer (the "Project"); (ii) paying the remaining costs of acquisition and construction of the Project; (iii) funding a reserve account for the Bonds; and (iv) paying certain issuance and other related costs in connection therewith.

8. The Issuer has previously entered into agreements which require the Issuer to expend in excess of \$100,000 on the Project constituting a substantial binding commitment. Acquisition, construction and equipping of the Project has already commenced and will proceed with due diligence to completion, and, with the exception of proceeds constituting capitalized interest (if any), proceeds deposited in the reserve account for the Bonds (if any), all of the proceeds from the sale of the Bonds, together with any investment earnings thereon, will be expended for payment of Costs of the Project on or before October, 1994. Construction of the Project is expected to be completed by October, 1994.

9. The total cost of the Project (including all costs of issuance of the Bonds) is estimated at \$1,248,200. Sources and uses of funds for the Project are as follows:

SOURCES

Gross Proceeds of Bonds	\$1,100,000.00
Small Cities Block Grant	<u>148,200.00</u>
 Total Sources	 <u>\$1,248,200.00</u>

USES

Repayment of Notes	\$809,234.62
Complete Acquisition and Construction of Project	343,410.38
Capitalized Interest	-0-
Fund Reserve Account	80,555.00
Costs of Issuance	<u>15,000.00</u>
 Total Uses	 <u>\$1,248,200.00</u>

The amount of Project costs not expected to be reimbursed or paid from grant proceeds is estimated to be at least equal to the gross proceeds of the Bonds. Except for the proceeds of the Bonds and the grant proceeds, 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 Bond Ordinance, the following special funds or accounts have been created and/or continued:

- (1) Revenue Fund (established by the Prior Ordinance);
- (2) Operation and Maintenance Fund (established by the Prior Ordinance);
- (3) Depreciation Fund (established by the Prior Ordinance);
- (4) Bond Construction Trust Fund;
- (5) 1965 Sinking Fund (established by the Prior Ordinance);
- (6) Series 1994 Bonds Sinking Fund; and
- (7) Within the Series 1994 Bonds Sinking Fund, the Series 1994 Bonds Reserve Account.

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

- (1) Bond proceeds in the amount of \$-0- will be deposited in the Series 1994 Bonds Sinking Fund as capitalized interest and applied to payment of interest on the Bonds during acquisition and construction of the Project and for not more than six months thereafter.
- (2) Bond proceeds in the amount of \$80,555 will be deposited in the Series 1994 Bonds Reserve Account.
- (3) Bond proceeds in the amount of \$809,234.62 will be paid to Putnam County Bank to pay in full the principal of and interest on the Notes issued to said Bank for the purpose of temporarily financing the costs of acquisition and construction of the Project;
- (4) The balance of the proceeds of the Bonds will be deposited in the Bond Construction Trust Fund and applied solely to payment of costs of the

Project not previously paid with proceeds of the Notes, including costs of issuance of the Bonds and related costs.

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

None of the proceeds of the Bonds will be used to reimburse the Issuer for costs of the Project previously incurred and paid by the Issuer with its own or other funds.

12. Moneys held in the Series 1994 Bonds Sinking Fund will be used solely to pay principal of and interest on the Bonds and will not be available to meet costs of acquisition and construction of the Project. All investment earnings on moneys in the Series 1994 Bonds Sinking Fund and Series 1994 Bonds Reserve Account, if any, will be withdrawn therefrom and deposited into the Bond Construction Trust Fund during construction of the Project, and following completion of the Project, will be deposited, not less than once each year, in the Revenue Fund, and such amounts will be applied as set forth in the Bond Ordinance.

13. Except for the Series 1994 Bonds Sinking Fund and the Series 1994 Bonds Reserve Account, there are no other funds or accounts established or held by the Issuer which are reasonably expected to be used to pay debt service on the Series 1994 Bonds or which are pledged as collateral for the Series 1994 Bonds and for which there is a reasonable assurance that amounts therein will be available to pay debt service on the Series 1994 Bonds, if the Issuer encounters financial difficulties. The Issuer does not expect that moneys in the Depreciation Fund will be used or needed for payments upon the Series 1994 Bonds. Except as provided herein, no funds which have been or will be used to acquire directly or indirectly securities, obligations, annuity contracts, investment-type property or any residential rental property for family units which is not located within the jurisdiction of the Issuer and which is not acquired to implement a court ordered or approved designation plan producing a yield in excess of the yield on the Bonds have been or will be pledged to payment of the Bonds. Less than 10% of the moneys received from the sale of the Series 1994 Bonds, if any, will be deposited in the Series 1994 Bonds Reserve Account or any other reserve or replacement fund. The amounts deposited in the Series 1994 Bonds Reserve Account from time to time by the Issuer will not exceed the maximum annual principal of and interest on the Series 1994 Bonds and will not exceed 125% of average annual principal of and interest on the Series 1994 Bonds. Amounts in the Series 1994 Bonds Reserve Account, not to exceed 10% of the proceeds of the Series 1994 Bonds, if invested, will be invested without yield limitation. The establishment of the Series 1994 Bonds Reserve Account are required by the Authority, is vital to its purchase of the Series 1994 Bonds, and is reasonably required to assure payments of debt service on the Series 1994 Bonds.

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

14. The Issuer has already entered into a contract 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 acquisition and construction of the Project will proceed with due diligence to completion. Construction is expected to be completed within 6 months of the date hereof.

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

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

18. With the exception of the amount deposited in the Series 1994 Bonds Sinking Fund for payment of interest on the Bonds, if any, and the amounts deposited in the Series 1994 Bonds Reserve Account, if any, all of the proceeds of the Bonds will be expended on the Project within 6 months from the date of issuance thereof.

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

20. The Series 1994 Bonds Sinking Fund (other than the Series 1994 Bonds Reserve Account therein) are intended primarily to achieve a proper matching of payments of debt service on the Series 1994 Bonds each year. The Series 1994 Bonds Sinking Fund (other than the Series 1994 Bonds Reserve Account therein) will be depleted at least once a year except for a reasonable carryover amount not in excess of the greater of 1/12th of annual debt service on the Series 1994 Bonds, or 1 year's interest earnings on the Series 1994 Bonds Sinking Fund (other than the Series 1994 Bonds Reserve Account therein). Except as otherwise allowed, any money deposited in the Series 1994 Bonds Sinking Fund for payment of the principal of or interest on the Series 1994 Bonds (other than the Series 1994 Bonds Reserve Account therein), will be spent within a 13-month period beginning on the date of receipt and will be invested without yield limitation, and any moneys received from the investment of amounts held in the Series 1994 Bonds Sinking

Fund (other than in the Series 1994 Bonds Reserve Account therein) will be spent within a 1-year period beginning on the date of receipt.

21. All the proceeds of the Bonds which were used for the payment of costs of the Project will be expended for such purposes within three years of May 5, 1994.
22. The amount designated as cost of issuance of the Bonds consists only of costs which are directly related to and necessary for the issuance of the Bonds.
23. All property financed with the proceeds of the Bonds will be held for federal income tax purposes by (or on behalf of) a qualified governmental unit.
24. The Issuer shall file Form 8038-G or 8038-GC in a timely fashion with the Internal Revenue Service Center, Philadelphia, Pennsylvania, 19455.
25. No more than 10% of the proceeds of the Bonds will be used (directly or indirectly) in any trade or business carried on by, and less than 5% of the proceeds of the Bonds have been or will be used to make or finance loans to, any person who is not a governmental unit.
26. The original proceeds of the Bonds will not exceed the amount necessary for the purposes of the issue.
27. The Issuer shall use the 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.
28. The Issuer shall not permit at any time or times any of the proceeds of the Bonds or any other funds of the Issuer to be used directly or indirectly in a manner which would result in the exclusion of the Bonds from treatment afforded by Section 103(a) of the Code by reason of classification of the Bonds as "private activity bonds" within the meaning of the Code. The Issuer will take all actions and refrain from taking such actions as shall be necessary to comply with the Code in order to ensure the interest on the Bonds is excludable from gross income for federal income tax purposes.
29. The Bonds are not and will not be, in whole or in part, directly or indirectly, federally guaranteed within the meaning of Section 149(b) of the Code.
30. The Issuer is a governmental unit and has general taxing powers; no Bonds are private activity bonds; 95% or more of the net proceeds of the Bonds are to be used for local governmental activities of the Issuer (or of a governmental unit the jurisdiction of which is entirely within the jurisdiction of the Issuer); and the aggregate face amount of all tax-exempt bonds or obligations (other than private activity bonds) issued by the Issuer during the calendar year 1994, the calendar year in which the Bonds are issued,

is not reasonably expected to exceed \$5,000,000, determined in accordance with Section 148(f)(4)(D) of the Code. For purposes of this paragraph and for purposes of applying such Section 148(f)(4)(D) of the Code, the Issuer and all entities which issue obligations on behalf of the Issuer shall be treated as one issuer; all obligations issued by a governmental unit to make loans to other governmental units with general taxing powers not subordinate to such unit shall, for purposes of applying this paragraph and Section 148(f)(4)(D) of the Code, be treated as not issued by such unit; all obligations issued by a subordinate entity shall, for purposes of applying this paragraph and Section 148(f)(4)(D) of the Code to each other entity to which such entity is subordinate, be treated as issued by such other entity; and an entity formed (or, to the extent provided by the Secretary, as set forth in the Code, availed of) to avoid the purposes of such Section 148(f)(4)(D) of the Code and all other entities benefiting thereby shall be treated as one issuer. No portion of the Bonds is issued to refund other obligations.

The Issuer believes that the Authority exclusively lends bond proceeds in a manner that does not result in its bonds being private activity bonds, as defined in the Code, and the Issuer believes that the use of the proceeds by each borrower from the Authority would not result in those proceeds being private activity bonds (if viewed as a separate issue).

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

32. The Issuer shall comply with the yield restriction on Bond proceeds as set forth in the Code.

33. The Issuer has either (a) funded the Series 1994 Bonds Reserve Account at the maximum amount of principal and interest which will mature and become due on the Bonds in the then current or any succeeding year with the proceeds of the Bonds, or (b) created the Series 1994 Bonds Reserve Account which will be funded with equal payments made on a monthly basis over a 10-year period until such Series 1994 Bonds Reserve Account holds an amount equal to the maximum amount of principal and interest which will mature and become due on the Bonds in the then current or any succeeding year. Moneys in the Series 1994 Bonds Reserve Account and the Series 1994 Bonds Sinking Fund (established for the annual payment of principal and interest) will be used solely to pay principal of and interest on the Bonds and will not be available to pay costs of the Project.

