THE CITY OF KEYSER

Water Revenue Bonds, Series 2013 A
(United States Department of Agriculture)

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Phase II Water Project

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THE CITY OF KEYSER
Water Revenue Bonds, Series 2013 A
(United States Department of Agriculture)

CONFORMED BOND ORDINANCE

"Phase II Water Project"

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THE CITY OF KEYSER

CONFORMED BOND ORDINANCE

ORDINANCE AUTHORIZING THE PAYMENT OF THE WATERWORKS DESIGN BOND ANTICIPATION NOTE, SERIES 2012 B; AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC WATERWORKS FACILITIES OF THE CITY OF KEYSER, AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED THEREOF, THROUGH THE ISSUANCE BY THE CITY OF KEYSER OF NOT MORE THAN $5,500,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2013 A (UNITED STATES DEPARTMENT OF AGRICULTURE) IN ONE OR MORE SERIES; DEFINING AND PRESCRIBING THE TERMS AND PROVISIONS OF THE BONDS; PROVIDING GENERALLY FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE HOLDER OF THE BONDS; AND PROVIDING WHEN THIS ORDINANCE SHALL TAKE EFFECT.

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

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

Section 1.01 Authority for this Ordinance. This Ordinance 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. The City of Keyser (the "Issuer") is a duly created and validly existing municipal corporation and political subdivision of the State of West Virginia in Mineral County of said State.

Section 1.02 Findings and Determinations. It is hereby found, determined and declared as follows:

A. The Issuer currently owns and operates a public waterworks system and desires to acquire, construct and operate certain additional public waterworks facilities consisting of additions, betterments and improvements to such existing waterworks facilities, with all appurtenant facilities.

B. It is deemed essential, convenient and desirable for the health, welfare, safety, advantage and convenience of the inhabitants of the Issuer and, accordingly, it is hereby ordered, that

there be acquired and constructed certain additions, betterments and improvements to the existing waterworks system of the Issuer, consisting of construction of the Phase II water system improvements, and appurtenances relating thereto (the "Project"), particularly described in and according to the plans and specifications prepared by the Consulting Engineer and heretofore filed in the office of the Recorder of the Issuer. The existing waterworks facilities of the Issuer, together with the Project and any further additions, betterments and improvements, are herein called the "System". The acquisition and construction of the Project and the financing hereby authorized and provided for are public purposes of the Issuer and are ordered for the purpose of meeting and serving public convenience and necessity.

C. The Issuer has heretofore temporarily financed the design and other preliminary costs of the Project by the issuance of the Waterworks Design Bond Anticipation Notes, Series 2012 B (The Ohio Valley Bank Company), dated May 9, 2012 issued in the original aggregate principal amount of $655,000 (the "Series 2012 B Notes").

D. The Series 2012 B Notes were issued pursuant to an Ordinance of the Issuer previously enacted for such purpose (such resolution, as amended and supplemented is herein call the "Prior Notes Ordinance").

E. It is deemed necessary and desirable for the issuer to pay the Series 2012 B Notes.

F. The estimated revenues to be derived in each year from the operation of the System after completion of the Project will be sufficient to pay all costs of operation and maintenance of the System, the principal of and interest on the Series 2013 A Bonds and the Prior Bonds (as hereinafter defined) and all debt service, reserve fund and other payments provided for herein and in the Prior Ordinances.

G. The estimated maximum cost of the acquisition and construction of the Project is $7,600,000 which $4,500,000 will be obtained from the proceeds of sale of the Series 2013 A Bonds herein authorized and $3,100,000 will be obtained from a grant from the Purchaser.

H. It is necessary for the Issuer to issue its Water Revenue Bonds, Series 2013 A (United States Department of Agriculture) in one or more series, in the aggregate principal amount not to exceed $5,500,000 (the "Series 2013 A Bonds"), to pay the Series 2012 B Notes, to finance the cost of acquisition and construction of the Project. The cost of such acquisition and construction shall be deemed to include, without being limited to, the acquisition and construction of the Project; the acquisition of all property rights, easements and franchises deemed necessary or convenient therefor and for the improvements and extensions thereto; interest on the Series 2013 A Bonds prior to and during acquisition and construction, and for a period not exceeding six months after completion of such acquisition or construction, of the Project; engineering, fiscal agents 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, and such other expenses as may be necessary or incidental to the acquisition and construction of the Project and the financing authorized hereby; provided that, reimbursement to the Issuer for any amounts expended by it for allowable costs prior to the issuance of the Series 2013 A Bonds or the repayment of indebtedness incurred by the Issuer for such purposes shall be deemed Costs of the Project.

I. The period of usefulness of the System, as herein defined, after completion of the Project is not less than forty (40) years.

J. There are outstanding bonds or obligations of the Issuer which will rank on a parity with the Series 2013 A Bonds as to liens, pledge, source of and security for payment being the Issuer's: (i) Water Revenue Bonds, Series 1980, dated February 26, 1980, issued in the original aggregate principal amount of $3,146,000 and held by the United States Department of Agriculture, (the "Series 1980 Bonds"); (ii) Water Revenue Bonds, Series 1998 A (West Virginia Water Development Authority), dated October 15, 1998, issued in the original aggregate principal amount of $761,842 (the "Series 1998 A Bonds"); and (iii) Water Revenue Bonds, Series 1998 B (West Virginia Water Development Authority), dated October 15, 1998, issued in the original aggregate principal amount of $2,997,584 (the "Series 1998 B Bonds"), (collectively, the "Prior Bonds"). The Series 2013 A Bonds are payable from and secured by a first lien on the Gross Revenues (as hereinafter defined) of the System on a parity with the Prior Bonds.

Prior to the issuance of the Series 2013 A Bonds, the Issuer will obtain (i) a certificate of an Independent Certified Public Accountant stating that the coverage and parity tests of the Prior Bonds are met; and (ii) the written consent of the Holders of the Prior Bonds to the issuance of the Series 2013 A Bonds on a parity with the Prior Bonds. After payment of the Series 2012 B Notes, other than the Prior Bonds, there are no other outstanding bonds or obligations of the Issuer which are secured by revenues or assets of the System.

K. It is in the best interest of the Issuer that the Series 2013 A Bonds be sold to the Purchaser, pursuant to the terms and provisions of the Letter of Conditions dated March 10, 2010, and any amendments, thereto (collectively, the "Letter of Conditions").

L. The Issuer has complied with all requirements of law relating to the authorization of the acquisition and construction of the Project, the operation of the System, including, without limitation, the imposition of rates and charges, and the issuance of the Series 2013 A Bonds, or will have so complied prior to issuance of the Series 2013 A Bonds, including, among other things and without limitation, obtaining a certificate of convenience and necessity and approval of the financing and necessary user rates and charges from the Public Service Commission of West Virginia by final order, the time for rehearing and appeal of which have expired or shall have been duly waived or otherwise provided for.

Section 1.03 Bond Legislation Constitutes Contract. In consideration of the acceptance of the Series 2013 A Bonds by those who shall be the Registered Owner of the same from time to time, this Ordinance (the "Bond Legislation") shall be deemed to be and shall constitute a contract between the Issuer and such Registered Owner, and the covenants and agreements set forth herein to be performed by the Issuer shall be for the benefit, protection and security of the Registered Owner of the Series 2013 A Bonds.

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

"Act" means Chapter 8, Article 19 of the West Virginia Code of 1931, as amended.

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

"Bond Registrar" or "Registrar" means the Issuer, which shall usually so act by its Recorder.

"Bonds" means collectively, the Series 2013 A Bonds, the Prior Bonds and where appropriate, any bonds on a parity herewith subsequently authorized to be issued hereunder or by another ordinance of the Issuer.

"Closing Date" means the date upon which there is an exchange of the Series 2013 A Bonds for the proceeds, or at least a de minimus portion, thereof representing the purchase price of the Series 2013 A Bonds from the Purchaser.

"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 Engineer" means Dunn Engineers, Charleston, West Virginia, or any qualified engineer or firm of engineers which shall at any time hereafter be retained by the Issuer as Consulting Engineer for the System.

"Depository Bank" means the bank designated as such in the Supplemental Resolution and its successors and assigns, which is a member of FDIC (herein defined).

"Facilities" or "waterworks facilities" means all the tangible properties of the System and also any tangible properties which may hereafter be added to the System by additions, betterments, extensions and improvements thereto and properties, furniture, fixtures or equipment therefor, hereafter at any time constructed or acquired.

"FDIC" means the Federal Deposit Insurance Corporation.

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

"Governing Body" or "Council" means the Council of the Issuer.

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

"Grants" means, collectively, all grants committed for the Project.

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

"Herein" or "herein" means in this Bond Legislation.

"Issuer" or "Borrower" means The City of Keyser, a municipal corporation and political subdivision of the State of West Virginia, in Mineral County, West Virginia, and includes the Governing Body.

"Letter of Conditions" means, collectively, the Letter of Conditions of the Purchaser dated March 10, 2010, and all amendments thereto, if any.

"Mayor" means the Mayor of the Issuer.

"Minimum Reserve" means, as of any date of calculation, the maximum amount of principal and interest which will become due on the Series 2013 A Bonds in the then current or any succeeding year.

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

"Operating Expenses" means the current expenses, paid or accrued, of operation and maintenance of the Project and the System and its facilities, and includes, without limiting the generality of the foregoing, insurance premiums, materials and supplies, pumping costs, salaries, wages and administrative expenses of the Issuer relating and chargeable solely to the Project and the System, the accumulation of appropriate reserves for charges not annually recurrent but which are such as may reasonably be expected to be incurred, and such other reasonable operating costs as are normally and regularly included under recognized accounting principles and retention of a sum not to exceed one-sixth of the budgeted Operating Expenses stated above for the current year as working capital, and language herein requiring payment of Operating Expenses means also retention of not to exceed such sum as working capital, provided that all monthly amortization payments upon the Series 2013 A Bonds and into the respective reserve accounts and the Renewal and Replacement Fund have been made to the last monthly date prior to the date of such retention.

"Prior Bonds" means the Series 1980 Bonds, Series 1998 A Bonds, and Series 1998 B Bonds.

"Prior Notes Ordinance" means the Ordinance of the Issuer authorizing the Series 2012 B Notes.

"Prior Ordinances" means the Ordinance of the Issuer authorizing the Prior Bonds.

"Project" shall have the meaning stated in Section 1.02B above.

"Project Construction Account" means the Project Construction Account established pursuant to section 4.01 hereof.

"Purchaser" or "Government" means United States Department of Agriculture, Rural Utilities Service, and any successor thereof, acting for and on behalf of the United States of America.

"Qualified Investments" means and includes any of the following, to the extent such investments are permitted by law:

(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 (hereinbefore defined) 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 Board of Treasury Investments pursuant to Chapter 12, Article 6C of the West Virginia Code of 1931, as amended; and

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

"Recorder" means the Recorder of the Issuer.

"Registered Owner," "Bondholder," "Holder of the Bond" or any similar term means any person who shall be the registered owner of the Series 2013 A Bonds.

"Renewal and Replacement Fund" or "Depreciation Reserve" means the renewal and replacement Fund established by Prior Ordinances.

"Reserve Accounts" means, the respective reserve accounts for the Series 2013 A Bonds and the Prior Bonds.

"Revenue Fund" means the Revenue Fund established by Prior Ordinances.

"Series 1980 Bonds" means the Issuer's Water Revenue Bonds, Series 1980, dated February 26, 1980, issued in the original aggregate principal amount of $3,146,000 and held by the United States Department of Agriculture.

"Series 1998 A Bonds" means the Issuer's Water Revenue Bonds, Series 1998 A (West Virginia Water Development Authority), dated October 15, 1998, issued in the original aggregate principal amount of $761,842.

"Series 1998 B Bonds" means the Issuer's Water Revenue Bonds, Series 1998 B (West Virginia Water Development Authority), dated October 15, 1998, issued in the original aggregate principal amount of $2,997,584.

"Series 2012 B Notes" means the Issuer's Waterworks Design Bond Anticipation Notes, Series 2012 B (The Ohio Valley Bank Company), dated May 9, 2012, issued in the original aggregate principal amount of $655,000.

"Series 2013 A Bonds" means the Water Revenue Bonds, Series 2013 A (United States Department of Agriculture) authorized by this Ordinance.

"Series 2013 A Bonds Reserve Account" means the Series 2013 A Bonds Reserve Account established by Section 4.02 hereof.

"Series 2013 A Bonds Reserve Requirement" means, as of any date of calculation, the maximum amount of principal and interest which will become due on the Series 2013 A Bonds in the then current or any succeeding year.

"State" means the State of West Virginia.

"Supplemental Resolution" means any resolution, ordinance or order of the Issuer supplementing or amending this Ordinance and, when preceded by the article "the," refers specifically to the supplemental resolution authorizing the sale of the Series 2013 A Bonds; provided, that any matter intended by this Ordinance to be included in the Supplemental Resolution with respect to the Series 2013 A Bonds, and not so included may be included in another Supplemental Resolution.

"System" means the complete waterworks system of the Issuer and all waterworks facilities owned by the Issuer and all facilities and other property of every nature, real or personal, now or hereafter owned, held or used in connection with the waterworks systems, including the Project, and any and all additions, betterments, improvements, properties or other facilities at any time acquired or constructed for the waterworks system from any source 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; and any requirement for execution or attestation of the Series 2013 A Bonds or any certificate or other document by the Mayor or the Recorder shall mean that such Series 2013 A Bonds, certificate or other documents may be executed or attested by an Acting Mayor or Acting Recorder.

ARTICLE II

AUTHORIZATION OF ACQUISITION AND CONSTRUCTION OF THE PROJECT AND PAYMENT OF THE SERIES 2012 B NOTE

Section 2.01. Authorization of Acquisition and Construction of the Project. There is hereby authorized and ordered the acquisition and construction of the Project, at an estimated cost not to exceed $7,600,000, in accordance with the plans and specifications which have been prepared by the Consulting Engineers, heretofore filed in the office of the Governing Body. The proceeds of the Series 2013 A Bonds hereby authorized shall be applied as provided in Article IV hereof.