34. The Issuer shall submit to the Authority within 15 days following the end of each bond year a certified copy of its rebate calculation or, if the Issuer qualifies for the small governmental issuer exception to rebate, the Issuer shall submit a certificate stating that it is exempt from the rebate provisions and that no event has occurred to its knowledge during the bond year which would make the Bonds subject to rebate. The Issuer covenants and agrees to comply with the rebate requirements of the Code if not exempted therefrom,

and with all other requirements of the Code necessary, proper or desirable to maintain the tax-exempt status of the Bonds and any interest thereon.

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

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

37. 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 Bonds.

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

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

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

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

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

IN WITNESS WHEREOF, I have set my hand this 5th day of May, 1994.

CITY OF HURRICANE

By Raymond Beak
Mayor

05/02/94
HWJ.M3
43563/91001



CITY OF HURRICANE

Water Revenue Bonds, Series 1994

ENGINEER'S CERTIFICATE

I, ROGER K. RANDOLPH, Registered Professional Engineer, West Virginia License No. 6246, of Randolph Engineering Co., Inc., Scott Depot, West Virginia, Consulting Engineer, hereby certify as follows:

1. My firm is engineer for the acquisition and construction of certain additions, betterments and improvements to the existing waterworks system (the "Project") of the City of Hurricane (the "Issuer"), to be constructed primarily in Putnam County, West Virginia, which acquisition and construction are being financed in part by the proceeds of the above-captioned bonds (the "Bonds") of the Issuer and certain grant proceeds from the Department of Housing and Urban Development (Small Cities Block Grant). Capitalized words not defined herein shall have the meaning set forth in the Bond Ordinance enacted by the Issuer on May 2, 1994, and the Loan Agreement, by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), dated May 5, 1994.
2. The Bonds are being issued for the purposes of (i) paying certain notes (the "Notes") of the Issuer heretofore issued to pay a portion of the costs of acquisition and construction of the Project; (ii) paying the remaining costs of acquisition and construction of the Project; (iii) funding a reserve account for the Bonds; and (iv) paying certain issuance and other related costs in connection therewith.
3. The undersigned hereby certifies that (i) the Project will be constructed in accordance with the approved plans, specifications and designs prepared by my firm and as described in the application submitted to the Authority requesting the Authority to purchase the Bonds (the "Application") and approved by all necessary governmental bodies, (ii) the Project is adequate for the purpose for which it was designed and has an estimated useful life of at least 40 years, (iii) the Issuer has received bids for the acquisition and construction of the Project which are in an amount and otherwise compatible with the plan of financing described in the Application and my firm has ascertained that all contractors have made required provisions for all insurance and payment and performance bonds and that such insurance policies or binders and such bonds have been verified by my firm for accuracy, (iv) the Issuer has obtained all permits required by the laws of the State of West Virginia and the United States necessary for the acquisition and construction of the Project, (v) the rates and charges for the System as adopted by the Issuer are sufficient to comply with the provisions of Subsection 4.1(b) of the Loan Agreement, (vi) the net proceeds of the Bonds, together with all other moneys on deposit or to be simultaneously deposited and

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irrevocably pledged thereto and the proceeds of grants, if any, irrevocably committed therefor, are sufficient to pay the costs of acquisition and construction of the Project as set forth in the Application, and (vii) attached hereto as Exhibit A is the final amended "Schedule A - Total Cost of Project and Sources of Funds" for the Project.

WITNESS my signature on this 5th day of May, 1994.

(SEAL)



RANDOLPH ENGINEERING CO., INC.

Bogert K Randolph
Its President

West Virginia License No. 6246

04/27/94
HWC.N2
43563/91001

DATE: May 5, 1994

AMENDED SCHEDULE A

NAME OF GOVERNMENTAL AGENCY: City of Hurricane
TOTAL COST OF PROJECT, SOURCES OF FUNDS AND COST OF FINANCING

A. Cost of Project

1.	Construction	\$	<u>247,970.50</u>	
2.	Technical Services	\$	<u>90,440.00</u>	
3.	Legal and Fiscal	\$	<u>5,000.00</u>	
4.	Administrative	\$	<u>-0-</u>	
5.	Site and Other Lands	\$	<u>-0-</u>	
6.	Step I and/or Step II (Design) or Other Loan Repayment (Specify Type: <u>Interim Construction Notes</u>)	\$	<u>758,216.00</u>	
7.	Interim Financing Costs	\$	<u>51,018.50</u>	
8.	Contingency	\$	<u>-0-</u>	
9.	Total of Lines 1 through 8			<u>\$1,152,645.00</u>

B. Sources of Funds

10.	Federal Grants: ¹ (Specify Source)	<u>GOV. S.C.B.G</u>	\$	<u>148,200.00</u>	
11.	State Grants: (Specify Source)		\$		
			\$		
			\$		
12.	Other Grants: (Specify Source)		\$		
			\$		
13.	Any Other Source ² (Specify)		\$		
			\$		
14.	Total of Lines 10 through 13				<u>\$ 148,200.00</u>
15.	Net Proceeds Required from Bond Issue (Line 9 less Line 14)				<u>\$1,004,445.00</u>

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).

C. Cost of Financing

16. Capitalized Interest (Construction period plus six months)	\$ <u>-0-</u>	
17. Funded Reserve Account ³	\$ <u>80,555.00</u>	
18. Other Costs ⁴	\$ <u>15,000.00</u>	
19. Total Cost of Financing (Lines 16 through 18)		\$ <u>95,555.00</u>
20. Size of Bond Issue (Line 15 plus Line 19)		\$ <u>1,100,000.00</u>

Additional or explanatory material may be provided on additional sheets attached to Amended Schedule A.

Raymond Peak
SIGNATURE OF AUTHORIZED
OFFICER OF APPLICANT

Regis K Randolph
SIGNATURE OF ENGINEER

³ Consult with bond counsel and the Authority before assuming a funded reserve.

⁴ For example, fees of bond counsel for the Governmental Agency.



KENNETH E. PLANTS
PUBLIC ACCOUNTANT
801 Oakbridge Drive
Hurricane, West Virginia 25526

May 5, 1994

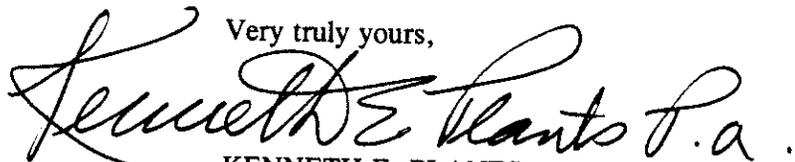
City of Hurricane
Water Revenue Bonds, Series 1994

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

Ladies and Gentlemen:

Based upon the rates and charges as set forth in the ordinance of the City of Hurricane (the "Issuer") finally enacted August 10, 1992, and projected operation and maintenance expenses and anticipated customer usage as furnished to me by Randolph Engineering Co., Inc., consulting engineer, it is my opinion that such rates and charges will be sufficient to provide revenues which, together with other revenues of the waterworks system of the Issuer, will pay all repair, operation and maintenance expenses and leave a balance each year equal to at least 140% of the maximum amount required in any year for debt service on the Water Revenue Bonds, Series 1994 (the "Bonds"), to be issued to the West Virginia Water Development Authority and the Issuer's outstanding Water Revenue Bonds, Series 1965 (the "Prior Bonds"). It is my further opinion that the net annual revenues of the waterworks system of the Issuer for the 12 consecutive months out of the preceding 18 months 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 outstanding Prior Bonds and the Bonds.

Very truly yours,


KENNETH E. PLANTS

04/28/94
HWC.02
43563/91001



West Virginia

At a circuit court con-
tinued and held in and for the coun-
ty of Putnam, at the court house
thereon Tuesday the 25th day
of September 1888.

Dr. S. Jewley, R. V. Dossey
S. W. Blair and Dr. H. W. Callister

Ex parte

A certificate under oath of C. W.
Taylor, A. B. Burgess and J. H. Myers
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 be-
ginning, have been given in due
form of law in favor of the incor-
poration of the Town of Hurricane
in the county of Putnam, bounded
as herein set forth. And it appears
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, that 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 ~~thereby~~ appoint and designate C. W. Taylor, J. H. Myers and 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 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.

Blank lined section of the document.

Confidential
Distribution
of American

Main body of the document, containing faint, illegible text and several rectangular stamps or markings.

A certificate of incorporation for said town of Hurricane in form or substance as follows:

A Certificate under oath of C. H. Taylor, A. B. Burge and J. H. Myones was this day filed showing that a majority of all the qualified voters residing in the four boundary tract: Beginning at the north West corner, 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 beginning 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. H. Taylor, J. H. Myones & 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) Hilroy
Charles Carr

This day came the attorney for the state and the defendant in his own proper person and to the bar of the Court and custody of the Sheriff of this County and thereupon the defendant pleaded 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 considered 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 recorder her cost about her suit in this behalf.

unto the State rendered. Yet upon this condition ^{that} of the said Matthew 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 Tourne and 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 Tourne in County of Putnam West Virginia be this day granted. And it appearing to the court that on the 20th day of August 1888 an election was held in the town of Tourne for the purpose of determining whether said town should be incorporated under the provision of Chapter forty seven of the Code of West Virginia which election resulted in a majority of the votes of said town being 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 greater of one square mile in extent and contains inside of said boundary or territory a population of more than one hundred and is more than two thousand persons and the survey map with an census notice and returns of election and Commissioners Certificate being inspected by the court and found in due form all ordered to be filed and the Clerk of the Court is directed to issue



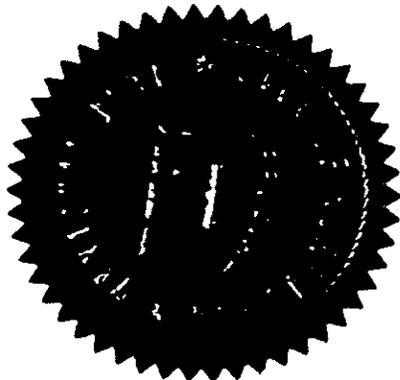
STATE OF WEST VIRGINIA,
COUNTY OF PUTNAM, TO-WIT:

I, RAYMOND PEAK, do solemnly swear that I will support the Constitution of the United States and the Constitution of the State of West Virginia; and that I will faithfully discharge the duties of the office of Mayor of the City of Hurricane, Putnam County, West Virginia, for the term of said office commencing on the 1st day of July, 1991, to the best of my skill and judgment. SO HELP ME GOD.


RAYMOND PEAK

Subscribed and sworn to before the undersigned
this the 26th day of June, 1991.


CLARENCE L. WATT, CHIEF JUDGE
29th Judicial Circuit of the
State of West Virginia

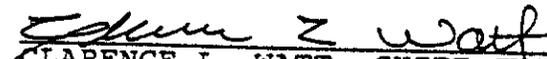


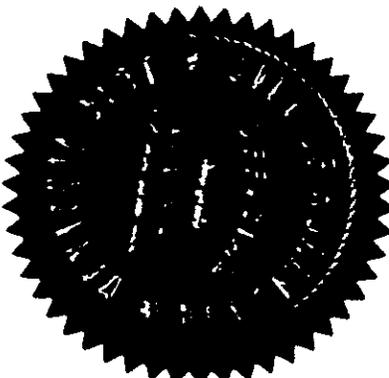
STATE OF WEST VIRGINIA,
COUNTY OF PUTNAM, TO-WIT:

I, LINDA GIBSON, do solemnly swear that I will support the Constitution of the United States and the Constitution of the State of West Virginia; and that I will faithfully discharge the duties of the office of Recorder of the City of Hurricane, Putnam County, West Virginia, for the term of said office commencing on the 1st day of July, 1991, to the best of my skill and judgment. SO HELP ME GOD.


LINDA GIBSON

Subscribed and sworn to before the undersigned
this the 26th day of June, 1991.


CLARENCE L. WATT, CHIEF JUDGE
29th Judicial Circuit of the
State of West Virginia



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

I, STEVE SOVINE, do solemnly swear that I will support the Constitution of the United States and the Constitution of the State of West Virginia; and that I will faithfully discharge the duties of the office of Councilman of the City of Hurricane, Putnam County, West Virginia, for the term of said office commencing on the 1st day of July, 1991, to the best of my skill and judgment. SO HELP ME GOD.

Steve Sovine
STEVE SOVINE

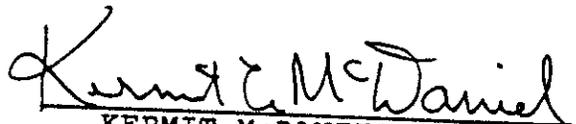
Subscribed and sworn to before the undersigned
this the 26th day of June, 1991.

Clarence L. Watt
CLARENCE L. WATT, CHIEF JUDGE
29th Judicial Circuit of the
State of West Virginia



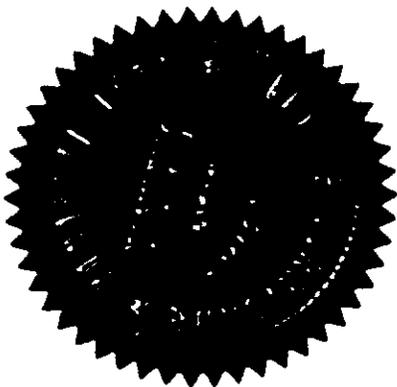
STATE OF WEST VIRGINIA,
COUNTY OF PUTNAM, TO-WIT:

I, KERMIT MCDANIEL, do solemnly swear that I will support the Constitution of the United States and the Constitution of the State of West Virginia; and that I will faithfully discharge the duties of the office of Councilman of the City of Hurricane, Putnam County, West Virginia, for the term of said office commencing on the 1st day of July, 1991, to the best of my skill and judgment. SO HELP ME GOD.


KERMIT MCDANIEL

Subscribed and sworn to before the undersigned
this the 26th day of June, 1991.


CLARENCE L. WATT, CHIEF JUDGE
29th Judicial Circuit of the
State of West Virginia

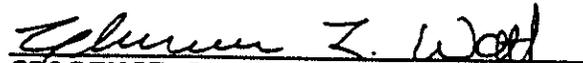


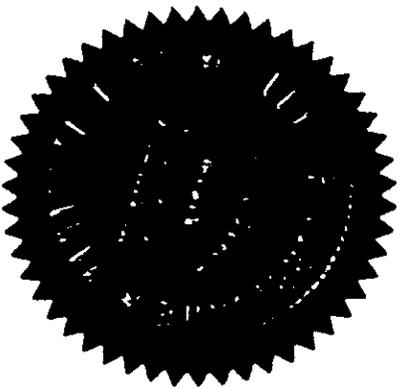
STATE OF WEST VIRGINIA,
COUNTY OF PUTNAM, TO-WIT:

I, WANDA JOHNSON, do solemnly swear that I will support the Constitution of the United States and the Constitution of the State of West Virginia; and that I will faithfully discharge the duties of the office of Councilman of the City of Hurricane, Putnam County, West Virginia, for the term of said office commencing on the 1st day of July, 1991, to the best of my skill and judgment. SO HELP ME GOD.


WANDA JOHNSON

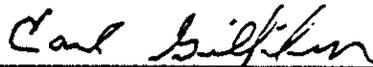
Subscribed and sworn to before the undersigned this the 26th day of June, 1991.


CLARENCE L. WATT, CHIEF JUDGE
29th Judicial Circuit of the
State of West Virginia



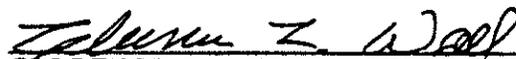
STATE OF WEST VIRGINIA,
COUNTY OF PUTNAM, TO-WIT:

I, CARL GILFILEN, do solemnly swear that I will support the Constitution of the United States and the Constitution of the State of West Virginia; and that I will faithfully discharge the duties of the office of Councilman of the City of Hurricane, Putnam County, West Virginia, for the term of said office commencing on the 1st day of July, 1991, to the best of my skill and judgment. SO HELP ME GOD.

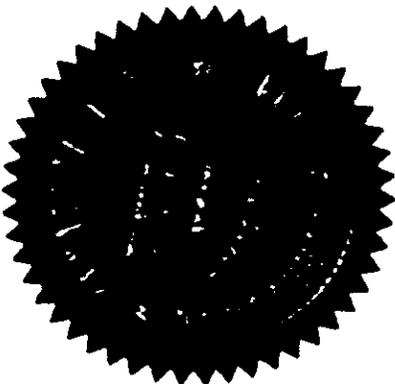


CARL GILFILEN

Subscribed and sworn to before the undersigned
this the 26th day of June, 1991.

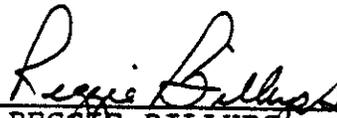


CLARENCE L. WATT, CHIEF JUDGE
29th Judicial Circuit of the
State of West Virginia

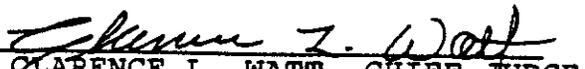


STATE OF WEST VIRGINIA,
COUNTY OF PUTNAM, TO-WIT:

I, REGGIE BILLUPS, do solemnly swear that I will support the Constitution of the United States and the Constitution of the State of West Virginia; and that I will faithfully discharge the duties of the office of Councilman of the City of Hurricane, Putnam County, West Virginia, for the term of said office commencing on the 1st day of July, 1991, to the best of my skill and judgment. SO HELP ME GOD.


REGGIE BILLUPS

Subscribed and sworn to before the undersigned
this the 26th day of June, 1991.


CLARENCE L. WATT, CHIEF JUDGE
29th Judicial Circuit of the
State of West Virginia





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[TO BE PUBLISHED IN THE
HURRICANE BREEZE ON July 9 & 16, 1992]

NOTICE OF PUBLIC HEARING ON
CITY OF HURRICANE WATER RATE ORDINANCE

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

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

SECTION I - RATES

SCHEDULE NO. 1 - WATER RATES

AVAILABILITY OF SERVICE

Available in entire territory served for general
domestic, commercial and industrial service.

RATES

First: 2,000 gallons used per month \$4.75 per 1,000
gallons
All over: 2,000 gallons used per month \$4.50 per 1,000
gallons

MINIMUM CHARGE

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

5/8 inch meter	\$ 9.50 per month
1 inch meter	23.75 per month
1 1/2 inch meter	47.50 per month
2 inch meter	76.00 per month
3 inch meter	142.50 per month
4 inch meter	237.50 per month

MULTIPLE OCCUPANCY

On apartment buildings, or other multiple occupancy buildings or house trailer courts or parks, each unit shall be required to pay not less than the above minimum monthly charge.

DELAYED PAYMENT PENALTY

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

DISCONNECT FOR NON-PAYMENT

If any bill is not paid within sixty (60) days after the date of bill, water service to the customer will be discontinued. Water service will not be restored until all past due water bills have been paid in full and all accrued penalties plus a reconnection charge have been paid.

CUSTOMER DEPOSIT

\$25.00

SERVICE CONNECTION CHARGE

\$250.00

RECONNECTION CHARGE

\$10.00

SCHEDULE NO. 2 - FIRE PROTECTION SERVICE RATES

AVAILABILITY OF SERVICE

Available for private fire protection service in entire territory served.

RATES

An applicant for private fire protection shall pay the full cost of the service line to the property line, including connection to the main. In addition, the applicant shall pay the following flat rate service charge:

2-inch	\$ 5.00
3-inch	6.00
4-inch	8.00
6-inch	18.00

DELAYED PAYMENT PENALTY

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

SECTION II. EFFECTIVE DATE

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

SECTION III. SEPARABILITY: REPEAL OF CONFLICTING ORDINANCES

The provisions of this Ordinance are separable, and if any clause, provision or section hereof shall be held void or unenforceable by any court of competent jurisdiction, such holding shall not affect the remainder of this Ordinance. Upon the effective

date of the water rates, fire service protection rates, delayed payment penalty, customer deposit, service connection charge and reconnection charge as herein set forth, all ordinances, resolutions, orders or parts thereof in conflict with the provisions of this Ordinance are, to the extent of such conflicts, hereby repealed; and to the extent that the provisions of this Ordinance do not touch upon the provisions of prior ordinances, resolutions, orders or parts thereof, the same shall remain in full force and effect.

SECTION IV. STATUTORY NOTICE AND PUBLIC HEARING

Upon introduction and adoption at first reading hereof, the Clerk shall publish a copy of this Ordinance and a notice at least 5 days before the meeting at which this Ordinance is to be finally adopted, one time in the Hurricane Breeze, being a newspaper published and of general circulation in the City of Hurricane, and said notice shall state the subject matter and general title of this Ordinance, that this Ordinance has been introduced and adopted at first reading, and that any person interested may appear before the Council of the City of Hurricane in the Council Chambers at the Hurricane City Hall, in Hurricane, West Virginia, on the 20th day of July, 1992, at 7:15 p.m., which is the date, time and place of the proposed final vote on adoption and be heard with respect to the proposed ordinance. At such hearing all objections and suggestions shall be heard and the Council shall take such action as it shall deem proper in the premises. Copies of the proposed ordinance shall be available to the public for inspection at the office of the Mayor in the Hurricane City Hall, Hurricane, West Virginia.