The estimated maximum cost of the acquisition and construction of the Project is $7,600,000 which $4,500,000 will be obtained from the proceeds of sale of the Series 2013 A Bonds herein authorized and $3,100,000 will be obtained from a grant from the Purchaser.

Section 2.02. Authorization of Payment of the Series 2012 B Notes. There is hereby authorized and ordered the payment in full of the entire outstanding principal of and the interest on the Series 2012 B Notes on the Closing Date. The cost of which will be paid from the proceeds of the Series 2013 A Bonds. Upon payment in full of the Series 2012 B Notes, any funds pledged in favor of the holders of the Series 2012 B Notes imposed by the Prior Notes Ordinance are hereby ordered terminated, discharged and released.

ARTICLE III

AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND ISSUE OF BONDS

Section 3.01. Authorization of Bonds. Subject and pursuant to the provisions of this Bond Legislation, the Series 2013 A Bonds of the Issuer, to be known as "Water Revenue Bonds, Series 2013 A (United States Department of Agriculture)", are hereby authorized to be issued in the principal amount of not to exceed $5,500,000 and interest rate not to exceed 2.625% with such terms as set forth hereinafter and in the Supplemental Resolution for the purpose of permanently financing the cost of the acquisition and construction of the Project.

Section 3.02. Description of Bonds. The Series 2013 A Bonds shall be issued in one or more series, only as a fully registered Bond, and shall be dated on the date of delivery thereof. The Series 2013 A Bonds shall bear interest from date of delivery, payable monthly at the rate not to exceed 2.625% per annum, with such terms as set forth hereinafter and in the Supplemental Resolution, and shall be sold for the par value thereof.

The Series 2013 A Bonds shall be subject to prepayment of scheduled monthly installments, or any portion thereof, at the option of the Issuer, and shall be payable as provided in the Bond form hereinafter set forth.

Section 3.03 Negotiability, Registration, Transfer and Exchange of Bonds. The Series 2013 A Bonds shall be and have all the qualities and incidents of a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but the Series 2013 A Bonds, and the right to the principal of and stated interest on the Series 2013 A Bonds, may only be transferred by transfer of the registration thereof upon the books required to be kept pursuant to Section 3.04 hereof, by the party in whose name it is registered, in person or by attorney duly authorized in writing, upon surrender of the Series 2013 A Bonds for cancellation, accompanied by delivery of a written instrument of transfer, duly executed in a form acceptable to the Bond Registrar.

Whenever the Series 2013 A Bonds shall be surrendered for registration of transfer, the Issuer shall execute and deliver a new Bond or Bonds in authorized denominations, for a like aggregate principal amount. The Bond Registrar shall require the payment by the new owner requesting such transfer of any tax or other governmental charge required to be paid with respect to such transfer, but the Issuer shall pay any other expenses incurred by the Bond Registrar with respect to such transfer.

No registration of transfer of the Series 2013 A Bonds shall be permitted to be made after the 15th day next preceding any installment payment date on the Series 2013 A Bonds.

Section 3.04 Bond Registrar. The Issuer shall be the Bond Registrar and will keep or cause to be kept at its office by its agent, sufficient books for the registration and transfer of the Series 2013 A Bonds, and, upon presentation for such purpose, the Bond Registrar shall, under such reasonable regulations as it may prescribe, register the Series 2013 A Bonds initially issued pursuant hereto and register the transfer, or cause to be registered by its agent, on such books, the transfer of the Series 2013 A Bonds as hereinbefore provided.

The Bond Registrar shall accept the Series 2013 A Bonds for registration of transfer only if ownership thereof is to be registered in the name of the Purchaser, an individual (including joint ownership), a corporation, a partnership or a trust, and only upon receipt of the social security number of each individual, the federal employer identification number of each corporation or partnership or the social security numbers of the settlor and beneficiaries of each trust and the federal employer identification number and date of each trust and the name of the trustee of each trust, and/or such other identifying number and information as may be required by law. The Series 2013 A Bonds shall initially be fully registered as to both principal and interest in the name of the United States of America. So long as the Series 2013 A Bonds shall be registered in the name of the United States of America, the address of the United States of America for registration purposes shall be National Finance Office, St. Louis, Missouri 63103, or such other address as shall be stated in writing to the Issuer by the United States of America.

Section 3.05. Execution of Bonds. The Series 2013 A Bonds shall be executed in the name of the Issuer by the Mayor and the seal of the Issuer shall be affixed thereto and attested by the Recorder. In case any one or more of the officers who shall have signed or sealed the Series 2013 A Bonds shall cease to be such officer of the Issuer before the Series 2013 A Bonds so signed and sealed has been actually sold and delivered, such Bond may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Series 2013 A Bonds had not ceased to hold such office. The Series 2013 A Bonds may be signed and sealed on behalf of the Issuer by such person as at the actual time of the execution of such Series 2013 A Bonds shall hold the proper office in the Issuer, although at the date of such Bond such person may not have held such office or may not have been so authorized.

Section 3.06. Bonds Mutilated, Destroyed, Stolen or Lost. In case the Series 2013 A Bonds shall become mutilated or be destroyed, stolen or lost, the Issuer may, in its discretion, issue and deliver a new Bond of like tenor as the Bond so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the holder's furnishing the Issuer proof of his ownership thereof and complying with such other reasonable regulations and conditions as the Issuer may require. The Series 2013 A Bonds so surrendered shall be canceled and held for the account of the Issuer. If the Series 2013 A Bonds shall have matured or be about to mature, instead of issuing a substitute Series 2013 A Bonds the Issuer may pay the same, and, if such Series 2013 A Bonds be destroyed, stolen or lost, without surrender thereof.

Section 3.07. Bonds Secured by Pledge of Gross Revenues, Lien Position with Respect to Prior Bonds. The payment of the debt service of the Series 2013 A Bonds shall be secured forthwith by a first lien on the Gross Revenues derived from the System on a parity with the Prior Bonds. The Gross Revenues derived from the System, in an amount sufficient to pay the principal of and interest on the Series 2013 A Bonds and the Prior Bonds and to make the payments as hereinafter provided and in the Prior Ordinances, are hereby irrevocably pledged to the payment of the principal of and interest on the Series 2013 A Bonds and Prior Bonds as the same becomes due.

Section 3.08. Form of Bonds. Subject to the provisions hereof, the text of the Series 2013 A Bonds and the other details thereof shall be of substantially the following tenor, with such omissions, insertions and variations as may be authorized or permitted hereby or by any ordinance enacted after the date of enactment hereof and prior to the issuance thereof:

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(FORM OF SERIES 2013 A BOND)

THE CITY OF KEYSER

WATER REVENUE BONDS, SERIES 2013 A
(UNITED STATES DEPARTMENT OF AGRICULTURE)

$_____

No. AR-1 Date: _____, 2013

FOR VALUE RECEIVED, THE CITY OF KEYSER (herein called "Borrower") promises to pay to the order of the United States of America (the "Government"), or its registered assigns, at its National Finance Office, St. Louis, Missouri 63103, or at such other place as the Government may hereafter designate in writing, the principal sum of _____ DOLLARS ($_____), plus interest on the unpaid principal balance at the rate of _____% per annum, with interest only payable in monthly installments for the first 24 months. Thereafter, principal and interest are payable in monthly installments of $_____ on the _____ day of each month, commencing _____ _____, 2015 to and including _____, 2053 (40 years from the date of the Series 2013 A Bonds), in the sum of the unpaid principal and interest due on the date thereof, and except that prepayments may be made as provided hereinbelow. The consideration herefor shall support any agreement modifying the foregoing schedule of payments.

If the total amount of the loan is not advanced at the time of loan closing, the loan shall be advanced to Borrower as requested by Borrower and approved by the Government and interest shall accrue on the amount of each advance from its actual date as shown on the Record of Advances attached hereto as a part hereof.

Every payment made on any indebtedness evidenced by this Bond shall be applied first to interest computed to the effective date of the payment and then to principal.

Prepayments of scheduled installments, or any portion thereof, may be made at any time at the option of Borrower. Refunds and extra payments, as defined in the regulations of the Government according to the source of funds involved, shall, after payment of interest, be applied to the installments last to become due under this Bond and shall not affect the obligation of Borrower to pay the remaining installments as scheduled herein.

If the Government at any time assigns this Bond and insures the payment thereof, Borrower shall continue to make payments to the Government as collection agent for the holder.

While this Bond is held by an insured lender, prepayments as above authorized made by Borrower may, at the option of the Government, be remitted by the Government to the holder promptly or, except for final payment, be retained by the Government and remitted to the holder on either a calendar quarter basis or an annual installment due date basis. The effective date of every

payment made by Borrower, except payments retained and remitted by the Government on an annual installment due date basis, shall be the date of the United States Treasury check by which the Government remits the payment to the holder. The effective date of any prepayment retained and remitted by the Government to the holder on an annual installment due date basis shall be the date of the prepayment by Borrower and the Government will pay the interest to which the holder is entitled accruing between the effective date of any such prepayment and the date of the Treasury check to the holder.

Any amount advanced or expended by the Government for the collection hereof or to preserve or protect any security herefor, or otherwise under the terms of any security or other instrument executed in connection with the loan evidenced hereby, at the option of the Government shall become a part of and bear interest at the same rate as the principal of the debt evidenced hereby and be immediately due and payable by Borrower to the Government without demand. Borrower agrees to use the loan evidenced hereby solely for purposes authorized by the Government.

Borrower hereby certifies that it is unable to obtain sufficient credit elsewhere to finance its actual needs at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in or near its community for loans for similar purposes and periods of time.

This Bond, together with any additional bonds ranking on a parity herewith which may be issued and outstanding for the purpose of providing funds for financing costs of acquisition and construction of additions, betterments and improvements to the waterworks system (the "System") of Borrower, is payable solely from and secured by the revenues to be derived from the operation of the System. This Bond does not in any manner constitute an indebtedness of the Borrower within the meaning of any constitutional or statutory provision or limitation, nor shall the Borrower be obligated to pay the same or the interest thereon except from the special fund so provided.

Registration of this Bond is transferable by the registered owner hereof in person or by his, her or its attorney duly authorized in writing, at the office of Borrower, as Bond Registrar, but only in the manner, subject to the limitations and upon payment of the charges, if any, provided in the herein defined Ordinance, and upon surrender and cancellation of this Bond. Upon such transfer a new Bond or Bonds, of authorized denomination or denominations, for the like principal amount, will be issued to the transferee in exchange herefor.

This Bond, under the provisions of the Act, is and has all the qualities and incidents of a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but may only be transferred by transfer of registration hereof with the Bond Registrar.

This Bond has been issued under and in full compliance with the Constitution and statutes of the State of West Virginia, including, among others, Chapter 8, Article 19 of the West Virginia Code of 1931, as amended (herein called the "Act"), and an Ordinance of Borrower duly enacted on May 8, 2013 and a Supplemental Resolution and Conformed Ordinance duly adopted by the Issuer on _____, 2013, authorizing issuance of this Bond (collectively, the "Ordinance").

If at any time it shall appear to the Government that Borrower may be able to obtain a loan from a responsible cooperative or private credit source at reasonable rates and terms for loans for

similar purposes and periods of time, Borrower will, at the Government's request, apply for and accept such loan in sufficient amount to repay the Government.

This Bond is given as evidence of a loan to Borrower made or insured by the Government pursuant to the Consolidated Farm and Rural Development Act of 1965, as amended. This Bond shall be subject to the present regulations of the Government and to its future regulations not inconsistent with the express provisions hereof.

This Bond is issued to (i) pay the Issuer's Waterworks Design Bond Anticipation Notes, Series 2012 B (The Ohio Valley Bank Company), dated May 9, 2012 and issued in the original aggregate principal amount of $655,000; (ii) pay the costs of acquisition and construction of certain additions, betterments and improvements to the existing public waterworks system of the Issuer; and (iii) pay costs of issuance and other related costs.

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 (I) WATER REVENUE BONDS, SERIES 1980, DATED FEBRUARY 26, 1980, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $3,146,000 AND HELD BY THE UNITED STATES DEPARTMENT OF AGRICULTURE, (THE "SERIES 1980 BONDS"); (II) WATER REVENUE BONDS, SERIES 1998 A, (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED OCTOBER 15, 1998, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $761,842 (THE "SERIES 1998 A BONDS"); AND (III) WATER REVENUE BONDS, SERIES 1998 B, (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED OCTOBER 15, 1998, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $2,997,584 (THE "SERIES 1998 B BONDS"), (COLLECTIVELY, THE "PRIOR BONDS").

In accordance with the requirements of the United States Department of Agriculture, the Bonds will be in default should any proceeds of the Bonds be used for a purpose that will contribute to excessive erosion of highly erodible land or to the conversion of wetlands to produce an agricultural commodity.

[Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF, THE CITY OF KEYSER has caused this Bond to be executed by its Mayor and its corporate seal to be hereunto affixed or imprinted hereon and attested by its Recorder, all as of the date hereinabove written.

THE CITY OF KEYSER

[CORPORATE SEAL]

_____
Mayor

ATTEST:

_____
Recorder

EXHIBIT A

RECORD OF ADVANCES

AMOUNT	DATE	AMOUNT	DATE
(1) $		(19)	
(2)		(20)	
(3)		(21)	
(4)		(22)	
(5)		(23)	
(6)		(24)	
(7)		(25)	
(8)		(26)	
(9)		(27)	
(10)		(28)	
(11)		(29)	
(12)		(30)	
(13)		(31)	
(14)		(32)	
(15)		(33)	
(16)		(34)	
(17)		(35)	
(18)		(36)	

TOTAL $_____

(Form of Assignment)

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers to _____ 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 Borrower with full power of substitution in the premises.

Dated: _____, 20____.