The above Ordinance has been introduced at a meeting of Council held 7/6, 1992.

Passed on First Reading: 7/6, 1992

Passed on Second Reading
Following Public Hearing: 8/10, 1992

Effective as of: 9/24, 1992

s/s Raymond Beah
Mayor

s/s Alvilda M. Johnson
Clerk

CERTIFICATION AND NOTICE

The foregoing Water Rate Ordinance has been introduced and adopted on first reading at a meeting of the Council held on 7/6, 1992. Any person interested may appear before the Council of the City of Hurricane in the Council Chambers at the Hurricane City Hall, Hurricane, West Virginia, on the 20th day of JULY, 1992, at 7:15 p.m., being the date, time and place of the proposed final adoption of the Water Rate Ordinance, and be heard with respect to the proposed ordinance. The Council will then take such action as it shall deem proper in the premises.

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

Dated: AUGUST 10, 1992.

s/s Alvirlda M. Johnson
Clerk

06/16/92
HWJ.D2
43563/91001

CITY OF HURRICANE, a municipal utility
(Name of Utility)

OF

Hurricane, West Virginia
(Location of Office)

Rates, Rules and Regulations for Furnishing
WATER

AT

Hurricane, Putnam County and Vicinity, West Virginia.

Public Service Commission
on W.V. Tariff Office

OCT 30 1992

Special Studies Section
RECEIVED

Filed with THE PUBLIC SERVICE COMMISSION
OF
WEST VIRGINIA

Issued August 10, 19 92

Effective September 24, 19 92

Passed by City Council.

Issued by CITY OF HURRICANE
(Name of Utility)

By *Raymond Cook*

Mayor

SCHEDULE NO. 1 - WATER RATES

AVAILABILITY OF SERVICE

Available in entire territory served for general domestic, commercial and industrial service.

(A) RATES

First: 2,000 gallons used per month \$4.75 per 1,000 gallons
All over: 2,000 gallons used per month \$4.50 per 1,000 gallons

(A) MINIMUM CHARGE

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

5/8 inch meter	\$ 9.50 per month
1 inch meter	23.75 per month
1 1/2 inch meter	47.50 per month
2 inch meter	76.00 per month
3 inch meter	142.50 per month
4 inch meter	237.50 per month

MULTIPLE OCCUPANCY

On apartment buildings, or other multiple occupancy buildings or house trailer courts or parks, each unit shall be required to pay not less than the above minimum monthly charge.

DELAYED PAYMENT PENALTY

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

DISCONNECT FOR NON-PAYMENT

If any bill is not paid within sixty (60) days after the date of bill, water service to the customer will be discontinued. Water service will not be restored until all past due water bills have been paid in full and all accrued penalties plus a reconnection charge have been paid.

CUSTOMER DEPOSIT

\$25.00

SERVICE CONNECTION CHARGE

\$250.00

RECONNECTION CHARGE

\$10.00

(A) Indicates advance

HURRICANE CITY COUNCIL
Regular Meeting
July 6, 1992

The Hurricane City Council met in regular session with the following members present:

Mayor: Raymond Peak
Recorder: Linda Gibson
Councilpersons: Reggie Billups
Carl Gilfilen
Wanda Johnson
Kermit McDaniel
Steve Sovine

It was moved by Kermit McDaniel and seconded by Carl Gilfilen that the minutes of the June 2, 1992, Council meeting be approved. Motion carried.

Mayor Peak gave a second reading of an Ordinance to replace Chapter 133.21 and add thereto new language. It was moved by Reggie Billups and seconded by Steve Sovine that we pass the ordinance. Motion carried.

Mayor Peak read a letter of appreciation for the cooperation given to the Museum in the Community with the Dinosaur Exhibit at the Hurricane Valley Community Center.

The mayor advised that he had received a letter from the West Virginia Recreation and Park Association asking that we adopt a resolution requesting our Congressional Delegation to give our Parks their utmost attention. On motion of Reggie Billups, seconded by Wanda Johnson, the resolution was adopted.

Mayor Peak also stated that he had received a letter from Jess Forest and Clifford Allen complaining about a tree in the alley at 2930 Montana Avenue that is threatening damage to buildings on their property. Reggie Billups made a motion, seconded by Kermit McDaniel, that Ed Norris take the necessary steps to have the tree limbs removed.

The mayor read a letter from CSX to the city about the Centennial Bridge repairs and their requesting us to eliminate the underpass on Harrison Avenue. He also read his response to CSX telling them that we will go ahead with our plans to repair the bridge and try to get a 21 foot clearance but that we will not close the underpass and they will have to take whatever action necessary for the repairs as needed to accommodate the new 21ft. railroad tank cars.

Mayor Peak asked Mark Haverland if he was satisfied with the answers he got from B & L Construction when they made their inspections. Mr. Haverland discussed his complaints and stated that he is very unhappy with the progress they have made in repairs following laying the new sewerage lines through his property, stating that the drain has not been fixed and they could not determine the origin of stale water in the area. Don Hayes of Randolph Engineering Company said they had checked everything and outside of a few minor things all had been taken care of. The Mayor advised Mr. Haverland that the situation is being taken care of and the company would not get final payment until all involved were happy.

Mayor Peak reported that the Umberger Property, that Roger Gibson purchased, has finally been approved by the County Court for annexation into the City of Hurricane and construction of a housing development will begin soon.

The mayor read a recommendation from Hurricane Municipal Planning Commission to rezone lots 46, 47 & 48 Corbly Addition from R-1 to R-2. Mayor Peak advised that he has had numerous calls from concerned citizens about the problems that will arise if there are apartments put on the property. Following discussion,

Councilman McDaniel addressed the subject stating that as a resident and neighbor directly involved he has done extensive research and when the law (Code 13-5-3) was passed by City Council, it was done to protect the residents and he feels that there would have to be substantive hardship to someone in order to warrant a change. McDaniel read parts of the City Code concerning this situation and the problems that would arise. He again addressed the legislative intent in regulation of zoning from single family to R-2, stating that once you make an exception the next time it is even easier not to follow existing laws. He reiterated that we need to protect the citizens through our zoning laws and feels that there is no shortage of apartments in Hurricane and fears that if this change is made then it will also be wanted in other areas of town.

Councilman Billups also addressed the subject stating that council in the past has been lead to do what the majority of the people desired. He suggests we go back to the people and find out where they stand in the situation. Following further discussion, Councilman McDaniel stated that he thinks council has enough information and the petitions reflect the feelings of those most involved, therefore, a decision should be made tonight.

Following questions by residents of the area involved and further discussion, Kermit McDaniel then made a motion, seconded by Carl Gilfilen, that the Planning Commission recommendation be rejected. Motion carried.

Cindy Stephens asked if the city has plans to take care of the standing water problem on Seymour Avenue and was advised by the Mayor that Roger Wade, owner of the property in question, has promised an easement to the city and as soon as we get that we will go in and fix the drains, along with the one at Haverlands and another one in town that needs repaired.

Carl Gilfilen made a motion, seconded by Reggie Billups, that Scott Adams be promoted to Sergeant for the Police Department. Motion carried.

It was moved by Wanda Johnson and seconded by Kermit McDaniel that a Budget Revision to the Coal Severance Account be approved. Motion carried.

It was moved by Steve Sovine and seconded by Kermit McDaniel that the Budget Revision hearing be held at 7:00 p.m. on Monday, July 20, 1992. Motion carried.

✓ Carl Gilfilen made a motion and seconded by Steve Sovine that an Ordinance setting forth the water rates for general domestic, commercial and industrial service, fire protection, etc., be read a first time. Motion carried.

Mayor Peak set the hearing for the Water Ordinance at 7:15 p.m. on Monday, July 20, 1992 following the Budget Revision hearing.

Reggie Billups made a motion, seconded by Kermit McDaniel, to adjourn. Motion carried.

APPROVED

Raymond Peak

DATE

8/10/92

SUBMITTED

Frank L. Gibson

DATE

8/10/92

HURRICANE CITY COUNCIL
Special Meeting
July 20, 1992
7:15 p.m.

The Hurricane City Council met in special session for the advertised purpose of holding a hearing on the new water ordinance. The following members were present:

Mayor: Raymond Peak
Recorder: Linda Gibson
Councilpersons: Reggie Billups
Carl Gilfilen
Wanda Johnson
Kermit McDaniel
Steve Sovine

The Mayor declared the hearing open for comments.

After listening to comments and answering questions, the Mayor asked for a motion to adjourn.

On motion by Reggie Billups and seconded by Kermit McDaniel, the meeting was adjourned.

APPROVED Raymond Peak DATE 8/10/92

SUBMITTED Linda L. Gibson DATE 8/10/92

HURRICANE CITY COUNCIL
Regular Meeting
August 10, 1992

The Hurricane City Council met in regular session with the following members present:

Mayor: Raymond Peak
Recorder: Linda Gibson
Councilpersons: Reggie Billups
Carl Gilfilen
Wanda Johnson
Kermit McDaniel
Steve Sovine

It was moved by Kermit McDaniel and seconded by Wanda Johnson that the minutes of the July 6, 1992, Council meeting be approved. Motion carried.

It was moved by Carl Gilfilen and seconded by Steve Sovine that the minutes of the July 20, 1992 Special Council meeting be approved. Motion carried.

It was moved by Steve Sovine and seconded by Wanda Johnson that the minutes of the July 20, 1992 Special Council meeting at 7:15 p.m. for the purpose of hearing on new water ordinance be approved. Motion carried.

It was moved by Carl Gilfilen and seconded by Kermit McDaniel that bills for General Fund be paid. Motion carried.

It was moved by Wanda Johnson and seconded by Carl Gilfilen that bills for Special Account be paid. Motion carried.

It was moved by Reggie Billups and seconded by Kermit McDaniel that bills from Coal Severance Fund be paid. Motion carried.

On recommendation of the Mayor, it was moved by Kermit McDaniel and seconded by Carl Gilfilen that we appoint Gene Young and Jack Gibson to three year terms on the Water Board, terms expiring June 30, 1995. Motion carried.

On recommendation of the Mayor, it was moved by Steve Sovine and seconded by Reggie Billups that we appoint Jack Gibson to a three year term on the Sewer Board, term expiring June 30, 1995. Motion carried.