_____

In presence of:

_____

ARTICLE IV

SYSTEM REVENUES AND APPLICATION THEREOF; DISPOSITION OF BOND PROCEEDS; FUNDS AND ACCOUNTS

Section 4.01 Establishment of Funds and Accounts with Depository Bank. The following special funds or accounts are created (or continued if previously established by Prior Ordinances) and established 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 Prior Ordinances and continued hereby);

(2) Renewal and Replacement Fund (established by Prior Ordinances and continued hereby);

(3) Series 1980 Bonds Reserve Account (established by Prior Ordinances and continued hereby);

(4) Project Construction Account.

Section 4.02. Establishment of Funds and Accounts with Commission. The following special funds or accounts are hereby created (or continued if previously established by Prior Ordinances) with and shall be held by, the Commission separate and apart from all other funds or accounts of the Commission and the Issuer and from each other:

(1) Series 1998 A Bonds Sinking Fund (established by Prior Ordinances and continued hereby);

(2) Series 1998 A Bonds Reserve Account (established by Prior Ordinances and continued hereby);

(3) Series 1998 B Bonds Sinking Fund (established by Prior Ordinances and continued hereby);

(4) Series 1998 B Bonds Reserve Account (established by Prior Ordinances and continued hereby); and

(5) Series 2013 A Bonds Reserve Account.

Section 4.03. Bond Proceeds; Project Construction Account. The proceeds of sale of the Series 2013 A Bonds shall be deposited upon receipt by the Issuer in the Project Construction Account. The monies in the Account in excess of the amount insured by FDIC shall be secured at all times by the Depository Bank by securities or in a manner lawful for the securing of deposits of State and municipal funds under West Virginia law. Monies in the Project Construction Account shall be expended by the Issuer solely for the purposes provided herein.

Monies in the Project Construction Account shall be used solely to pay the cost of acquisition and construction of the Project upon vouchers and other documentation approved by the Purchaser.

Until completion of acquisition and construction of the Project, the Issuer will additionally transfer from the Project Construction Account and pay to the Purchaser on or before the due date, such sums as shall be from time to time required to make the monthly installment payments on the Series 2013 A Bonds if there are not sufficient Gross Revenues to make such monthly payment.

Pending application as provided in this Section 4.03, money and funds in the Project Construction Account shall be invested and reinvested at the direction of the Issuer, to the extent possible in accordance with applicable law, in Qualified Investments.

When acquisition and construction of the Project has been completed and all costs thereof have been paid or provision for such payment has been made, any balance remaining in the Project Construction Account shall be disposed of in accordance with the regulations of the Purchaser.

Section 4.04. Covenants of the Issuer as to Revenues and Funds. So long as any of the Series 2013 A Bonds shall be outstanding and unpaid, or until there shall have been set apart in the Series 2013 A Bonds Reserve Account, sums sufficient to pay, when due or at the earliest practical prepayment date, the entire principal of the Series 2013 A Bonds remaining unpaid, together with interest accrued to the date of such payment, the Issuer further covenants with the holder of the Series 2013 A Bonds as follows:

A. REVENUE FUND. The entire Gross Revenues derived from the operation of the System, and all parts thereof, and all Tap Fees received, shall be deposited as collected by the Issuer in the Revenue Fund. The Revenue Fund shall constitute a trust fund for the purposes provided in the Prior Ordinances and this Bond Legislation and shall be kept separate and distinct from all other funds of the Issuer and the Depository Bank and used only for the purposes and in the manner provided in the Prior Ordinances and this Bond Legislation.

B. DISPOSITION OF REVENUES. All Revenues at any time on deposit in the Revenue Fund shall be disposed of only in the following order and priority, subject to the provisions of the Prior Ordinances not otherwise modified herein:

(1) The Issuer shall first, each month, on or before the due date thereof, transfer from the Revenue Fund and simultaneously remit (i) to the National Finance Office the amounts required to pay interest on the Series 1980 Bonds, (ii) to the Commission the amounts requires to pay interest on the Series 1998 A Bonds and Series 1998 B Bonds; and (iii) on or before the due date thereof, remit to the National Finance Office, commencing 24 months following the date of delivery of the Series 2013 A Bonds, the amount required to pay interest on the Series 2013 A Bonds.

(2) The Issuer shall next, each month, transfer from the Revenue Fund and simultaneously (i) on or before the due date thereof, remit to the National Finance Office, the amount required by the Prior Ordinances to pay the principal of the Series 1980 Bonds; (ii) on or before the due date thereof, remit to the Commission the amount required by the Prior Ordinances to pay the principal of the Series 1998 A

Bonds and the Series 1998 B Bonds; and (iii) on or before the due date thereof, remit to the National Finance Office, commencing 24 months following the date of delivery of the Series 2013 A Bonds, the amount required to amortize the principal of the Series 2013 A Bonds over the life of the bond issue.

(3) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and (i) remit to the Depository Bank, the amount required by the Prior Ordinances to be deposited in the Series 1980 Bonds Reserve Account; (ii) remit to the Commission, the amount required by the Prior Ordinances to be deposited in the Series 1998 A Bonds and Series 1998 B Bonds Reserve Accounts; and (iii) beginning on the date specified by the Purchaser, but in any event not later than the 24th monthly anniversary of the Closing Date, thereafter, transfer from the Revenue Fund and remit to the Commission for deposit in the Series 2013 A Bonds Reserve Account, an amount equal to 10% of the monthly payment amount each month, until the amount in the Series 2013 A Bonds Reserve Account equals the Series 2013 A Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 2013 A Bonds Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Series 2013 A Bonds Reserve Requirement.

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

(5) The Issuer shall next, each month, transfer from the Revenue Fund and remit to the Depository Bank for deposit in the Renewal and Replacement Fund, an greater amount of (i) amounts required by Series 1980 Bonds Ordinance; or (ii) an amount equal to 2 ½ % of the Gross Revenues each month, exclusive of any payments for account of any Reserve Account. All funds in the Renewal and Replacement Fund shall be kept apart from all other funds of the Issuer or of the Depository Bank and shall be invested and reinvested in accordance with Article VIII hereof. Withdrawals and disbursements may be made from the Renewal and Replacement Fund for replacements, repairs, improvements or extensions to the System; provided that, any deficiencies in any Reserve Accounts (except to the extent such deficiency exists because the required payments into such account have not, as of the date of determination of a deficiency, funded such account to the maximum extent required hereof) shall be promptly eliminated with monies from the Renewal and Replacement Fund.

(6) After all the foregoing provisions for use of monies in the Revenue Fund have been fully complied with, any monies remaining therein and not permitted to be retained therein may be used to prepay installments of the Bonds, pro rata, or for any lawful purpose of the System.

Whenever the monies in the Series 2013 A Bonds Reserve Account shall be sufficient to prepay the Series 2013 A Bonds in full, it shall be the mandatory duty of the Issuer, anything to the contrary herein notwithstanding, to prepay the Series 2013 A Bonds, at the earliest practical date and in accordance with applicable provisions hereof.

The Depository Bank is hereby designated as the Fiscal Agent for the administration of the Renewal and Replacement Fund as herein provided, and all amounts required for the Renewal and Replacement Fund will be deposited therein by the Issuer upon transfers of funds from the Revenue Fund at the times provided herein, together with written directions stating the amount remitted for deposit into each such fund.

The Commission is hereby designated as the Fiscal Agent for the administration of the Series 2013 A Bonds Reserve Account as herein provided, and all amounts required for said account shall be remitted to the Commission from the Revenue Fund by the Issuer at the times provided herein. If required by the Purchaser at anytime, the Issuer shall make the necessary arrangements whereby required payments into said account shall be automatically debited from the Revenue Fund and electronically transferred to the Commission on the dates required hereunder.

The Issuer shall, on the first day of each month (if the first day is not a business day, then the first business day if each month), deposit with the Commission the required reserve account payments with respect to the Bonds and all such payments shall be remitted to the Commission with appropriate instructions as to the custody, use and application thereof consistent with the provisions of this Bond Legislation.

The Revenue Fund and the Renewal and Replacement Fund shall constitute trust funds and shall be used only for the purposes and in the order provided herein, and until so used, the Purchaser shall have a lien thereon for further securing payment of the Series 2013 A Bonds and the interest thereon, but the Depository Bank shall not be a trustee as to such funds.

If on any payment date the Revenues are insufficient to make the payments and transfers as hereinabove provided, the deficiency shall be made up in the subsequent payments and transfers in addition to those which would otherwise be required to be made on the subsequent payment dates on a parity and pro rata with respect to the Prior Bonds.

The Commission and the Depository Bank, at the direction of the Issuer, shall keep the monies in the Series 2013 A Bonds Reserve Account and the Renewal and Replacement Fund invested and reinvested to the fullest extent possible, in accordance with applicable law, and to the extent practicable, in Qualified Investments having maturities consonant with the required use thereof. Investments in any fund or account under this Bond Legislation shall, unless otherwise required by law, be valued at the lower of cost or the then current market value, or at the redemption price thereof if then redeemable at the option of the holder, including value of accrued interest and giving effect to the amortization of discount, or at par if such investment is held by the "consolidated fund" managed by the West Virginia Board of Treasury Investments. Any investment shall be held in and at all times deemed a part of the fund or account in which such monies were originally held, and interest accruing thereon and any profit or loss realized from such investment shall be credited or charged to the appropriate fund or account. Earnings from monies in the Series 2013 A Bonds Reserve Account so long as the Minimum Reserve is on deposit and maintained therein, shall be returned not less than once each year, by the Commission to the Issuer to be deposited in the Revenue Fund.

C. CHANGE OF DEPOSITORY BANK AND FISCAL AGENT. The Issuer may designate another bank or trust company insured by FDIC as Depository Bank and Fiscal Agent if the Depository Bank should cease for any reason to serve or if the Governing Body determines by resolution that the Depository Bank or its successor should no longer serve as Depository Bank. Upon

any such change, the Governing Body will cause notice of the change to be sent by registered or certified mail to the Purchaser.

D. USER CONTRACTS. The Issuer shall, prior to delivery of the Series 2013 A Bonds, provide evidence that there will be at least 2,478 bona fide users upon the System on completion of the Project, in full compliance with the requirements and conditions of the Purchaser.

E. CHARGES AND FEES. The Issuer shall remit from the Revenue Fund to the Commission or the Depository Bank such additional sums as shall be necessary to pay the charges and fees of the Commission or the Depository Bank then due.

F. INVESTMENT OF EXCESS BALANCES. The monies in excess of the sum insured by FDIC in any of such funds or accounts shall at all times be secured, to the full extent thereof in excess of such insured sum, in lawful manner for securing deposits of State and municipal funds under the laws of the State of West Virginia.

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

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

ARTICLE V

GENERAL COVENANTS

Section 5.01. General Statement. So long as the Series 2013 A Bonds shall be outstanding and unpaid, or until there shall have been set apart in the Series 2013 A Bonds Reserve Account a sum sufficient to prepay the entire principal of the Series 2013 A Bonds remaining unpaid, together with interest accrued and to accrue thereon to the date of prepayment, the covenants and agreements contained herein shall be and constitute valid and legally binding covenants between the Issuer and the Holder of the Series 2013 A Bonds.

Section 5.02. Rates. Prior to the issuance of the Series 2013 A Bonds, the Issuer will, in the manner provided in the Act, fix and collect such rates, fees or other charges for the services and facilities of the System, and revise the same from time to time whenever necessary, as (i) will always provide Revenues in each Fiscal Year sufficient to produce Net Revenues equal to not less than 110% of the maximum annual debt service on the Series 2013 A Bonds and sufficient to make the payments required herein into all funds and accounts and all the necessary expenses of operating and maintaining the System during such Fiscal Year and such rates, fees and other charges shall not be reduced so as to be insufficient to provide adequate Revenues for such purposes; and (ii) so long as the Prior Bonds are Outstanding to provide for all reasonable expenses of operation, repair, maintenance of the System and to leave a balance each Fiscal Year equal to at least 115% of the maximum amount required in any Fiscal Year for the payment of principal of and interest on the Bonds and all other obligations secured by or payable from such revenues; provided that, in the event that an amount equal to or in excess of the reserve requirements for the Bonds prior to or on a parity with the Bonds are funded at least at the requirement therefor, such balance each Fiscal Year need only equal at least

110% of the maximum amount required in any Fiscal year for the payment of principal of and interest on the Bonds and all other obligations secured by or payable from such revenues.

Section 5.03. Sale of the System. So long as the Prior Bonds are Outstanding, the Issuer shall not sell, mortgage, lease or otherwise dispose of or encumber the System, or any part thereof, except as provided in the Prior Ordinances. Additionally, the System will not be sold without the prior written consent of the Purchaser so long as the Series 2013 A Bonds are outstanding.

Section 5.04. Issuance of Additional Parity Bonds or Obligations. So long as the Prior Bonds are outstanding, the limitations on the issuance of parity obligations set forth in the Prior Ordinances shall be applicable. In addition, no additional Parity Bonds or obligations payable out of the Revenues of the System shall be issued, except with the prior written consent of the Purchaser.

So long as the Series 1980 Bonds or Series 2013 A Bonds are outstanding, 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, reciting the conclusion that the Net Revenues for the Fiscal Year following the year in which such Parity Bonds are to be issued shall be at least 120% of the average annual debt service requirements on the following:

(1) The Bonds then Outstanding;

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

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

The foregoing limitation may be waived or modified by the written consent of the Holders of the Series 2013 A Bonds, representing 75% of the then-outstanding principal indebtedness.

So long as the Series 1998 A Bonds or Series 1998 B Bonds are Outstanding, no Parity Bonds shall be issued at any time, unless there has been procured and filed with the Recorder a written statement by the Independent Certified Public Accountants, reciting the conclusion that the Net Revenues actually derived, subject to the adjustments hereinafter provided for, from the System during any 12 consecutive months, within the 18 months immediately preceding the date of the actual issuance of such Parity Bonds, plus the estimated average increased annual Net Revenues expected to be received in each of the 3 succeeding years after the completion of the improvements to be financed by such Parity Bonds, if any, shall not be less than 115% of the largest aggregate amount that will mature and become due in any succeeding Fiscal Year for principal of and interest, if any, on the following:

(1) The Bonds then Outstanding;

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

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

The "estimated average increased annual Net Revenues expected 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 the improvements to be financed by such Parity Bonds and any increase in rates enacted by the Issuer, the time for appeal of which shall have expired prior to the issuance of such Parity Bonds, and shall not exceed the amount to be stated in a certificate of the Independent Certified Public Accountants, which shall be filed in the office of the Recorder prior to the issuance of such Parity Bonds.