On recommendation of the Mayor, it was moved by Wanda Johnson and seconded by Steve Sovine that we appoint David Boyles and Tom

Bishop to three year terms on the Board of Zoning Appeals, terms expiring January 31, 1995. Motion carried.

Steve Sovine made a motion and seconded by Reggie Billups that an Ordinance setting forth the water rates for general domestic, commercial and industrial service, fire protection, etc., be read a second time and passed. It was ascertained that a Public Hearing was held on July 20, 1992, at 7:15 p.m. Motion carried.

Mayor Peak recognized Renee Wiles, President of the Business Association, as spokesperson for a delegation of businessmen to express the concerns of the business community. The first concern is the telephone on the building outside of Peabodys and the persons loitering around that area. It is a detriment to the downtown businesses. Mayor Peak asked if the language was the biggest problem and Councilman Billups asked if juveniles hang out in the area all day long. Mrs. Wiles reported they are there most of the time and the language they use is very bad. Councilwoman Johnson said that she also has had complaints from older ladies walking to the Senior Center and shopping downtown that they are afraid to walk because of the language and gestures being made by juveniles.

Police Chief Foster said that Mrs. Raines owner of the building was contacted to have the phone removed since it is her responsibility for the bill but she said that the phone is needed for her tenants. Councilman Billups asked if the phone could be moved inside the building. Councilman McDaniel asked for the Mayor to send a letter to the telephone company on behalf of City Council asking that the phone be removed from the outside of the building.

Police Chief Foster advised that there is a problem with discipline of juveniles because they have rights the same as adults and unless they are caught in action of doing a crime or someone signs a warrant for them it is difficult to prosecute. The constitution upholds their rights to be on the street, but if they curse or do other malicious acts, then a juvenile petition can be obtained.

Maureen Fitzgerald, Director of DownTown Association, said that Mrs. Carl Henderson had complained of people leaving cigarette butts and whiskey bottles on her property on Main Street. Mrs. Henderson was present and said that they love Hurricane and have been residents all of their lives, but they are afraid they are going to have to have their business torn down because they can no longer spend the hours at the building necessary for protection and they are afraid to rent the building because someone might catch it on fire. The police chief advised that she would have to catch the persons involved in the act and sign a warrant.

Councilman McDaniel stated that it is time we take the laws of the City in our own hands and enforce the curfews already on our books if they are similar to the ones Morgantown and Wheeling are enforcing.

Mrs. Wiles asked if it would be possible to have a foot patrol of police protection at certain times during the day and evening and maybe that would alleviate some of the problems. Mr. Foster advised that at this time the police department does not have enough manpower for this project but it is a good idea.

Mrs. Wiles also expressed concern of parking for customers downtown, asking for special parking for employees. The mayor advised that the parking lot beside the fire department will be finished for PUBLIC PARKING and that would be a good area for employees and also plenty of room for the overflow of customers from the parking lot and street beside the businesses.

She also asked when the overhead bridge would be repaired and was told by the Mayor that the bids should be let in about a week to 10 days and will be advertised for two weeks. The bridge will be four foot wider and have a covered walkway and should be completed in 30 to 45 days after the bids are let.

The mayor recognized Ruby Boyles and she expressed concern about water coming down the sidewalk on High School Avenue as it is deteriorating the sidewalks and front yards of their property. Mr. Terry said that after paving the street is higher than the yards and that is what causes the problem. Mayor Peak told them that as soon as the bridge is finished and we see how much money we have left for paving and it hoped that the french drains that had originally been scheduled for this year can be put in on High School Avenue. We think the paving of Streets that were scheduled for pavement will have to wait until next year.

Mr. Bartley of H & R Block asked if there was money available for handicapped accessibility through the new Disabilities Act that sidewalks on 2nd Street and High School Avenue need to be changed for handicapped persons. The mayor said he would check into this matter.

Mrs. Boyles also asked the Mayor about the increase of water rates and garbage fees. The mayor advised that the garbage increase is strictly a state fee and all of that money goes to the Department of Natural Resources for tipping fees. He also said that the water increase was needed for updating the water tanks and lines in town and increase in price of chemicals, etc.

Mr. Terry asked for the trees to be trimmed in the alley behind the Boyles and Terry property on High School Avenue. Mr. Norris, street commissioner, advised that Appalachian Power has just signed a new contract with Asplundah and if he would call

Appalachian and complain they should send someone to trim the trees.

Roy Dudley, (park attendant), registered a complaint about the Little League Board and the confusion they caused over the use of the lights on the ball field when the Church Women's Softball League had their tournament. Donald Hayes representative of the Church League told council that the little league president first told the women they could use the lights and then changed their mind when they found out that they had sold all of the concessions and did not need the money generated from the Women's Tournament to finish out their year. After many people called the Little League board members complaining of their action they decided to let the women use the lights. The church league asked if the lights should be the property of the city since they are on public property and should be for the use of all residents. After the Little League Season is over other groups and organizations could reserve the field and pay their share of the bill.

Following extended discussion, Kermit McDaniel made a motion seconded by Reggie Billups that the lights at City Park Ball Field be changed and billed to the city. Motion carried.

On motion made by Reggie Billups and seconded by Steve Sovine a resolution to enter into a contractual agreement with the West Virginia Development Office to receive and administer grant funds pursuant to provisions of the Drug Control and System Improvement grant program was adopted.

Recorder, Linda Gibson, read a letter from Clifford Allen commending Ed Norris, Street Commissioner, and workers, Lee Guthrie and Mike Barnett, for their prompt resolution to a problem with dead trees that he and Mr. Forest had issued a complaint.

Reggie Billups made a motion, seconded by Kermit McDaniel, to adjourn. Motion carried.

APPROVED Raymond Beck DATE 9/8/92

SUBMITTED Linda L. Gibson DATE 9/8/92

THE HURRICANE BREEZE
THE WEEKLY NEWSPAPER FOR ALL OF PUTNAM COUNTY
BOX 336
HURRICANE, WEST VIRGINIA 25526

CERTIFICATE OF PUBLICATION

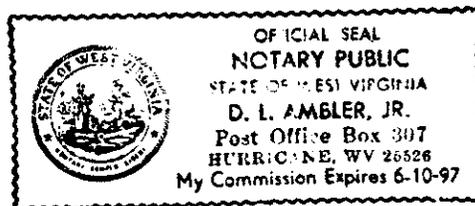
STATE OF WEST VIRGINIA,
COUNTY OF PUTNAM, To-wit:

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 July 9 & 16
19.92.....

Irene Ambler
.....
The Hurricane Breeze

Subscribed and sworn to before me this 16th day
of July , 19.92.....

D. L. Ambler, Jr.
.....
Notary Public



after the enactment hereof.
SECTION III SEPARABILITY
REPEAL OF CONFLICTING
ORDINANCES

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

SECTION IV. STATUTORY NOTICE AND PUBLIC HEARING

Upon introduction and adoption at first reading hereof, the Clerk shall publish a copy of this Ordinance and a notice at least ten days before the meeting of the Council. The Ordinance shall be finally adopted, one time in the Hurricane Breeze, being a newspaper published and of general circulation in the City of Hurricane, and said notice shall state the subject matter and general title of this Ordinance, that this Ordinance has been introduced and adopted at first reading, and that any person interested may appear before the Council of the City of Hurricane in the Council Chambers at the Hurricane City Hall, in Hurricane, West Virginia, on the 20th day of July, 1952, at 7:15 p.m., which is the date, time and place of the proposed final vote on adoption and be heard with respect to the proposed ordinance. At such hearing all objections and suggestions shall be heard and the Council shall take such action as it shall deem proper in the premises. Copies of the proposed ordinance shall be available to the public for inspection

at the office of the Mayor in Hurricane City, Hurricane, West Virginia, July 9-21

NOTICE OF PUBLIC HEARING ON CITY OF HURRICANE WATER RATE ORDINANCE

AN ORDINANCE SETTING FORTH WATER RATES FOR GENERAL DOMESTIC, COMMERCIAL AND INDUSTRIAL SERVICE, FIRE PROTECTION SERVICE RATES, DELAYED PAYMENT PENALTY, CUSTOMER DEPOSIT, SERVICE CONNECTION CHARGE AND RECONNECTION CHARGE FOR SERVING THE CUSTOMERS OF THE WATERWORKS SYSTEM OF THE CITY OF HURRICANE.

THE COUNCIL OF THE CITY OF HURRICANE HEREBY ORDAINS: That the following water rates, fire protection service rates, delayed payment penalty, customer deposit, service connection charge and reconnection charge are hereby fixed and determined as the water rates, fire protection service rates, delayed payment penalty, customer deposit, service connection charge and reconnection charge to be charged customers of the Waterworks System of the City of Hurricane throughout the territory served.

SECTION I - RATES SCHEDULE NO. 1 - WATER RATES

AVAILABILITY OF SERVICE
Available in entire territory served for general domestic, commercial and industrial service.

RATES
First 1,000 gallons used per month \$4.75 per 1,000 gallons
All over 1,000 gallons used per month \$4.90 per 1,000 gallons

MINIMUM CHARGE
No bill will be rendered for less than the following amounts, according to the size of the meter installed, to wit:
3/4 inch meter \$ 9.50 per month
1 inch meter 13.75 per month
1 1/2 inch meter 47.50 per month
2 inch meter 76.00 per month
3 inch meter 142.50 per month
4 inch meter 237.50 per month

MULTIPLE OCCUPANCY
For apartment buildings or other multiple occupancy building or house trailer courts or parks, each unit shall be required to pay not less than the minimum monthly charge.

DELAYED PAYMENT PENALTY
The above tariffs set on all accounts not paid in full within twenty (20) days of the date of bill, ten percent (10%) will be added to the net amount shown. This delayed payment penalty is not interest and shall only be charged once for each bill where applicable.

DISCONNECT FOR NON-PAYMENT
If any bill is not paid within sixty (60) days after the date of bill, water service to the customer will be discontinued. Water service will not be restored until all past due water bills have been paid in full and accrued penalties plus a reconnection charge have been paid.

CUSTOMER DEPOSIT
\$25.00
SERVICE CONNECTION CHARGE
\$250.00
RECONNECTION CHARGE
\$25.00

SCHEDULE NO. 2 - FIRE PROTECTION SERVICE RATES

AVAILABILITY OF SERVICE
Available in entire territory served for fire protection service.