The Net Revenues actually derived from the System during the 12-consecutive-month period herein above 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 Independent Certified Public Accountants, on account of increased rates, rentals, fees and charges for the System adopted by the Issuer, the time for appeal of which shall have expired prior to issuance of such Parity 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 Ordinances with respect to the Series 2013 A Bonds and Prior Bonds then Outstanding, and any other payments provided for in this Bond Legislation, shall have been made in full as required to the date of delivery of such Parity Bonds, and the Issuer shall then be in full compliance with all the covenants, agreements and terms of this Bond Legislation and the Prior Ordinances.

Section 5.05. Insurance and Bonds. The Issuer hereby covenants and agrees that it will, as an expense of construction, operation and maintenance of the System, procure, carry and maintain, so long as the Series 2013 A Bonds remain outstanding, insurance with a reputable insurance carrier or carriers covering the following risks and in the following amounts:

A. FIRE, LIGHTNING, VANDALISM, MALICIOUS MISCHIEF AND EXTENDED COVERAGE INSURANCE, to be procured upon acceptance of any part of the Project from the contractor, and immediately upon any portion of the System now in use, on all above-ground structures of the System and mechanical and electrical equipment in place or stored on the site in an amount equal to the actual cost thereof. In the event of any damage to or destruction of any portion of the System, the Issuer will promptly arrange for the application of the insurance proceeds for the repair or reconstruction of such damaged or destroyed portion. The Issuer will itself, or will require each contractor and subcontractor to, obtain and maintain builder's risk insurance to protect the interests of the Issuer during construction of the Project in the full insurable value thereof.

B. PUBLIC LIABILITY INSURANCE, with limits of not less than $500,000 for one or more persons injured or killed in one accident to protect the Issuer from claims for bodily injury and/or death, and not less than $200,000 to protect the Issuer from claims for damage to property of others which may arise from the operation of the System, such insurance to be procured not later than the date of delivery of the Series 2013 A Bonds.

C. VEHICULAR PUBLIC LIABILITY INSURANCE, in the event the Issuer owns or operates any vehicle in the operation of the System, or in the event that any vehicle not owned by the Issuer is operated at any time or times for the benefit of

the Issuer, with limits of not less than $500,000 for one or more persons injured or killed in one accident to protect the Issuer from claims for bodily injury and/or death, and not less than $200,000 to protect the Issuer from claims for damage to property of others which may arise from such operation of vehicles, such insurance to be procured prior to acquisition or commencement of operation of any such vehicle for the Issuer.

D. WORKERS' COMPENSATION COVERAGE FOR ALL EMPLOYEES OF THE ISSUER ELIGIBLE THEREFOR AND PERFORMANCE AND PAYMENT BONDS, such bonds to be in the amounts of 100% of the construction contract, will be required of each prime contractor, and such payment bonds will be filed with the Recorder of the County Commission of said County prior to commencement of construction of the Project in compliance with West Virginia Code Section 38-2-39. Workers' Compensation coverage will be maintained as provided by law.

E. FLOOD INSURANCE to be procured, to the extent available at reasonable cost to the Issuer; provided, however, if the System is located in a community which has been notified as having special flood or mudslide prone areas, flood insurance must be obtained.

F. FIDELITY BONDS will be provided as to every member of the Governing Body and as to every officer and employee of the Issuer having custody of the Revenue Fund or of any Revenues or other funds of the Issuer in such amount as may be requested by the Purchaser from time to time.

G. Provided, however, and in lieu of and notwithstanding the foregoing provisions of this Section, during construction of the Project and so long as the Series 2013 A Bonds are outstanding, the Issuer will carry insurance and bonds or cause insurance and bonds to be carried for the protection of the Issuer, and during such construction will require each contractor and subcontractor to carry insurance, of such types and in such amounts as the Purchaser may specify, with insurance carriers or bonding companies acceptable to the Purchaser.

Section 5.06. Statutory Mortgage Lien. For the further protection of the Holder of the Series 2013 A Bonds, a statutory mortgage lien upon the System is granted and created by the Act, which statutory mortgage lien is hereby recognized and declared to be valid and binding and shall take effect immediately upon the delivery of the Series 2013 A Bonds and shall be for the equal benefit of the Series 2013 A Bonds on a parity with the Prior Bonds.

Section 5.07. Events of Default. Each of the following events is hereby declared an "Event of Default":

A. Failure to make payment of any monthly amortization installment upon the Series 2013 A Bonds at the date specified for payment thereof;

B. Failure to duly and punctually to observe or perform any of the covenants, conditions and agreements on the part of the Issuer contained in the Series 2013 A Bonds or herein, or violation of or failure to observe any provision of any pertinent law, or

C. If default occurs with respect to the Prior Bonds or the Prior Ordinances.

Section 5.08. Enforcement. 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 Series 2013 A 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 Series 2013 A Bonds, and (v) by action or bill in equity enjoin any acts in violation of the Bond Legislation with respect to the Series 2013 A Bonds, or the rights of such Registered Owners; provided that, all rights and remedies of the Holders of the Series 2013 A Bonds shall be on a parity with each other and with those of the Holders of the Prior Bonds. Any Registered Owner of the Bonds, by proper legal action, compel the performance of the duties of the Issuer under this Bond Legislation and the Act, including, the completion of the Project and after commencement of operation of the System, the making and collection of sufficient rates and charges for services rendered by the System and segregation of the revenues therefrom and the application thereof. If there be any Event of Default with respect to such Bonds, any Registered Owner of the Bonds shall, in addition to all other remedies or rights, have the right by appropriate legal proceedings to obtain the appointment of a receiver to administer the System or to complete the acquisition and construction of the Project on behalf of the Issuer, with power to charge rates, rentals, fees and other charges sufficient to provide for the payment of Operating Expenses of the System, the payment of the Bonds and interest and the deposits into the funds and accounts hereby established, and to apply such rates, rentals, fees, charges or other revenues in conformity with the provisions of this Bond Legislation and the Act.

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

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

Such receiver, in the performance of the powers hereinabove conferred upon him or her or it, shall be under the direction and supervision of the court making such appointment, shall at all times be subject to the orders and decrees of such court and may be removed thereby, and a successor receiver may be appointed in the discretion of such court. Nothing herein contained shall limit or restrict the jurisdiction of such court to enter such other and further orders and decrees as such court

may deem necessary or appropriate for the exercise by the receiver of any function not specifically set forth herein.

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

Section 5.09. Fiscal Year; Budget. While the Series 2013 A Bonds are outstanding and unpaid and to the extent not now prohibited by law, the System shall be operated and maintained on a Fiscal Year basis commencing on July 1 of each year and ending on the following June 30, which period shall also constitute the budget year for the operation and maintenance of the System. Not later than thirty days prior to the beginning of each Fiscal Year, the Issuer agrees to adopt the Annual Budget for the ensuing year, and no expenditures for operation and maintenance expenses of the System in excess of the Annual Budget shall be made during such Fiscal Year unless unanimously authorized and directed by the Governing Body. Copies of each Annual Budget shall be delivered to the Purchaser by the beginning of each Fiscal Year.

If for any reason the Issuer shall not have adopted the Annual Budget before the first day of any Fiscal Year, it shall adopt a Budget of Current Expenses from month to month until the adoption of the Annual Budget; provided, however, that no such monthly budget shall exceed the budget for the corresponding month in the year next preceding by more than 10%; and provided further, that adoption of a Budget of Current Expenses shall not constitute compliance with the covenant to adopt an Annual Budget unless failure to adopt an Annual Budget be for a reason beyond the control of the Issuer. Each such Budget of Current Expenses shall be mailed immediately to the Purchaser.

Section 5.10. Covenant to Proceed and Complete. The Issuer hereby covenants to proceed as promptly as possible with the acquisition and construction of the Project to completion thereof in accordance with the plans and specifications prepared by the Consulting Engineer and on file with the Recorder on the date of adoption hereof, subject to permitted changes.

Section 5.11. Books and Records; Audits. 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 the Purchaser shall have the right at all reasonable times to inspect the System and all records, accounts and data of the Issuer relating thereto.

The Issuer shall, at least once a year, cause said books, records and accounts of the System to be properly audited by an independent competent firm of certified public accountants and shall mail a copy of such audit report to the Purchaser. The Issuer shall further comply with the Act with respect to such books, records and accounts.

Section 5.12. Maintenance of System. The Issuer covenants that it will continuously operate, in an economical and efficient manner, and maintain the System as a revenue-producing utility as herein provided so long as the Series 2013 A Bonds are outstanding.

Section 5.13. No Competition. To the extent legally allowable, the Issuer will not permit competition with the System within its boundaries or within the territory served by it and will not grant or cause, consent to or allow the granting of any franchise, permit or other authorization for any person, firm, corporation, public or private body, agency or instrumentality whatsoever to provide any of the services supplied by the System within the boundaries of the Issuer or within the territory served by the System.

ARTICLE VI

RATES, ETC.

Section 6.01. Initial Schedule of Rates and Charges; Rules. A. The initial schedule of rates and charges for the services and facilities of the System shall be as set forth in the rate ordinance of the Issuer enacted on May 23, 2012 as amended by Recommended Decision dated May 1, 2013 in Case No. 12-0817-W-MA of the Public Service Commission of West Virginia.

B. There shall not be any discrimination or differential in rates between customers in similar circumstances.

C. All delinquent fees, rates and charges for services or facilities of the System shall be a lien on the premises served if not paid when due. The Issuer shall have all remedies and powers provided under the Act and other applicable provisions of law with regard to the collection and enforcement of such fees, rates and charges, including, without limitation, any right and power of foreclosure under the Act and/or such other applicable provisions of law.

D. The Issuer will not render or cause to be rendered any free services of any nature by the System nor any of the facilities; and in the event that the Issuer or any department, agency, officer or employee thereof should avail itself or themselves of the services or facilities of the System, the same fees, rates and charges applicable to other customers receiving like services under similar circumstances shall be charged, such charges shall be paid as they accrue, and revenues so received shall be deposited and accounted for in the same manner as other revenues of the System.

E. The Issuer may require any applicant for any service by the System to deposit a reasonable and equitable amount to insure payment of all charges for the services rendered by the System, which deposit shall be handled and disposed of under the applicable rules and regulations of the Public Service Commission of West Virginia.

F. The Issuer shall not be liable to any customer for any damage resulting from bursting or breakage of any pipe, line, main, valve, equipment or part or from discontinuance of the operation of any part of the System or from failure of any part thereof for any cause whatever.

G. In case of emergency, the Issuer shall have the right to restrict the use of any part of the System in any reasonable manner for the protection of the System and the inhabitants of the Issuer.

H. The fees, rates and charges above provided will be increased whenever such increase is necessary in order to comply fully with all provisions hereof, and the Issuer shall always be obligated to and shall fix, establish and collect fees, rates and charges for the services and facilities of the System which shall at all times be sufficient to provide revenues to meet its payments and obligations provided hereunder, but in any event, not less than 110% of the annual debt service on the Bonds Outstanding after the Prior Bonds are paid in full.

ARTICLE VII

MISCELLANEOUS

Section 7.01. Payment of Bonds. If the Issuer shall pay or there shall otherwise be paid to the Holder of the Series 2013 A Bonds, the principal of and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Bond Legislation, then with respect to the Series 2013 A Bonds, the pledge of Revenues and other monies and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owner of the Series 2013 A Bonds, shall thereupon cease, terminate and become void and be discharged and satisfied.

Except through such direct payment to the Holder of the Series 2013 A Bonds, the Issuer may not defease the Series 2013 A Bonds or otherwise provide for payment thereof by escrow or like manner.

Section 7.02. Modification or Amendment. Prior to issuance of the Series 2013 A Bonds, this Ordinance may be amended or supplemented in any way by ordinance or resolution. Following issuance of the Series 2013 A Bonds, no modification or amendment of this Ordinance, or any ordinance or resolution amendatory hereof or supplemental hereto, shall be made without the prior written consent of the Purchaser.

Section 7.03. Delivery of Bonds. The Mayor is hereby authorized and directed to cause the Series 2013 A Bonds, hereby awarded to the Purchaser pursuant to prior agreement, to be delivered to the Purchaser as soon as the Purchaser will accept such delivery.

Section 7.04. Severability of Invalid Provisions. If any one or more of the covenants, agreements or provisions hereof should be held contrary to any express provision of law or contrary to the policy of express law, although not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed severable from the remaining covenants, agreements or provisions hereof, and shall in no way affect the validity of all the other provisions hereof or the Series 2013 A Bonds.

Section 7.05. Conflicting Provisions Repealed. Except for the Prior Ordinances, all ordinances, resolutions and orders, or parts thereof, in conflict with the provisions hereof are, to the extent of such conflicts, hereby repealed; provided that this section shall not be applicable to the Loan Resolution (Form FmHA 442-47).

Section 7.06. Table of Contents and Headings. The Table of Contents and headings of the articles, sections and subsections hereof are for convenience only and shall neither control nor affect in any way the meaning or construction of any of the provisions hereof.

Section 7.07. 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 and enactment of this Ordinance do exist, have happened, have been performed and have been taken in regular and due time, form and manner as required by and in full compliance with the laws and Constitution of the State of West Virginia applicable thereto; and that the Mayor, Recorder and members of the Governing Body were at all times when any actions in connection with this Ordinance occurred and are duly in office and duly qualified for such office.

Section 7.08. Statutory Notice and Public Hearing. Upon adoption hereof, an abstract of this Bond Legislation, determined by the Council to contain sufficient information as to give notice of the contents hereof, shall be published once a week for two successive weeks within a period of fourteen consecutive days, with at least six full days intervening between each publication, in the *Mineral Daily News-Tribune*, being qualified newspapers of general circulation in The City of Keyser, together with a notice stating that this Ordinance has been adopted, and that the Issuer contemplates the issuance of the Bond, and that any person interested may appear before the Council upon a date certain, not less than ten days subsequent to the date of the first publication of the said abstract and notice and not prior to the last date of such publication, and present protests, and that a certified copy of the Ordinance is on file in the office of the Recorder of the Issuer for review by interested parties during regular office hours. 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.

[Remainder of Page Intentionally Blank]

Section 7.09. Effective Time. This Bond Legislation shall take effect following public hearing hereon in accordance with the Act.

Passed on First Reading: March 27, 2013

Passed on Second Reading: April 10, 2013

Passed on Final Reading
Following Public Hearing: May 8, 2013

Mayor

CERTIFICATION

Certified a true copy of a Conformed Ordinance duly enacted by the Council of The City of Keyser on the 8th day of May, 2013 as supplemented by Supplemental Resolution adopted August 28, 2013.

Dated: September 3, 2013.

[SEAL]

Carol L Higgins
Recorder

480520.00005

THE CITY OF KEYSER

Water Revenue Bonds, Series 2013 A
(United States Department of Agriculture)

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION MAKING PROVISIONS AS TO PRINCIPAL AMOUNT, DATE, MATURITY DATE, REDEMPTION PROVISION, INTEREST RATE, INTEREST AND PRINCIPAL PAYMENT DATES, SALE PRICE, APPROVING A CONFORMED ORDINANCE, AND OTHER TERMS OF THE WATER REVENUE BONDS, SERIES 2013 A OF THE CITY OF KEYSER, AND MAKING OTHER PROVISIONS AS TO THE BONDS.

WHEREAS, the council (the "Governing Body") of The City of Keyser (the "Issuer") has duly and officially adopted and enacted a bond ordinance, May 8, 2013 (the "Bond Ordinance"), entitled:

ORDINANCE AUTHORIZING THE PAYMENT OF THE WATERWORKS DESIGN BOND ANTICIPATION NOTE, SERIES 2012 B; AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC WATERWORKS FACILITIES OF THE CITY OF KEYSER, AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED THEREOF, THROUGH THE ISSUANCE BY THE CITY OF KEYSER OF NOT MORE THAN $5,500,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2013 B (UNITED STATES DEPARTMENT OF AGRICULTURE) IN ONE OR MORE SERIES; DEFINING AND PRESCRIBING THE TERMS AND PROVISIONS OF THE BONDS; PROVIDING GENERALLY FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE HOLDER OF THE BONDS; AND PROVIDING WHEN THIS ORDINANCE SHALL TAKE EFFECT.

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

WHEREAS, the Bond Ordinance provides for the issuance of Water Revenue Bonds, Series 2013 B, of the Issuer (the "Series 2013 B Bonds"), in an aggregate principal amount not to exceed $5,500,000 and has authorized the execution and delivery of the

documents relating to the Bonds, all in accordance with Chapter 8, Article 19 of the West Virginia Code of 1931, as amended (collectively, the "Act");

WHEREAS, the Issuer desires to amend the Bond Ordinance through this Supplemental Resolution and Conformed Ordinance (collectively, the "Bond Legislation")

WHEREAS, the Governing Body desires to redesignate the Water Revenue Bonds, Series 2013 B (United States Department of Agriculture) as Water Revenue Bonds, Series 2013 A (United States Department of Agriculture);

WHEREAS, the Governing Body deems it essential and desirable that this supplemental resolution (the "Supplemental Resolution") be adopted;

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

Section 1. The Issuer hereby approves the Conformed Ordinance attached hereto as Exhibit A.

Section 2. The Water Revenue Bonds, Series 2013 B (United States Department of Agriculture) are hereby redesignated as Water Revenue Bonds, Series 2013 A (United States Department of Agriculture).

Section 3. Pursuant to the Bond Ordinance and the Act, this Supplemental Resolution is adopted and there are hereby authorized and ordered to be issued Water Revenue Bonds, Series 2013 A (United States Department of Agriculture), of the Issuer, originally represented by a single Bond, numbered AR-1 in the principal amount of $4,500,000 (the "Series 2013 A Bonds"). The Series 2013 A Bonds shall be dated the date of delivery thereof, shall bear interest at the rate of 2.125% per annum, with interest only payable in monthly installments for the first 24 months. Thereafter, principal and interest are payable in monthly installments of $14,400 on the 3rd day of each month, commencing October 3, 2015 to and including September 3, 2053 (forty years from the date of the Series 2013 A Bonds), provided that the final payment shall be sufficient to pay the entire unpaid principal and interest due on the date thereof. Prepayments may be made as hereinafter provided and as provided in the Series 2013 A Bonds, all such payments to be made at the National Finance Office, St. Louis, Missouri 63103, or at such other place as the Purchaser may designate after issuance of the Series 2013 A Bonds. Prepayments of scheduled installments, or any portion thereof, may be made at any time at the option of the Issuer.

Section 4. The Mayor and the 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 September 3, 2013, to the Purchaser.

Section 5. The Issuer does hereby appoint and designate First United Bank & Trust, Keyser, West Virginia, to serve as Depository Bank under the Bond Ordinance.

Section 6. The Issuer hereby approves and accepts all contracts relating to the financing, acquisition and construction of the Project.

Section 7. Series 2013 A Bonds proceeds in the amount of $549,855.74 shall be used to pay the outstanding principal balance of and all accrued interest on the Issuer's Waterworks Design Bond Anticipation Notes, Series 2012 B (the "Series 2012 B Notes").

Section 8. The payment of the Series 2012 B Notes and acquisition and construction of the Project and the financing thereof in part with proceeds of the Bonds are in the public interest, serve a public purpose of the Issuer and will promote the health, welfare and safety of the residents of the Issuer.

Section 9. This Supplemental Resolution shall be effective immediately following adoption hereof.

[Remainder of Page Intentionally Blank]

Adopted this 28th day of August, 2013.

Mayor

CERTIFICATION

Certified a true copy of a Supplemental Resolution and Conformed Ordinance duly adopted by the Council of The City of Keyser on the 28th day of August, 2013.

Dated: September 3, 2013.

[SEAL]

Carol L Kiggins

Recorder

480520.00005

EXHIBIT A
CONFORMED ORDINANCE
(See Tab 1 of Transcript)

Fred
062
Keyser Wst
Phase II
RUS Letter of
Conditions

United States Department of Agriculture
Rural Development
West Virginia State Office

March 10, 2010

The Honorable Sonny Rhodes
Mayor, City of Keyser
111 North Davis Street
Keyser, WV 26726

Dear Mayor Rhodes:

This letter, with Attachments 1 through 12 and enclosures, establishes conditions which must be understood and agreed to by you before further consideration may be given to your application. The loan and grant will be administered by the State and Area staff of USDA, Rural Development. Any changes in project cost, source of funds, scope of services, or any other significant changes in the project or applicant must be reported to and approved by USDA, Rural Development, by written amendment to this letter. Any changes not approved by Rural Development shall be cause for discontinuing processing of the application.

The docket may be completed on the basis of an RD loan in the amount of $4,500,000, and an RD grant in the amount of $3,100,000, for a total project cost of $7,600,000.

The loan will be considered approved on the date a signed copy of Form RD 1940-1, "Request for Obligation of Funds," is mailed to you. The interest rate will be the lower of the rate in effect at the time of loan approval or the time of loan closing.

Extra copies of this letter are being provided for use by your engineer, attorney, bond counsel and accountant. All parties may access our web-site located at www.usda.gov/rus/water/ for the following:

a. RUS Instruction 1780
b. RUS Bulletin 1780-26, "Guidance for the Use of EJCDC Standard Documents on Water and Waste Projects with RUS Financial Assistance"
c. RUS Bulletin 1780-30, "Water Programs Audit Guide and Compliance Supplement"
d. RUS Bulletin 1780-31, "Water Programs Compliance Supplement For OMB Circular A-133 Audits"

Government Auditing Standards (Revision 2007) (Accountant Copy) may be accessed at www.gao.gov/govaud/ybk01.htm.

1550 Earl Core Road • Suite 101 • Morgantown, WV 26505
Phone: (304) 284-4860 OR 1-800-295-8228 • Fax: (304) 284-4893 • TDD: (304) 284-4836
Web: http://www.rurdev.usda.gov/wv

Committed to the future of rural communities.

"USDA is an equal opportunity provider, employer and lender."
To file a complaint of discrimination write USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W., Washington, DC 20250-9410 or call (800)795-3272 (voice) or (202) 720-6382 (TDD).

The enclosures and attachments listed below are attached to the copies as noted. Enclosed are the following:

Attachment No. 1 – Project Construction Budget (All Copies)
Attachment No. 2 – Water and Waste Processing Checklist (All Copies)
Attachment No. 3 – RUS Supplement General Conditions (Engineer Copy)
Attachment No. 4 – RYS Bulletin 1780-26, "Guidance for the Use of EJCDC Standard Documents on Water and Waste Projects with RUS Financial Assistance" (Engineer Copy)
Attachment No. 5 – Water Users Agreement (Applicant and Attorney Copies)
Attachment No. 6 – Declination Statement (Applicant and Attorney Copies)
Attachment No. 7 – Form RD 442-22, "Opinion of Counsel Relative to Rights-of-Way" (Attorney Copy)
Attachment No. 8 – Form RD 1927-9, "Preliminary Title Opinion" (Attorney Copy)
Attachment No. 9 – Form RD 1927-10, "Final Title Opinion" (Attorney Copy)
Attachment No. 10 – Labor Standards Provisions (Engineer Copy)
Attachment No. 11 – Sample Credit Agreement (Applicant Copy)
Attachment No. 12 – Various other RD forms as identified on Attachment No. 2 (Applicant Copy0

The conditions referred to above are as follows:

1. **American Recovery and Reinvestment Act of 2009 ("Recovery Act").**

Recovery Act requirements apply to this financing. In addition to the other conditions contained in this Letter of Conditions, you must understand and agree to these following conditions specific to the Recovery Act:

(a). Certifications. With respect to Recovery Act funds made available to State or local governments for infrastructure investments, Section 1511 of the Recovery Act requires the Governor, mayor or other chief executive, as appropriate, to certify that the infrastructure investment has been properly approved as required by law and that the chief executive accepts responsibility that the infrastructure investment is an appropriate use of taxpayer dollars. RD Water and Waste personnel will provide specific guidance on the information required in the certification.

(b). Reports on Use of Funds. Section 1512 of the Recovery Act requires each recipient receiving Recovery Act funding to provide specific information to the government on a periodic basis for inclusion in various internal and publicly-available reports. RD Water and Waste Program personnel will provide specific guidance on the type and frequency of information required to assist Recovery Act recipients in complying with this condition.

(c). Buy American. Section 1605 of the Recovery Act requires that all projects financed with Recovery Act funds be bid and constructed using only iron, steel and manufactured goods produced in the United States in accordance with Section 1605 of the Recovery Act. Specific guidance, including contract provisions to be included in any construction contracts, is being formulated and drafted as of the date of this Letter of Conditions. RD Water and Waste Program personnel will provide specific guidance related to this condition as soon as it is available.

(d). Wage Rate Requirements. Section 1606 of the Recovery Act requires that all laborers and mechanics employed by contractors and subcontractors for the project will be paid wages at rates not less than those prevailing on projects of a character similar in the locality where this project will occur. Specific guidance, including contract provisions to be included in any construction or otherwise related contracts, is being formulated and drafted as of the date of this Letter of Conditions. RD Water and Waste Program personnel will provide specific guidance related to this condition as soon as it is available.

Compliance with the conditions in this section is required for financing under the Recovery Act. However, these conditions are not substitutes for, or in lieu of, the remaining conditions contained in this Letter of Conditions. Each of the conditions in this Letter of Conditions must also be understood and complied with to receive financing for your project.

2. **Fund Usage** – Funds obligated under the terms of this letter of conditions are committed on the basis that your project will proceed to the construction stage in an expedient manner. In accordance with RUS Staff Instruction 1782-1, Section 1782.20(u)(5), any funds not disbursed within 60 months from the date of obligation will be de-obligated and returned to the Department of Treasury for further disposition to other RUS project applicants. In the event that USDA determines that your project has not progressed within the five (5) year timeline and that funds will be recaptured, you will be given appeal rights and due process to document reasons why you believe the decision to de-obligate your project funds is not justified.

3. **Loan Repayment** – The loan will be scheduled for repayment over a period of 40 years. The payments due the first 24 months will consist of interest only. Payments for the remaining 456 months will be equal amortized monthly installments. For planning purposes use a 2.375% interest rate and a monthly amortization factor of .00334, which provides for a monthly payment of $15,030. You have the option of participating in the PREAUTHORIZED DEBIT (PAD) payment process. It will allow for your payment to be electronically debited from your account on the day your payment is due. Your authority must establish and fund monthly a debt service reserve account, which

equals 10% of your monthly payment each month until you accumulate the equivalent of one annual installment on your loan.

You are reminded that your authority may be required to refinance (graduate) the unpaid balance of its RD loan, in whole or in part, upon the request of RD if at any time it shall be determined the authority is able to obtain a loan for such purposes from responsible cooperative or private sources at reasonable rates and terms for loans for similar purposes and periods of time.

4. **Security** – The loan must be secured by a statutory lien of shard first priority with the City's existing water revenue bonds, a pledge of the system's revenues and other agreements between you and RD as set forth in the bond ordinance which must be properly adopted and executed by the appropriate officials of your organization. Additional security requirements are contained in RUS Bulletin 1780-12 and RUS Bulletin 1780-27 which are mentioned later.

5. **Users** – This conditional commitment is based upon you providing evidence that there will be at least 2,478 bona fide users on the proposed system when it has been completed and is placed in operation. This evidence will consist of a certification from you that identifies and attests to the number of users that are actually connected to the City's existing water system which is to be partially replaced by the new system, at the time you request authorization to advertise the project for construction bids.