RATES
An applicant for private fire protection shall pay the full cost of the service line to the property line, including connection to the main. In addition, the applicant shall pay the following flat rate service charge:
2-inch \$5.00
3-inch 6.00
4-inch 7.00
5-inch 12.00

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

SECTION II. EFFECTIVE DATE
The water rates, fire protection service rates, delayed payment penalty, customer deposit, service connection charge and reconnection charge provided herein shall be effective 45 days after the enactment hereof.

SECTION III SEPARABILITY REPEAL OF CONFLICTING ORDINANCES

The provisions of this ordinance are separable, and if any clause, provision or section hereof shall be held void or unenforceable by any court of competent jurisdiction, such holding shall not affect the remainder of this Ordinance. Upon the effective date of

HURRICANE CITY COUNCIL
Regular Meeting
April 4, 1994

The Hurricane City Council met in regular session with the following members present:

Mayor: Raymond Peak
Recorder: Linda Gibson
Councilpersons: Carl Gilfilen
Wanda Johnson
Kermit McDaniel
Steve Sovine

Motion was made by Carl Gilfilen and seconded by Kermit McDaniel that the minutes of the March 7, 1994 council meeting be approved. Motion carried.

Motion was made by Steve Sovine and seconded by Carl Gilfilen that the minutes of the March 25, 1994 special council meeting be approved. Motion carried.

Motion was made by Steve Sovine and seconded by Kermit McDaniel that bills for the General Fund be paid. Motion carried.

Motion by Wanda Johnson and seconded by Kermit McDaniel that bills for the Special Account be paid. Motion carried.

It was moved by Wanda Johnson and seconded by Steve Sovine that bills from the Coal Severance Fund be paid. Motion carried.

✓ Motion was made by Carl Gilfilen and seconded by Steve Sovine that we accept the first reading of an Ordinance to authorize the sale of \$1.1 million water bonds. Motion carried. Second reading of the ordinance will be April 11, 1994 at 7:30 p.m.

Mel Peyton a representative for residents of Mesa Manor and Main Street thanked council for providing speed and noise control in their area. Mr. Peyton asked if something could be done to further beautify the community stating several people have observed there is a lot of trash and many junked vehicles being kept in the city making for unsightly situations. We would certainly not want CBS or CNN to come to our town and do a newscast depicting us as unattractive.

Mayor Peak announced that council has set the annual City-Wide Spring Clean-up for the week of April 24 - 29, 1994. Residents can call the City Offices that week and we will send a truck at a scheduled time to pick up junk and other trash that needs to be removed to spruce up our city for the Spring and Summer. The same as in past years there will be no charge for this special pick-up during "spring cleaning week".

Mayor Peak advised that council needs to notify property owners to repair their sidewalks and that Main Street be made handicapped accessible. Wanda Johnson made a motion and seconded by Kermit McDaniel, that the City Inspector be instructed to compile a list of property owners to be notified of the proper repairs and letters sent. Motion carried.

The recorder, Linda Gibson, read a letter from the YMCA requesting use of the City Park for Day Camp from 7:00 a.m. to 5:30 p.m. each day beginning June 13 and ending August 26, 1994. Carl Gilfilen made a motion, seconded by Kermit McDaniel, that the YMCA be given permission to once again use the park. Motion carried.

The mayor reported that he had a meeting with John Purdue of the Governor's Office concerning grants. During that meeting, he had an opportunity to discuss the widening of Rt. 19 and Rt. 34 to Cow Creek with the hopes that sometime in the near future they can take care of this roadway problem.

Frank Meadows asked if the Department of Highways is going to do anything about widening Sawmill Curve. The mayor advised that he has not received any correspondence.

Mayor Peak reported that the Hurricane Economic Development Authority has been very busy promoting Hurricane and is now ready to apply for various grants for money to fund the projects. He asked council members to show their support by authorizing the following grant applications:

The Hurricane Economic Development Authority be authorized to prepare and submit a Grant for job creation/retention on a Neighborhood Revitalization Grant to purchase the Raines Building. Steve Sovine made a motion and seconded by Kermit McDaniel that the Hurricane Economic Development Authority prepare and submit the necessary application for a grant and borrow money to rehabilitate the housing. The rental fees would be used for payment of the loan. Motion carried.

The Development Authority has been requested to assist in making grant proposals for new athletic fields at the High School. Motion was made by Steve Sovine and seconded by Wanda Johnson that the City assist in preparing grant proposals. Motion carried.

The Development Authority has also been working with the Department of Highways and other agencies for development of a pedestrian/bicycle trail in the Hurricane Area. There is now money in grants available through ISTEAs and WVDOT for a pedestrian/bicycle trail. The trail would cross Rt. 19 with a pedestrian walk light and follow Virginia Avenue parallel to I-64 behind the high school on to the Valley Park. Kermit McDaniel

made a motion, seconded by Wanda Johnson, that the Authority be authorized to apply for this grant. Motion carried.

Mayor Peak presented a resolution accepting the conditions of the Infrastructure Account Grants and authorizing the mayor to sign grant papers for the \$30,000 for Infrastructure improvements. Motion was made by Steve Sovine and seconded by Wanda Johnson that Mayor Peak sign the necessary papers. Motion carried.

The mayor presented the new annexation map including Lower Coach Road and Rts. 34 & 60 in the City. Following explanation and discussion, Carl Gilfilen made a motion, seconded by Kermit McDaniel, that the map be approved. Motion carried.

Mayor Peak announced that money for the new Post Office has been approved and plans should be submitted to the Building Inspector for approval in early May with construction to begin in July.

Red Stanley asked if there had been any new developments in the garbage rates with Cummings Collection. Mayor Peak said he has discussed the matter with the Public Service Commission and the rate has been approved. Council will still pursue the per bag rate for senior citizens, widows, widowers and disabled persons.

Mr. Stanley advised that he has also talked with PSC and then called the Administrative Law Judge and Mr. Thornton Cooper, attorney. He said they advised that there are three ways to proceed with getting a rate change: 1. Meet with Cummings. (The mayor has already.) 2. Petition to have a tariff change. 3. Council call a special meeting with Cummings and interested citizens requesting that they voluntarily change the rate for bag pick-up as has been done in other areas of the valley.

Mr. Stanley asked if the mayor would get him information from previous years bidding process in Hurricane. Mayor Peak said he will get the information requested, stating that he has already had two inquiries about the next bidding process which will be in late 1995 to go in effect January, 1996.

It was moved by Steve Sovine and seconded by Wanda Johnson that the meeting adjourn. Motion carried.

APPROVED Raymond Peak DATE 5/4/94

SUBMITTED Scott L. Gibson DATE 5/11/94

HURRICANE CITY COUNCIL
SPECIAL MEETING
APRIL 11, 1994

The Hurricane City Council met in special session with the following members present:

Mayor: Raymond Peak
Recorder: Linda Gibson
Councilpersons: Reggie Billups
Carl Gilfilen
Steve Sovine

✓ Motion was made by Steve Sovine and seconded by Carl Gilfilen that we accept the second reading of an Ordinance to authorize the sale of \$1.1 million water bonds. Motion carried.

Mayor Peak Read a Resolution authorizing the President of the County Commission to act on behalf of the city to enter into a contractual agreement with the Criminal Justice and Highway Safety Division to receive and administer grant funds pursuant to provisions of the Drug Control Program. Carl Gilfilen made a motion, seconded by Steve Sovine that the resolution be adopted. Motion carried.

It was moved by Reggie Billups and seconded by Steve Sovine that the meeting adjourn. Motion carried.

APPROVED Raymond Peak DATE 5/4/94

SUBMITTED Linda L. Gibson DATE 5/4/94

HURRICANE CITY COUNCIL
Regular Meeting
May 2, 1994

The Hurricane City Council met in regular session with the following members present:

Mayor: Raymond Peak
Recorder: Linda Gibson
Councilpersons: Carl Gilfilen
Reggie Billups
Kermit McDaniel
Steve Sovine

Motion was made by Carl Gilfilen and seconded by Reggie Billups that the minutes of April 4, 1994 meeting be approved. Motion carried.

Motion was made by Steve Sovine and seconded by Carl Gilfilen that the minutes of special meeting of April 11, 1994 be approved. Motion carried.

Motion was made by Steve Sovine and seconded by Reggie Billups that minutes of special meeting of April 19, 1994 be approved. Motion carried.

Motion was made by Kermit McDaniel and seconded by Carl Gilfilen the bills for General Fund be paid. Motion carried.

Motion was made by Reggie Billups and seconded by Kermit McDaniel that bills from the Special Fund be paid. Motion carried.

Motion was made by Reggie Billups and seconded by Kermit McDaniel that the bills form Coal Severance Fund be paid. Motion carried.

✓ Motion was made by Reggie Billups and seconded by Steve Sovine to accept the third reading of the Bond Ordinance of the Water Revenue Bonds, Series 1994, that was recommended by the Water Board and passed the said ordinance. Motion carried.

✓ Motion was made by Steve Sovine and seconded by Carl Gilfilen to adopt the Supplemental Resolution for the Water Revenue Bonds, Series 1994. Motion carried.

Motion was made by Steve Sovine and seconded by Carl Gilfilen that we accept the recommendation of the Hurricane Municipal Planning Commission on area 1 as stated in recommendation from R-1 to B-3. Motion carried.

Motion was made by Steve Sovine and seconded by Reggie Billups that we accept the recommendation of the Hurricane Municipal Planning Commission on area 2 as stated in recommendation, from R-1 to B-2. Motion carried.

Mayor Peak recognized Bob Cummings of Cummings Collections Service who presented a copy of a proposal which he has submitted to the Public Service Commission requesting rates for per bag garbage pickup.

Mr. Red Stanley asked why Cummings is asking for \$2.00 per bag when Milton, Nitro and St. Albans only charge \$1.20. Cummings advised that Milton is picked up by General Refuse and they have not had an increase for several years but this fall they will also have to get an increase because state fees will raise again. Cummings has taken all these factors into consideration in his rate increase to take care of future expenses. He is giving employees a .50 per hour raise & insurance. Mr. Cummings said the PSC should give him an answer on his request by May 19, 1994. Discussion was held with Mr. McClanahan, Mr. Profitt, Mr. Boggess, Mr. Shirkey and Mr. McClure concerning garbage pickup and special monthly pickups, and justifications of the rate increase.

The Mayor advised that the City is bound by contract with Cummings until January, 1995.

Mr. Stanley said that once the City turned over the collection of money for garbage pickup they gave up the contract with Cummings.

Mayor Peak advised that he will have the City Attorney check this with state laws.

The Mayor advised that during the City Wide Spring Cleanup sponsored once each year everything except air conditioners & refrigerators will be taken. Residents are to contact City Hall for a date.

Mr. Bob McClure presented the Mayor with copies of petitions concerning the garbage fees.

Mr. Arnold Boggess asked when Main Street is cleaned the crew continue past the bridge and up to Beech Street.

Mrs. Bob Arnold presented a letter from the Putnam County Health Department concerning a sewage problem at their rental property on Ada Dell. Mayor Peak advised that the Building Inspector is aware of the situation and they realize it is not a sewage problem.

RESOLUTION was read Authorizing the Submission of a Small Cities Community Development Block Grant Application. Motion was made by Reggie Billups, seconded by Steve Sovine to adopt the RESOLUTION. Motion carried.

With no further business, the meeting was adjourned.

APPROVED Raymond Besh DATE 5/4/94

SUBMITTED Linda L. Helson DATE 5/4/94

HURRICANE CITY COUNCIL
Bond Hearing
1.1 Million Dollars, Series, 1994
May 2, 1994

The Public Hearing was called to order by Mayor Peak at 7:30 p.m., May 2, 1994, with the following members present:

Raymond Peak, Mayor
Linda Gibson, Recorder
Reggie Billups
Carl Gilfilen
Kermit McDaniel
Steve Sovine

Comments were called for from the 22 persons attending.

The Mayor explained the bonds were to cover improvements to the Hurricane Water system. Following discussion, question was asked concerning a rate increase to customers. The Mayor advised that there should not be a rate increase in the immediate future.

Motion was made by Reggie Billups, seconded by Steve Sovine that the hearing be adjourned. Motion carried.

APPROVED Raymond Peak DATE 5/4/94

SUBMITTED Linda L. Gibson DATE 5/4/94

CITY OF HURRICANE
NOTICE OF PUBLIC HEARING ON
WATER REVENUE BOND
ORDINANCE

A public hearing will be held on the following entitled Ordinance at a regular meeting of the Council of the City of Hurricane to be held May 2, 1994, at 7:30 p.m. in the Council chambers at the Hurricane City Hall, and at such hearing any person interested may appear before the Council and present protests, and all protests and suggestions shall be heard by the Council and it shall then take such actions as it shall deem proper in the premises upon an Ordinance entitled:

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF ADDITIONS, BETTERMENTS AND IMPROVEMENTS FOR THE EXISTING WATERWORKS SYSTEM 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 \$1,100,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATER BONDS, SERIES 1994; PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

The above-entitled Ordinance was adopted by the Council of the City of Hurricane on April 11, 1994.

The above-quoted title of the Ordinance describes generally the contents thereof and the purposes of the bonds contemplated thereby. The City of Hurricane contemplates the issuance of the Bonds described in said Ordinance. The proceeds of the Bonds will be used to provide permanent financing of a portion of the costs of acquisition and construction of additions, betterments and improvements for the existing public waterworks system of the City of Hurricane. The bonds are payable solely from the revenues to be derived from the ownership and operation of the waterworks system of the City. No taxes may at any time be levied for the payment of the Bonds or the interest thereon.

A certified copy of the above-entitled Ordinance is on file with the Council at the office of the Recorder of the City of Hurricane for review by interested parties during regular office hours.

Following said public hearing, the Council intends to enact said Ordinance upon final reading

THE HURRICANE BREEZE
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 April 14 and 21, 1994.

Irene Ambler
The Hurricane Breeze

Subscribed and sworn to before me this 27th day of April, 1994.

Jetta C. Neil
Notary Public



STEPTOE & JOHNSON

ATTORNEYS AT LAW

SIXTH FLOOR

BANK ONE CENTER

P. O. BOX 2190

CLARKSBURG, W. VA. 26302-2190

(304) 624-8000

FACSIMILE (304) 624-8183

May 5, 1994

City of Hurricane Water Revenue Bonds, Series 1994

SEVENTH FLOOR, BANK ONE CENTER
P. O. BOX 1588
CHARLESTON, W. VA. 25309-1588
(304) 353-8000
FACSIMILE (304) 353-8180

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

126 EAST BURKE STREET
P. O. BOX 2629
MARTINSBURG, W. VA. 25401-8429
(304) 263-6991
FACSIMILE (304) 263-4785

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

THE BRYAN CENTRE
P. O. BOX 570
82 WEST WASHINGTON STREET, SUITE 301
HAGERSTOWN, MARYLAND 21740-0570
(301) 739-8600
FACSIMILE (301) 739-8742
WRITER'S DIRECT DIAL NUMBER

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 bonds. 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,

Stephoe & Johnson

STEPTOE & JOHNSON

Enclosures

Copy of letter with enclosures to:

Samme L. Gee, Esquire

Mark Sorsaia, Esquire

Mr. R. Douglas Peak

04/14/94

8038.LTR

43563/91001

21

Part I Reporting Authority If Amended Return, check here

1 Issuer's name
City of Hurricane

2 Issuer's employer identification number
55 : 6000188

3 Number and street (or P.O. box if mail is not delivered to street address)
P. O. Box 186

Room/suite

4 Report number
G19 94 - 1

5 City, town, state, and ZIP code
Hurricane, West Virginia 25526

6 Date of issue
5/05/94

7 Name of Issue
City of Hurricane Water Revenue Bonds, Series 1994

8 CUSIP Number
N/A

Part II Type of Issue (check applicable box(es) and enter the issue price)

9 <input type="checkbox"/> Education (attach schedule-see instructions)	Issue price
10 <input type="checkbox"/> Health and hospital (attach schedule-see instructions)	\$
11 <input type="checkbox"/> Transportation	
12 <input type="checkbox"/> Public safety	
13 <input checked="" type="checkbox"/> Environment (including sewage bonds)	1,100,000
14 <input type="checkbox"/> Housing	
15 <input type="checkbox"/> Utilities	
16 <input type="checkbox"/> Other. Describe (see Instructions) ▶	
17 If obligations are tax or other revenue anticipation bonds, check box <input type="checkbox"/>	
18 If obligations are in the form of a lease or installment sale, check box <input type="checkbox"/>	

Part III Description of Obligations

	(a) Maturity date	(b) Interest rate	(c) Issue price	(d) Stated redemption once at maturity	(e) Weighted average maturity	(f) Yield	(g) Net interest cost
19 Final maturity	10/01/2033	6.75 %	\$75,462.23	\$75,462.23			
20 Entire issue			\$1,100,000	\$1,100,000	27.90 years	6.75 %	6.7499 %

Part IV Uses of Original Proceeds of Bond Issue (including underwriters' discount)

21 Proceeds used for accrued interest	21	-0-
22 Issue price of entire issue (enter amount from line 20, column (c))	22	1,100,000
23 Proceeds used for bond issuance costs (including underwriters' discount)	23	\$15,000
24 Proceeds used for credit enhancement	24	-0-
25 Proceeds allocated to reasonably required reserve or replacement fund	25	\$80,555
26 Proceeds used to refund prior issues	26	\$809,234.62
27 Total (add lines 23 through 26)	27	\$904,789.62
28 Nonrefunding proceeds of the issue (subtract line 27 from line 22 and enter amount here)	28	\$195,210.38

Part V Description of Refunded Bonds (complete this part only for refunding bonds)

29 Enter the remaining weighted average maturity of the bonds to be refunded ▶ -0- years

30 Enter the last date on which the refunded bonds will be called ▶ May 5, 1994

31 Enter the date(s) the refunded bonds were issued ▶ July 2, 1993

Part VI Miscellaneous

32 Enter the amount of the state volume cap allocated to the issue ▶ -0-

33 Enter the amount of the bonds designated by the issuer under section 265(b)(3)(B)(i)(III) (small issuer exception) ▶ -0-

34 Pooled financings:

a Enter the amount of the proceeds of this issue that are to be used to make loans to other governmental units ▶ -0-

b If this issue is a loan made from the proceeds of another tax-exempt issue, check box and enter the name of the issuer ▶ and the date of the issue ▶

35 If the issuer has elected to pay a penalty in lieu of rebate, check box

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.

Please Sign Here

Signature of officer: Raymond Peak Date: May 5, 1994 Type or print name and title: Raymond Peak, Mayor

Suite 33/ Building 3
1800 Washington St. E
State Capitol Complex
Charleston, WV 25305
(304) 348-3971

NEW ISSUE REPORT FORM

Date of Report: May 5, 1994

(See Reverse for Instructions)

ISSUE: <u>City of Hurricane Water Revenue Bonds, Series 1994</u>	
ADDRESS: <u>P. O. Box 186, Hurricane, West Virginia 25526</u>	COUNTY: <u>Putnam</u>
PURPOSE: <u>New Money</u> <input checked="" type="checkbox"/>	
OF ISSUE: <u>Refunding</u> <input checked="" type="checkbox"/> Refunds issue(s) dated: <u>July 2, 1993</u>	
ISSUE DATE: <u>May 5, 1994</u>	CLOSING DATE: <u>May 5, 1994</u>
ISSUE AMOUNT: <u>\$ 1,100,000</u>	RATE: <u>6.75%</u>
1st DEBT SERVICE DUE: <u>October 1, 1994</u>	1st PRINCIPAL DUE: <u>October 1, 1995, \$6,305.95</u>
1st DEBT SERVICE AMOUNT: <u>\$30,112.49</u>	PAYING AGENT: <u>Municipal Bond Commission</u>
ISSUERS	UNDERWRITERS
BOND COUNSEL: <u>Steptoe & Johnson</u>	BOND COUNSEL: <u>Jackson & Kelly</u>
Contact Person: <u>Vincent A. Collins, Esq.</u>	Contact Person: <u>Samme L. Gee, Esquire</u>
Phone: <u>624-8161</u>	Phone: <u>340-1318</u>
CLOSING BANK: <u>Putnam County Bank</u>	ESCROW TRUSTEE: _____
Contact Person: <u>J. R. Wilson</u>	Contact Person: _____
Phone: <u>562-9931</u>	Phone: _____
KNOWLEDGEABLE ISSUER CONTACT	OTHER: _____
Contact Person: <u>Raymond Peak</u>	Contact Person: _____
Position: <u>Mayor</u>	Function: _____
Phone: <u>562-5896</u>	Phone: _____
DEPOSITS TO MBC AT CLOSE:	Accrued Interest: \$ _____
By _____ Wire _____	Capitalized Interest: \$ _____
<input checked="" type="checkbox"/> Check _____	<input checked="" type="checkbox"/> Reserve Account: \$ <u>80,555</u>
	Other: \$ _____
REFUNDS & TRANSFERS BY MBC AT CLOSE:	To Escrow Trustee: \$ _____
By _____ Wire _____	To Issuer: \$ _____
_____ Check _____	To Cons. Invest. Fund: \$ _____
_____ IGT _____	To Other: \$ _____
NOTES:	

FOR MUNICIPAL BOND COMMISSION USE ONLY:	
DOCUMENTS	
REQUIRED: _____	
TRANSFERS	
REQUIRED: _____	

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The purpose of the **NEW ISSUE REPORT FORM** is to provide the WV Municipal Bond Commission with an early warning of three basic facts no later than the day of closing on any issue for which the Commission is to act as fiscal agent. These are:

1. Formal notification that a new issue is outstanding.
2. Date of first action or debt service.
3. Contact people should we lack documents, information, or funds needed to administer the issue by the date of the first action or debt service.