   Before RD can agree to the project being advertised for construction bids, you must provide evidence that the total required number of bona fide users has been acquired and currently using the system.

6. **Bond Counsel Services** – The services of a recognized bond counsel are required. The bond counsel will prepare the form of ordinance to be used, in accordance with Subpart D of RUS Instruction 1780. You should immediately provide your bond counsel with a copy of this letter of conditions, its attachments and enclosures.

7. **Engineering Services** – It will be necessary for you to obtain the services of an engineer. EJCDC No. E-500, "Agreement between Owner and Engineer for Professional Services" (2008 Edition) should be used to obtain the services of an engineer. The EJCDC document is issued under copyright and cannot be provided by RD.

8. **Accounting Services** – It will be necessary for you to obtain the services of a qualified accountant. The accountant must agree to develop and provide the following:

   a. All necessary accounting material required by the Public Service Commission of West Virginia (Rule 42 Exhibit).

b. Prior to loan/grant closing, your accountant must certify that the accounts and records as required by your bond ordinance have been established and are operational.

The Accountant's Agreement should be submitted to RD for review. Compensation in the contract should include only those services identified above and not include payment for construction management services from the accountant unless RD concurrence is obtained.

RUS regulations noted above outline requirements for the submission of management reports and audits. Appropriate state statutes place certain audit requirements on your City. "Government Auditing Standards (Revised 2007)", which may be accessed at www.gao.gov/govaud/ybk01.htm, and RUS Bulletins 1780-30 and 1780-31, which may be accessed at our agency website listed above, outline audit requirements.

You are reminded that certain provisions of the Office of Management and Budget Circular A-133 are applicable to any public body or nonprofit association that expends $500,000 or more in federal funds in any one fiscal year. You must enter into an agreement annually with an accountant (or the State Tax Department) to perform the audit. The agreement must be in accordance with the requirements of the State Tax Commissioner of West Virginia. Compensation for preparation of the A-133 audit or your annual audit are not included in project funds and should be paid from the operational revenues generated from your system operation.

9. **Facility Control** – Prior to advertisement for construction bids, you must furnish satisfactory evidence that you have or can obtain adequate continuous and valid control over the lands and rights needed for the project. Such evidence must be in the following form:

   a. A right-of-way map showing clearly the location of all lands and rights needed for the project. The map must designate public and private lands and rights and the appropriate legal ownership thereof.

   b. A copy of deeds, contracts or options for any lands needed other than rights-of-way, along with a preliminary title opinion covering such lands. Form RD 1927-9, "Preliminary Title Opinion" may be used. In the case of your existing system or where the City already acquired real property (land or facilities), a preliminary title opinion(s) concerning all such property(s) will be provided.

   c. A narrative opinion from your attorney concerning all permits, certifications and other items necessary to show that all legal requirements can be met and stating how they will be met. This narrative should also

identify any condemnation proceedings that are anticipated and state how they will be handled.

d. A certification and legal opinion relative to title to rights-of-way and easements. Form RD 442-22, "Opinion of Counsel Relative to Rights-of-Way," may be used. This form may contain a few exceptions such as properties that must be condemned; however, prior to the start of construction or loan closing, whichever occurs first, a new Form RD 442-22, must be provided which does not provide for any exceptions. The attorney's legal opinion should include a certification that all requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and West Virginia State Code Chapter 54 have been met in the acquisition of both real property and rights-of-way. Such requirements may include, but are not limited to, distributing informational material to all affected property owners, and completing appraisals of the affected properties.

e. On the day of loan closing, the City's attorney must furnish final title opinions on all land(s) being acquired. Form RD 1927-10, "Final Title Opinion" may be used. In the case of your existing system or where the City has already acquired real property(s) (land or facilities), the City's attorney will provide a separate final title opinion(s) covering such property(s) on the day of loan closing.

10. **Permits** – Copies of all permits needed for the project must be provided for review prior to advertisement for construction bids. Such permits will include but are not limited to the following:

-West Virginia Department of Highways
-Railroads
-State Department of Health
-Department of Environmental Protection
-Corps of Engineers
-Public Land Corporation

11. **Public Service Commission Approvals** – You must obtain the following from the West Virginia Public Service Commission:

a. A Certificate of Convenience and Necessity.

b. Approval of user charges that are acceptable to you and Rural Development.

c. Approval of financing for the project's proposed financing arrangements.

The "Rule 42" Exhibit to be attached to the Public Service Commission application must contain at least the information shown in Attachment No. 1. A copy of the Public Service Commission application and its "Rule 42" Exhibit must be provided for review.

12. **Insurance and Bonding** - Prior to loan closing or start of construction, whichever occurs first, you must acquire the types of insurance and bond coverage shown below. The use of deductibles may be allowed providing you have the financial resources to cover potential claims requiring payment of the deductible. RD strongly recommends that you have your engineer, attorney, and insurance provider(s) review proposed types and amounts of coverage, including any exclusions and deductible provisions. It is your responsibility and not that of RD to assure that adequate insurance and fidelity or employee dishonesty bond coverage is maintained.

    a. General Liability Insurance – This should include vehicular coverage.

    b. Workers' Compensation – In accordance with appropriate State laws.

    c. Position Fidelity Bond(s) – All positions occupied by persons entrusted with the receipt and/or disbursement of funds must be bonded. As a good business practice you will probably wish to have each position bonded in an amount equal to the maximum amount of funds to be under the control of that position at any one time.

       The minimum coverage acceptable to RD once your project is in operation will be for each position to be bonded for an amount at least equal to one annual installment on your loan(s).

    d. National Flood Insurance – In addition to meeting the requirements for the type of assistance requested, the following requirements must be met for financial assistance for acquisition and/or construction in designated special flood or mudslide prone areas:

       i. If flood insurance is available, you must purchase a flood insurance policy at the time of loan closing.
       ii. Applicants whose buildings, machinery or equipment are to be located in a community which has been notified as having special flood or mudslide prone areas will not receive financial assistance where flood insurance is not available.

    e. Real Property Insurance – Prior to the acceptance of the facility from the contractor(s), you must obtain real property insurance (fire and extended coverage) on all above-ground structures, to include machinery and equipment housed therein. This does not apply to water reservoirs,

standpipes, elevated tanks or noncombustible materials used in treatment plants, clearwells, filters and the like.

13. **Environmental Requirements** –

    a. Mitigation – At the conclusion of the proposal's environmental review process, specific actions were negotiated with environmental regulatory officials to avoid or minimize adverse environmental impacts. Those action(s) are required for successful completion of the project and must be adhered to during project design and construction.

    b. Project Modifications – The project as proposed has been evaluated to be consistent with all applicable environmental requirements. If the project or any project element deviates from or is modified from the original approved project, additional environmental review may be required.

14. **Vulnerability Assessments (VA) and Emergency Response Plans (ERP)** –

    Congress enacted the Public Health Security and Bioterrorism Preparedness Response Act of 2002, Public Law 107-188 (Bioterrorism Act). The Bioterrorism Act amended the Safe Drinking Water (SDWA) to require all medium and large sized community water systems (serving populations greater than 3,300) to assess vulnerability to terrorist attack and develop emergency plans for response to such an attack. Medium and large community water systems are being monitored by the U.S. EPA for completion of VA's and ERP's.

    Rural Development requires all financed water and wastewater systems to have a vulnerability assessment (VA) and an emergency response plan (ERP) in place. New water or wastewater systems must provide a certification that an ERP is complete prior to the start of operations. A certification that a VA is complete must be submitted within one year of the start of operations. All other borrowers must provide a certification that a VA and ERP are complete prior to bid authorization.

    You will also be required to provide a certification that the VA and ERP is complete and is current every three years after the start of operations. RD does not need or want a copy of the VA or ERP. The requested certification will be sufficient to meet our needs. Technical assistance providers are available to provide you with on site assistance if desired.

15. **Civil Rights & Equal Opportunity** – You should be aware of and will be required to comply with other federal statute requirements including but not limited to:

    Section 504 of the Rehabilitation Act of 1973 – Under section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. 794), no handicapped

individual in the United States shall, solely by reason of their handicap, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving RD financial assistance.

Civil Rights Act of 1964 – All borrowers are subject to, and facilities must be operated in accordance with, title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.) and subpart E of part 1901 of this title, particularly as it relates to conducting and reporting of compliance reviews. Instruments of conveyance for loans and/or grants subject to the Act must contain the covenant required by paragraph 1901.202(e) of this title.

The Americans with Disabilities Act (ADA) of 1990 – This Act (42 U.S.C. 12101 et seq.) prohibits discrimination on the basis of disability in employment, State and local government services, public transportation, public accommodations, facilities, and telecommunications. Title II of the Act applies to facilities operated by State and local public entities which provides services, programs and activities. Title III of the Act applies to facilities owned, leased, or operated by private entities which accommodate the public.

Age Discrimination Act of 1975 – This Act (42 U.S.C. 6101 et seq.) provides that no person in the United States shall on the basis of age, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance.

RD financial programs must be extended without regard to race, color, religion, sex, national origin, marital status, age, or physical or mental handicap.

16. **Contract Documents, Final Plans and Specifications** –

    a. The contract documents should consist of the following:

        (1) EJCDC Document No. C-520, 2007 Edition, "Suggested Form of Agreement between Owner and Contractor for Construction Contract (Stipulated Price)" and EJCDC Document No. C-700, 2007 Edition, "Standard General Conditions of the Construction Contract" and Attachments. The EJCDC document is issued under copyright and cannot be provided by RD.

        (2) "RUS Supplemental General Conditions."

        (3) "Labor Standards Provisions" – Title 29, Subtitle A, Part 5, Section 5.5, Contract Provisions and Related Matters. One copy of this item is attached hereto (Attachment No. 10). Additional copies must be reproduced by the engineer.

RUS Bulletin 1780-26, "Guidance for the Use of EJCDC Standard Documents on Water and Waste Projects with RUS Financial Assistance (August 2009 Version)," is enclosed for use by your engineer in the preparation of the contract documents (Attachment No. 4).

b. The contract documents must provide, as a minimum, the following insurance:

(1) Liability Insurance – Personal Liability - $500,000; Property Damage - $200,000 - $200,000. This coverage must include indemnification of the City and its engineer. EJCDC Document C-700, "Standard General Conditions of the Construction Contract" (2007 Edition) and Attachment H to RUS Bulletin 1780-26, "Supplementary Conditions" both suggest certain limits of liability for insurance coverage. Those limits should be considered as minimum requirements only. It is recommended you consider increasing the given limits of liability after analyzing your specific needs.

(2) Builder's Risk Insurance – On all structures and mechanical and electrical equipment in place or stored on the site to the full insurable value thereof.

(3) Workers' Compensation – In accordance with applicable State laws.

c. The contract documents and final plans and specifications must be submitted to RD for approval.

d. The project must be designed in compliance with Section 504 of the Rehabilitation Act of 1973.

17. **Interim Financing** – Interim financing will be used for the RD loan if it is available at reasonable rates and terms. You must provide RD with a copy of the tentative agreement reached in connection with interim financing. A copy of the proposed agreement should be provided for RD review. A Sample Credit Agreement is attached for your use in meeting this requirement (Attachment No. 11).

18. **Disbursement of Funds** – The RD funds will be advanced as they are needed in the amount(s) necessary to cover the RD proportionate share of any disbursements required of your City, over 30 day periods. Funds will be disbursed by electronic transfer of funds.

Any RD grant funds not disbursed immediately upon receipt must be deposited in an interest bearing account except as follows:

a. Federal grant awards (includes all federal funding sources) are less than $120,000 per year.

b. The best available interest bearing account would not be expected to earn in excess of the following:

Public Bodies
Interest earned on grant funds in excess of $100 per year will be submitted to RD at least quarterly as required in 7 CFR 3016.

c. The depository would require a minimum balance so high that it would not be feasible.

The City will establish a separate fund, to be known and hereafter referred to as the Construction Account, with a lending institution insured by the Federal Deposit Corporation. The account shall be used solely for the purpose of paying the costs of the project as outlined in the construction budget. All funds in the account will be secured by a collateral pledge equaling at least 100% of the highest amount of funds expected to be deposited in the Construction Account. All deposits in excess of $250,000 will be secured by a collateral pledge in accordance with Treasury Circular Number 176.

The City must assure that all project funds are expended only for the eligible items included in the final project budget or as may be later approved by RD.

19. At a properly called meeting, you must adopt and properly execute the following forms, and minutes showing the adoption must be provided:

Form RD 1940-1 – "Request for Obligation of Funds"
RUS Bulletin 1780-12 – "Water or Waste System Grant Agreement"
RUS Bulletin 1780-27 – "Loan Resolution (Public Bodies)"
Form RD 400-1 – "Equal Opportunity Agreement"
Form RD 400-4 – "Assurance Agreement"
Form AD 1047 – "Certification Regarding Debarment – Primary"
Form AD 1049 – "Certification Regarding Drug-Free Workplace"
Form RD 1910-11 – "Applicant Certification, Federal Collection Policies"
RD Instruction 1940-Q, Exhibit A-1, "Certification for Contracts, Grants and Loans"
Standard Form LLL – "Disclosure of Lobbying Activities" (If Applicable)
Certification of Compliance
Form RD 1942-46, "Letter of Intent to Meet Conditions"

20. The enclosed Water and Waste Processing Checklist (Attachment No. 2) outlines the items needed to complete the loan and grant docket. All the items listed must

be included in the loan and grant docket when it is forwarded to the USDA – Rural Development State Office with a request for loan closing instructions to be issued.

21. Upon receipt of the loan and grant docket, which contains all the items required above, RD may authorize you to advertise the project for construction bids. Such advertisement must be in accordance with appropriate State statutes. Immediately after bid opening you must provide RD with (a) a bid tabulation, (b) recommendations from you and your engineer as to the acceptability of the bids received, and (c) your recommendations for contract awards. If all parties then agree the construction bids received are acceptable, it is determined that adequate funds are available to cover the total facility costs, and that all the administrative conditions of loan approval have been satisfied, loan closing instructions will be issued. The closing instructions, a copy of which will be forwarded to you, will set forth any further requirements that must be met before the loan can be closed. When all parties agree that the closing requirements can be met, a mutually acceptable date for the loan closing will be scheduled.