The Commission recognizes that as bond transcripts become increasingly long and complex, it has become more difficult to assemble and submit them to the Commission within the 30 days specified by the WV Code 13-3-8. This notice is not intended to provide all the information needed to administer an issue, but to alert the Commission and ensure that no debt service payments are missed due to delays in assembling bond transcripts. If, at the time of closing, documents such as the ordinance and all supplements, debt service schedules, and a specimen bond or photostat are available and submitted with this form, it will greatly aid the Commission in the performance of its duties. These documents are needed to set up the proper accounts and to advise the issuer of monthly deposit requirements as far in advance of the first debt service as possible.

It is not necessary to complete all items if they are not pertinent to your issue. Indicate the County of the issuer. With PSDs that overlap more than one county, indicate the county of their business office. Complete "Rate" only if the issue has only one rate. Please complete a separate form for each series of an issue. Other important information can be recorded under "Notes".

Again, please submit this form on each new issue on the day of closing. If fund transfers into or out of the Commission at close are required, please submit this form before closing. If no significant facts change by closing, no resubmission at close is required. If, however, there are changes, please submit an updated form, with changes noted, at close.

If you should have any questions concerning this form, please call the Commission.



STATE OF WEST VIRGINIA
GOVERNOR'S OFFICE
OF
COMMUNITY AND INDUSTRIAL DEVELOPMENT

GASTON CAPERTON
GOVERNOR

Charleston, West Virginia 25305

December 18, 1990

The Honorable Raymond Peak
Mayor of Hurricane
Post Office Box 186
Hurricane, West Virginia 25526

Dear Mayor Peak:

RE: Fiscal Year 1990 Small Cities Block Grant
Water and Sewer Improvements

Enclosed is your copy of the executed grant award and state/local contract for the above-referenced project. You should retain this contract and grant award with your project files.

Sincerely,

A handwritten signature in cursive script, appearing to read "Robert G. Kuhl".

Robert G. Kuhl
Community Development
Representative

RGK:cs

Enclosure

cc: T. White

STATE OF WEST VIRGINIA
GOVERNOR'S OFFICE OF COMMUNITY
AND INDUSTRIAL DEVELOPMENT

GRANT AWARD

Grant Number: 91-211

Payment Number: _____ State Acct. No.:
121-8029-05-025-13

Fiscal Year: 1991 Program Name:
SCBG

Grant Period:
From: September 30, 1990
To: September 30, 1992

Project Name: Water and Sewer
Improvements

Grant ID: B90DC540001

Project Number: 90SCBG0060

Grantee Name & Address: F.E.I.N.
556-000-188

City of Hurricane
PO Box 186
Hurricane, WV 25526

Project Description

Shall do, perform and carry out, in a satisfactory and proper manner all duties, tasks and functions necessary to install sewer interceptor lines along Bellevue Circle and install 12-inch water main from Hickory Mill Road to Surrey Drive.

Change Orders

Number: _____ Date: _____ Purpose: _____

TERMS AND CONDITIONS ARE ON FILE IN THE GOVERNOR'S OFFICE OF COMMUNITY AND INDUSTRIAL DEVELOPMENT AND AVAILABLE FOR INSPECTION. A COPY OF THE ORIGINAL AGREEMENT IS ATTACHED TO TRANSMITTAL

TOTAL AMOUNT OF THIS GRANT \$ 249,100.00

_____, PROCESSED ON OR ABOUT _____ PAYMENT # _____

Authorized Signature: [Signature]
Director, Governor's Office of
Title: Community and Industrial Development

DATE: 12/6/90

CITY OF HURRICANE

Water Revenue Bonds, Series 1994

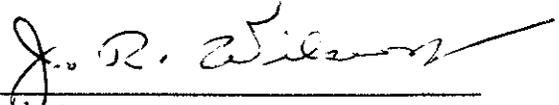
ACCEPTANCE OF DUTIES OF DEPOSITORY BANK

PUTNAM COUNTY BANK, a state banking corporation, with its principal office in Hurricane, West Virginia, hereby accepts appointment as Depository Bank in connection with a Bond Ordinance of the City of Hurricane (the "Issuer"), duly enacted by the Issuer on May 2, 1994, and a Supplemental Resolution duly adopted by the Issuer on May 2, 1994 (collectively, the "Bond Legislation"), authorizing issuance of the Issuer's Water Revenue Bonds, Series 1994, dated May 5, 1994, in the principal amount of \$1,100,000 (the "Bonds") and agrees to perform all duties of Depository Bank in connection with such Bonds, all as set forth in said Bond Legislation.

Dated this 5th day of May, 1994.

PUTNAM COUNTY BANK

By



Its President

04/14/94
HWC.PI
43563/91001

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CITY OF HURRICANE

Water Revenue Bonds, Series 1994

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 Water Revenue Bonds, Series 1994, dated May 5, 1994, in the principal amount of \$1,100,000 (the "Bonds") and agrees to perform all duties of Registrar in connection with such Bonds, all as set forth in the Bond Legislation authorizing issuance of the Bonds.

Dated this 5th day of May, 1994.

ONE VALLEY BANK,
NATIONAL ASSOCIATION

By


Its Corporate Trust Administrative
Officer

04/14/94
HWC.Q1
43563/91001

CITY OF HURRICANE

Water Revenue Bonds, Series 1994

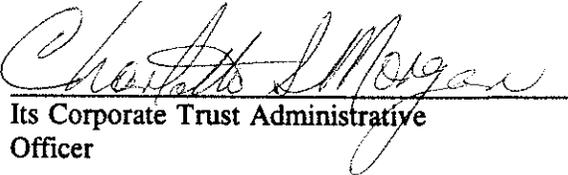
CERTIFICATE OF REGISTRATION OF BONDS

I, CHARLOTTE S. MORGAN, Corporate Trust Administrative Officer of One Valley Bank, National Association, as Registrar under the Bond Legislation and Registrar's Agreement providing for the \$1,100,000 principal amount of Water Revenue Bonds, Series 1994, of the City of Hurricane (the "Issuer"), hereby certify that on the 5th day of May, 1994, the single fully registered Series 1994 Bond of the Issuer in the principal amount of \$1,100,000 designated "Water Revenue Bond, Series 1994," numbered R-1, was registered as to principal and interest in the name of "West Virginia Water Development Authority" in the books of the Issuer kept for that purpose at our office, by a duly authorized officer on behalf of One Valley Bank, National Association, as Registrar.

WITNESS my signature as of this 5th day of May, 1994.

ONE VALLEY BANK,
NATIONAL ASSOCIATION

By


Its Corporate Trust Administrative
Officer

04/11/94
HWC.R1
43563/91001

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REGISTRAR'S AGREEMENT

THIS REGISTRAR'S AGREEMENT, dated as of the 5th day of May, 1994, 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 \$1,100,000 aggregate principal amount of Water Revenue Bonds, Series 1994 in fully registered form (the "Bonds"), pursuant to a Bond Ordinance of the Issuer duly enacted May 2, 1994, and a Supplemental Resolution of the Issuer duly adopted May 2, 1994 (collectively, the "Bond Legislation");

WHEREAS, capitalized words and terms used in this Registrar's Agreement and not otherwise defined herein shall have the respective meanings given them in the Bond Legislation, a copy of which is attached as Exhibit A hereto and incorporated herein by reference;

WHEREAS, the Bond Legislation provides for an appointment by the Issuer of a Registrar for the Bonds; and

WHEREAS, the Issuer desires to appoint, and by the Bond Legislation and this Registrar's Agreement does appoint, the Registrar to act as Registrar under the Bond Legislation and to take certain other actions hereinafter set forth;

NOW, THEREFORE, it is agreed by and between the parties hereto as follows:

1. Upon the execution of this Registrar's Agreement by the Issuer and the Registrar and during the term hereof, the Registrar does accept and shall have and carry out the powers and duties of Registrar for the Bonds, all as set forth in the Bond Legislation, such duties including, among other things, the duties to authenticate, register and deliver Bonds upon original issuance and when properly presented for exchange or transfer, and shall do so with the intention of maintaining the exemption of interest on the Bonds from federal income taxation, in accordance with any rules and regulations promulgated by the United States Treasury Department or by the Municipal Securities Rulemaking Board or similar regulatory bodies as the Issuer advises it of and with generally accepted industry standards.

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

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

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

5. It is intended that this Registrar's Agreement shall carry out and implement provisions of the Bond Legislation with respect to the Registrar. In the event of any conflict between the terms of this Registrar's Agreement and the Bond Legislation, the terms of the Bond Legislation shall govern.

6. The Issuer and the Registrar each warrants and represents that it is duly authorized and empowered to execute and enter into this Registrar's Agreement and that neither such execution nor the performance of its duties hereunder or under the Bond Legislation will violate any order, decree or agreement to which it is a party or by which it is bound.

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

ISSUER: City of Hurricane
P. O. Box 186
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 Bond Legislation.

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 Peak
Mayor

ONE VALLEY BANK, NATIONAL
ASSOCIATION

By Charlotta Morgan
Its Corporate Trust Administrative
Officer

04/11/94
HWC.S1
43563/91001

EXHIBIT A

[Included in transcript as Documents No. 1 and 2]



RECEIPT OF PAYMENT OF NOTES

Putnam County Bank, as holder of the notes of the City of Hurricane (the "City"), dated July 2, 1993, in the original aggregate principal amount of \$758,216.04, hereby certifies that it has received the sum of \$809,234.62 from the City and that such sum is sufficient to pay the entire principal amount of and interest accrued on such notes to the date hereof and discharge the liens, pledges and encumbrances securing such notes.

Dated this 5th day of May, 1994.

PUTNAM COUNTY BANK

By J. R. Wilson
Its President

04/14/94
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43563/91001