After providing for all authorized costs, any remaining RD project funds will be considered to be RD grant funds and refunded to RD. If the amount of unused RD project funds exceeds the RD grant, that part would be RD loan funds and would be applied as an extra payment toward the loan balance.

If the conditions set forth in this letter are not met within twelve (12) months from the date hereof, RD reserves the right to discontinue processing of the application. In the event the project has not advanced to the point of loan closing within the twelve-month period and it is determined the authority still wishes to proceed, it will be necessary that the proposed budget be reviewed again in detail. If during that review, it is determined the budget is no longer current and/or adequate, RD reserves the right to require that it be revised or replaced.

We believe the information herein clearly sets forth the actions which must be taken; however, if you have any questions, please do not hesitate to contact me.

Sincerely yours,

BOBBY LEWIS
State Director

Enclosures

cc: Page 13.

cc: Craig Burns, Area Director
ATTN: Anna-Marie Lantz, Area Specialist
Elkins, WV

Griffith and Associates
950 Little Coal River Road
Alum Creek, WV 25003

John D. Athey, Esquire
149 Armstrong Street
Keyser, WV 26726

Dunn Engineering
ATTN: Fred Hypes, P.E.
400 South Ruffner Road
Charleston, WV 25314

Steptoe and Johnson
ATTN: John Stump, Esquire
P.O. Box 1588
Charleston, WV 25326

Region Eight Planning and Development Council
ATTN: Terry Lively, Executive Director
P.O. Box 8498
Petersburg, WV 26847

Project Construction Budget

PROJECT COST	RUS LOAN	RUS Grant	TOTAL
CONSTRUCTION	$ 3,300,000	$ 2,200,000	$ 5,500,000
CONST. CONTINGENCY	$ 321,000	$ 214,000	$ 535,000
LAND & RIGHTS	$ 36,000	$ 24,000	$ 60,000
LEGAL FEES-PSC	$ 25,000		$ 25,000
LEGAL FEES-LOCAL	$ 20,000		$ 20,000
BOND COUNSEL	$ 30,000		$ 30,000
ACCOUNTING	$ 25,000		$ 25,000
ENGINEERING FEES	$ 618,000	$ 412,000	$ 1,030,000
Basic - $693,000			
Insp. - $337,000			
Special - $			
INTEREST	$ -	$ 225,000	$ 225,000
INTERM FINANCING	$ 45,000		$ 45,000
ADMINISTRATION	$ -	$ 25,000	$ 25,000
PROJECT CONTG.	$ 80,000		$ 80,000
TOTAL	**$ 4,500,000**	**$ 3,100,000**	**$ 7,600,000**

Rates

Available for general domestic, commercial, and industrial service.

First 2M gallons/month	$11.06	Per M gallons
Next 5M gallons/month	$9.64	Per M gallons
Next 50M gallons/month	$8.51	Per M gallons
Next 50M gallons/month	$6.53	Per M gallons
All over 107,000 gallons	$4.95	Per M gallons

Minimum Charge

No bill shall be rendered for less than the following amounts according to the size of meter installed.

5/8"	$22.12
3/4"	$18.95
1"	$31.60
1 1/2"	$63.20
2"	$101.15
3"	$189.60
4"	$316.00
6"	$632.00
8"	$1,011.20

Sales for Resale
To be used when one water utility is selling water-to another water utility for resale

Rate- $2.223 per 1,000 gallons per month

Returned Check Charge

A service charge equal to the actual bank fee assessed to the District or a maximum of $25.00 will be imposed upon any customer whose check for payment of charges is returned by their bank due to insufficient funds.

Private Fire Protection Service

Where connections, hydrants, sprinklers, etc., on private property are maintained by the customer.

Rate- $138.31 per month

Delayed Payment Penalty

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

Reconnection Fee

$35.00
To be charged whenever the supply of water is turned off for violations of rules, non-payment of bills or fraudulent use of water.

Tap Fee

The following charges are to be made whenever the utility installs a new tap to servce and applicant

A tap fee of $425.00 will be charged to customers who apply for service outside of a certificate proceeding before the Commission for each new tap to the system.

Leak Adjustment

$0.40 per M gallons. To be used when the bill reflects unusual consumption which can be attributed to eligible leakage on customer's side of the meter. This rate shall be applied to all such consumption above customer's historical average usage.

Security Deposit

Not to exceed one-twelfth (1/12) of the annual estimated charge for residential service or one-sixth (1/6) of the annual estimated charge for commercial service, or fifty dollars, whichever is greater.

Use and Income Analysis - See Attached

Cash Flow Analysis - See Attached

Attachment No. 2 to Letter of Conditions
For: City of Keyser (Phase II Water Project)
Date:_____

UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL UTILITIES SERVICE
Water and Waste Processing Checklist

Form Number	Document or Action	Number Needed	Procedure Reference	Provided By	Target Date	Date Received	File Position
SF 424.2	Application for Federal Assistance	3	1780.31(b)	Applicant		Have	3
	DUNS Number	1		Applicant		Have	3
	CAIVRS Number	1		RUS		Have	CPAP Form
	Public Notice of Intent to File App./ Env. Notice	3	1780.19(a) 1794	Applicant		Have	3
Bulletin 1780-22	Applicant Eligibility Certification/ Other Credit Certification	1	1780.33(d)	Applicant		Have	3
	Bond Ordn. or Resol. On Outstanding Debts	1	1780.33(e)	Applicant/ Attorney		Have	5
	Bonds or Notes Outstanding Debt	1	1780.33(e)	Applicant/ Attorney		Have	2
	Audit for last year of operation	1	1780.33(e)	Applicant/ Accountant		Have	1
	Staff Review Financial Statements	1	S.I. 1780.2	RUS		Have	1
EJCDC No. E-500	Agreement between Owner & Engineer	3	1780.39(b)	Applicant/ Engineer			6

Form Number	Document or Action	Number Needed	Procedure Reference	Provided By	Target Date	Date Received	File Position
RUS Legal Services Agreement	Legal Services Agreement with Local Attorney	3	1780.39 (b)(2)	Applicant/ Attorney		Have	5
	Processing Conference	1	1780.39(a)	RUS			3
	Site Visit		S.I. 1780-2	RUS			3
	Environmental Report	2	1794	Applicant		Have	3
Exhibit H S.I. 1794-1	Categorical Exclusion	2	1794	RUS		Have	3
Bulletins 1780-2 1780-3	Preliminary Engineering Report	2	1780.33(c)	Engineer		Have	6
	Staff Engineer PER Review	1	1780.33(c)	RUS			3
	Bill Analysis for existing system(s)	2	1780.33(c)	Applicant/ Engineer		Have	8
	Rate Tariff	2	1780.33	Applicant		Have	8
	Documentation on Service Area	1	1780.11	RUS		Have	3
	Letter of Conditions	7	1780.41 (a)(5)	RUS			3
AD 1049	Certification Regarding Drug-Free Workplace	1	1780.33(h)	Applicant			5
	Applicant's IRS Tax Number(TIN)	1	1780.33(g)	Applicant		Have	3
	Agency Determination on the Availability of "Other Credit" with Documentation	1	1780.7(d)	RUS		Have	3

Form Number	Document or Action	Number Needed	Procedure Reference	Provided By	Target Date	Date Received	File Position
Bulletin 1780-1	Project Selection Criteria	2	1780.17	RUS		Have	1
	Minutes Adopting Drug-Free Workplace Program	1	LOC	Applicant			5
Exhibit A / A-1	Certifications Regarding Lobbying	2	1780.33(h)	Applicant			2
CPAP Form	Project Information	2	1780.41(a)	RUS			1
CPAP Form	Underwriting Information	2	1780.33(h)	RUS			3
RD 1940-1	Request for Obligation of Funds	2	1780.41(a)	RUS/ Applicant			2
RD 1942-46	Letter of Intent to Meet Conditions	2	1780.41 (a)(6)	Applicant			3
RD 1910-11	Applicant Certification, Federal Collect-ion Policies	1	1780.33(h)	Applicant			3
	Relationships/ Associations with Agency Employees	1	1780.1(f)	RUS			3
AD 1047	Certification Regarding Debarment (Primary)	1	1780.33(h)	Applicant			5
Bulletin 1780-27	Loan Resolution	1	1780.45 (a)(2)	Applicant			5
RD 400-1	Equal Opportunity Agreement	1	1901-E	Applicant			6
RD 400-4	Assurance Agreement	1	1901-E	Applicant			3

Form Number	Document or Action	Number Needed	Procedure Reference	Provided By	Target Date	Date Received	File Position
Bulletin 1780-12	Association Water or Sewer System Grant Agreement	2	1780.45(c)	RUS/ Applicant			2
	Legal Services Agreement with Bond Counsel	1	1780.39 (b)(3)	Applicant/ Bond Counsel		Have	5
	Agreement for Accounting Services	1	1780.39 (b)(2)	Applicant/ Accountant		Have	5
	RUS Review of Accounting Records	1	S.I. 1780-4 (1)(ii)	RUS			3
	Accountant's Certification	1	LOC	Applicant/ Accountant			3
	Evidence of Users:						
	Certification Relative to Existing Users	1	LOC	Applicant			5
	Verification of Users	1	1780.44(b)	RUS			3
	Copy of PSC Rule 42 Exhibit	1	State	Attorney/ Accountant			3
Lender Agreement/ Bulletin 1780-10/ 1780-10a	Interim Financing Documenta-tion	1	1780.39(d)	Applicant/ RUS			1
	DOH Permit	1	1780.15(d)	Applicant			6
	Railroad Permit	1	1780.15(d)	Applicant			6
	Public Land Corp. Permit	1	1780.15(d)	Applicant			6

Form Number	Document or Action	Number Needed	Procedure Reference	Provided By	Target Date	Date Received	File Position
	Corps of Engineers Permit	1	1780.15(d)	Applicant			6
	Dept. of Health Approval	1	1780.15(d)	Engineer			6
	Dept. of Environmental Protection Permit	1	1780.15(d)	Engineer			6
	Contract Documents, Plans & Specifications with ARRA/ Buy American and Davis Bacon Act Provisions	2	1780.61(a) RD AN 4477 1940-C	Engineer			Separate File
	Engineer's Certification Regarding ARRA/Buy American Provisions	2	RD AN 4477	Engineer			Separate File
	Dept. of Labor Davis-Bacon Wage Determination	2	1940-C	Engineer			Separate File
	Labor Standards Provisions	2	1940-C	Engineer			Separate File
	Agency Determination on Procurement	1	1780.70(d)	RUS			6
	Preliminary Bond Transcript Documents w/o Defeasance Provisions	2	1780.83	Bond Counsel			5
	Right-of-Way Map	1	1780.44(g)	Engineer			Separate File

Form Number	Document or Action	Number Needed	Procedure Reference	Provided By	Target Date	Date Received	File Position
	Deeds and/or Options		1780.44.(g)	Applicant/ Attorney			5
RD 1927-9	Preliminary Title Opinion	1	1780.44 (g)(2)	Applicant/ Attorney			5
	Narrative Opinion from Attorney	1	1780.44(g)	Attorney			5
	Waiver of Title Defects Letter	1	1780.44(g)	RUS			5
RD 442-22	Opinion of Counsel Relative to R/Ways		1780.44 (g)(1)	Attorney			5
	Review of Outstanding Judgment	1	1780.7(g)	RUS/ Attorney			3
SF 3881	Electronic Funds Transfer Payment Enrollment Form	1	31 CFR 208	Applicant/ Financial Institution			2
	Documenta-tion Relative to Health or Sanitary Hazards	1	1780.1 (c)(1) 1780.13 (b)(1)	RUS/State Health Department		Have	2
	PSC Approval	1	1780.15(b)	Applicant/ Attorney			6
	Bid Tabulation	1	1780.61(b)	Engineer			6
	OGC Closing Instructions	1	1780.44(h)	RUS			5
	S/O Closing Instructions	1	1780.44(h)	RUS			5
RD 1927-10	Final Title Opinion	1	1780.44 (g)(2)	Applicant/ Attorney			5

Form Number	Document or Action	Number Needed	Procedure Reference	Provided By	Target Date	Date Received	File Position
	Bond Transcript Documents w/o Defeasance Provisions	3	1780.83	Bond Counsel			Separate File
RD 400-8	Compliance Review	1	1780.44(c)	RUS			5
	Liability Insurance	1	1780.39(g)	Applicant			7
	Workers' Compensation Certificate	1	1780.39(g)	Applicant			7
	Flood Insurance Policy	1	1780.39(g)	Applicant			7
440-24	Fidelity Bond	1	1780.39(g)	Applicant			7
1924-16	Record of Pre-Construction Conference	1	1780.76(a)	RUS/ Engineer			6
AD 1048	Certification Regarding Debarment (Contractor)	1 each	1780.33(h)	All Appropriate Vendors			5
	OGC Final Opinion	1	1780.45(g)	RUS			5

RUS - WV SUPPLEMENTAL GENERAL CONDITIONS

These Supplementary Conditions amend or supplement the Engineers Joint Contract Documents Committee Standard General Conditions of the Construction Contract Funding Agency Edition (EJCDC C-710, 2002 Edition) and other provisions of the Contract Documents as indicated below. All provisions which are not so amended or supplemented remain in full force and effect.

The terms used in these Supplementary Conditions will have the meanings indicated in the General Conditions. Additional terms used in these Supplementary Conditions have the meanings indicated below, which are applicable to both the singular and plural thereof.

1. **WVSC 1.01 A 4** - Add the following language to the end of paragraph 1.01 A 4:

   a. Quantities completed on the "Final Application for Payment", must equal the final adjusted contract quantities on unit price contracts.

   b. Two executed copies with all attachments will be provided for RUS use.

2. **WVSC 1.01 A 10** - Add the following language to the end of paragraph 1.01 A 10:

   c. Work added by change order will not be considered for payment until the change order has been signed by Engineer, Owner, Contractor, and Agency.

3. **WVSC 5.04** - Add the following new paragraph immediately after paragraph 5.04 B:

   C. The limits of liability for insurance required by paragraph 5.04 of the General Conditions shall provide coverage for not less than the following amounts or greater where required by Laws and Regulations:

      1. Workers' Compensation, and related coverages under paragraphs 5.04 A.1 and A.2 of the General Conditions:

a. State:	Statutory
b. Applicable Federal (e.g., Longshoremen's)	Statutory
c. Employer's Liability	$500,000

      2. Contractor's General Liability under paragraphs 5.04 A 3 and A 6 of the General Conditions which shall include completed operations and product liability coverages and eliminate the exclusion with respect to property under the care, custody, and control of the Contractor:

a. General Aggregate	$2,000,000
b. Products - Completed Operations Aggregate	$1,000,000
c. Personal and Advertising Injury	$1,000,000

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d. Each Occurrence (Bodily Injury and Property Damage) $1,000,000

e. Property Damage liability insurance will provide Explosion, Collapse, and Underground coverages where applicable.

f. Excess or Umbrella Liability
   1) General Aggregate $3,000,000
   2) Each Occurrence $3,000,000

3. Automobile Liability under paragraph 5.40 A 6 of the General Conditions:
   a. Combined Single Limit of $1,000,000

4. The Contractual Liability coverage required by paragraph 5.04 B 4 of the General Conditions shall be provided by the CONTRACTOR as part of the CONTRACTOR'S General Liability coverage.

5. List additional types and amounts of insurance that may be required by OWNER.

6. List by name other persons or entities to be included on policy as additional insureds.

4. **WVSC 6.02** - Add the following new paragraph immediately after paragraph 6.02 B:

C. Wage rates. In any case where the Owner is a Public Body (Municipalities and Public Service Districts), the CONTRACTOR must pay wages at least equal to the State Prevailing Wage Rates. The Engineer will be responsible to see that current wage rates are included in the contract documents. The CONTRACTOR will be responsible for keeping a clearly legible statement of a fair prevailing wage rates posted in a prominent and easily assessable place at the job site for those projects where such rates apply.

5. **WVSC 12.03 A** - Add the following to the end of the paragraph.

When establishing the contract time, allowance will be made for four (4) days of work lost per month due to adverse weather conditions or the impact of the adverse weather. At the time of each contractor's application for payment, the contractor shall submit to the Engineer and Owner for approval, a list of all days lost due to adverse weather or the impacts of the adverse weather and shall indicate which days are to be subtracted as part of the four (4) day allowance for that month as established by this paragraph. Accompanying this list will be data supplied by the National Oceanic and Atmospheric Administration, National Weather Service that supports rain or snow in excess of 0.1 inch of precipitation or temperatures at 32 degrees F or below. *For purposes of this paragraph, the impact days will be defined as days where*

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conditions were unfavorable for construction due to the excess of 0.1 inch of precipitation.

Replace the italicized sentence with:
For the purposes of paragraph, impact days will be defined as days where conditions were unfavorable for construction due to an adverse weather day exceeding a tenth (0.1) inch of precipitation.

Then continue with the following:
The list of all days lost will be reviewed and approved by the Owner and Engineer who shall then determine the number of days lost which exceed the four (4) day allowance for that month. If applicable, the National Weather Service data will be attached to the contractor's application for payment. The adverse weather days and impact days are to be part of the Resident Project Representative's job documentation.

Approval of the contractor's application for payment by the Engineer, Owner, and Funding Agency will also include approval of the adverse weather days and impact days. After Substantial Completion and not until such time, a contract change order will be executed to extend the contract construction time by the entire number of approved adverse weather days and impact days which exceeded the 4 day allowance for each month. This extension of contract time must be based solely on the adverse weather days and impact days submitted by the contractor at the time of each contractor's application for payment, approved by the Owner and Engineer and which the Owner and Engineer have determined to exceed the 4 day allowance per month. There will not be a decrease in contract construction time if the contractor loses less than 4 days of work per month due to adverse weather or the impact of adverse weather.

6. **WVSC 14.07** - Add the following new paragraph immediately after paragraph 14.07 A 3:

Listed are the necessary documents required before final payment is made to contractors on projects financed in whole or in part by RUS. Some of the items may not be applicable on each project or in all contracts of the same project. When more than one contractor is on the same project, most of the following items will be submitted for each.

1. Final adjusting change order shall be updated and reflect the changes to correlate with the as-built drawings.

2. For project where performance and payment bonds are in effect, a "Consent of Surety as to Final Payment" is needed. When surety bonds are not provided, contractors will furnish the owner required evidence of payment in full for all materials, labor, and any other items procured under the contract. Form RD 1924-10, "Release by Claimants," and/or Form RD 1924-9, "Certificate of Contractor's Release." may be used for this purpose.

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3. A statement of acceptance from WVDOT, if required, stating that satisfactory repairs were made to the roadways which were disturbed during the construction period and that all expenses associated with WVDOT inspections have been paid in full.

4. A statement signed by the Engineer stating that the work has been inspected and completed in accordance with the approved contract documents.
5. Release from the West Virginia Department of Tax and Revenue.

7. **WVSC 16.01 B** – Add the following immediately below paragraph 16.01B: Arbitration by Mutual Agreement

   1. All claims, disputes, and other matters in question arising out of, or relating to, the CONTRACT DOCUMENTS or the breach thereof, except for claims which have been waived by making an acceptance of final payment as provided by Section 20, may be decided by arbitration if the parties mutually agree. Any agreement to arbitrate shall be specifically enforceable under the prevailing arbitration law. The award rendered by the arbitrators shall be final, and judgment may be entered upon it in any court having jurisdiction thereof.

   2. Notice of the request for arbitration shall be filed in writing with the other party to the CONTRACT DOCUMENTS and a copy shall be filed with the ENGINEER. Request for arbitration shall in no event be made on any claim, dispute, or other matter in question which would be barred by the applicable statute of limitations.

   3. The CONTRACTOR will carry on the WORK and maintain the progress schedule during any arbitration proceedings, unless otherwise mutually agreed in writing.

8. **WVSC 18.10** - Add the following new paragraph immediately after paragraph 18.10 C:

   D. For each contract exceeding $100,000, the CONTRACTOR shall furnish, erect and maintain one project sign in accordance with according to the specifications set forth below:

      Size: 4' x 8' x 3/4"

      Material: APA Rated A-B Grade-Exterior

      Framing: 2" x 4" nominal on four sides and center cross bracing

      Supports: 4" x 4" x 12' nominal post

      Mounting: Sign is to be mounted to the 4" x 4" post with a 3/8" minimum bolt and nut, four on each side of the sign. Each bolt is to have two washers, one between the sign and the head of the bolt and the other between the post and the nut.

      Erection: 4" x 4" posts are to set three to four feet deep into concrete 12" in diameter.

DRAFT

Paint: Face: three coats outdoor enamel (sprayed)
Rear: one coat outdoor enamel (sprayed)

Colors: White background with black lettering except for USDA logo which will be in accordance with Exhibit 1-A.

Lettering: Silk screen enamel. Lettering sizes and positioning will be as illustrated.

Location and height of sign will be coordinated with the agency responsible for highway and street safety in the area, if any possibility exists for obstruction of traffic line of sight.

The project sign will be substantially in accordance with Exhibits 1-A and B, placed in a prominent location, and maintained in good condition until the completion of the project.

Information for items will be supplied by the Engineer/Architect.

Cost of sign, including erection and removal, shall be included in the lump sum of or unit prices bid.

9. **WVSC 18.12** - Add the following new paragraph immediately after paragraph 18.12 A 4:

   B. Lead Based Paints: CONTRACTORS must comply with Lead Base Paints Poisoning and Prevention Act and National Consumer Health Information and Health Promotion Act of 1976 with reference to specifications for paints used in construction.

DRAFT

CITY OF KEYSER
WATER SYSTEM IMPROVEMENTS
PHASE II
PROJECT BUDGET

Construction	$5,500,000
Engineering	
• Planning	$0
• Design	$693,000
• Construction	$337,000
Subtotal	$1,030,000
Legal	
• Project Attorney	$10,000
• Right of Way	$10,000
• Public Service Commission Attorney	$25,000
Subtotal	$45,000
Project Administration	
• Project Coordinator	$80,000
• CPA	$25,000
Subtotal	$105,000
Financing Costs	
• Interim Financing	$45,000
• Bond Council	$30,000
Subtotal	$75,000
Site Easements and Rights of Way	
• Land Acquisition Costs	$60,000
• Easements	$0
Subtotal	$60,000
Project Contingency	$535,000
TOTAL PROJECT COSTS	$7,350,000

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

FINAL

5/21/2013

Entered: May 1, 2013

CASE NO. 12-0817-W-MA

CITY OF KEYSER,
a municipal utility,
Investigation and suspension of increase in water rates and charges as a result of petitions filed in accordance with W.Va. Code §24-2-4b.

CASE NO. 12-1679-W-CN

CITY OF KEYSER,
a municipal utility,
Application for a certificate of convenience and necessity to construct the Phase I and Phase II Water System Improvements Project, Mineral County

RECOMMENDED DECISION

This Order grants the certificate and adopts the Staff-recommended rates for the City of Keyser.

On May 23, 2012, the City of Keyser (Utility) adopted an ordinance increasing its rates to its water customers.

On June 15, 2012, the Commission received a protest petition which alleged discrimination and appeared to be signed by not less than 25% of the Utility's water customers.

On June 18, 2012, the Commission invoked its jurisdiction and made the Utility a respondent to the proceeding. The matter was designated Case No. 12-0817-W-MA.

On June 21, 2012, the New Creek Water Association (NCWA) protested the ordinance and alleged discrimination.

By Procedural Order issued June 26, 2012, NCWA was made a party to the proceeding.

By Procedural Order issued August 1, 2012, Gerald D. Icks was made a party to the proceeding.

On August 24, 2012, the Utility moved for emergency interim rates.

By Commission Order issued October 5, 2012, the Commission granted interim rate relief.

On December 27, 2012, the Utility filed an application for a certificate of convenience and necessity to construct certain improvements to its water system. The matter was designated as Case No. 12-1679-W-CN.

On January 8, 2013, the Commission referred the matter requiring a decision on or before May 13, 2013, in the case of no substantial protest and June 25, 2013, if there was a substantial protest.

On January 22, 2013, the Utility moved to consolidate Case Nos. 12-0817-W-MA and 12-1679-W-CN, to toll the statutory deadline and extend the decision due deadline in the municipal appeal so that these deadlines coincided with the deadlines in the certificate case.

On January 30, 2013, the Commission consolidated the cases. It also tolled the statutory deadline in Case No. 12-0817-W-MA and extended the decision due deadline to May 13, 2013.

By Procedural Order issued February 1, 2013, the matter was set for hearing on April 9, 2013, and the Utility was ordered to publish notice of the hearing.[1]

The hearing was held as scheduled. Susan J. Riggs, Esquire, appeared on behalf of the Utility. Hoy G. Shingleton, Jr., Esquire, appeared on behalf of NCWA. Gerald Ickes appeared on his own behalf. John Auville, Esquire, appeared on behalf of Staff. A briefing schedule was established and all parties filed briefs.

PUBLIC COMMENT

Karol Ashenfelter is concerned with an increase in rates. Ms. Ashenfelter indicated that the average income of Keyser residents was $33,000 a year. Ms. Ashenfelter's mother makes $642 a month and cannot afford a significant increase in her water rates. She is also concerned with young families with children whose parents make minimum wage. (Tr. 11, 12).

EVIDENCE

Randy Amtower, the mayor of Keyser, participates in the Utility's board meetings. (Tr. 14). The proposed project includes refurbishing water storage tanks, additional booster stations, and 4.5 miles of line replacement. (Tr. 16, 17). The A Street Tank was built in 1984 and needs a

[1] The Utility properly published notice of the hearing. (See affidavit filed April 3, 2013).

major refurbishing. It has suffered from six leaks at high elevations in the tank. (Tr. 17). A private inspection firm from Montana called Liquid Engineering inspected the tank and recommended refurbishing as opposed to replacement. (Tr. 17, 18). The Waxler Tank has a ten-day turnover which is excessive under the Department of Health regulations. The tank can be more useful with the addition of certain boosting capabilities. The project includes a new 200,000-gallon tank on Chestnut Street which will increase fire protection and the volume of the City's storage. (Tr. 18).

Currently the treatment plant has to start and stop periodically throughout the day because the hydraulics in the system only permit 180,000 gallons of usable storage on the A Street Tank. The treatment plant has to operate on and off throughout the day in order to maintain pressure in higher elevations. (Tr. 18). When there is a fire in Keyser or in the service territory of one of the resale customers, the current protocol is to immediately get a treatment plant operator out to start the treatment plant. The modifications to the storage system and boosters will allow operating time and restarts on the treatment plant to be reduced, reducing operation and maintenance expenses. (Tr. 18, 19).

The part of the project labeled Phase I will cost $4.2 million and be financed with a Rural Utilities Service (RUS) loan for 40 years at 2.625% interest. (Tr. 19). The Phase II part of the project will be the treatment plant renovation and includes equipment replacement, structural work, lead abatement and electrical work. (Tr. 19, 20). Much of the treatment plant was constructed in 1924 with many of the original components still being utilized. (Tr. 19). There was an upgrade done in the 1980s but most of the piping is still original 1924 piping. Certain parts for the treatment plant are now unavailable. (Tr. 20).

The Phase II part of the project also includes additional boosters, auxiliary generation, and dredging the raw water source which is the New Creek Dam Impoundment. (Tr. 20, 21). The dredging should increase the raw water reservoir by about one million gallons. The Phase II portion of the project is estimated to cost $7.6 million to be financed with a $4.5 million RUS loan for 40 years at 2.375% interest and a $3.1 million grant under the American Recovery and Reinvestment Act. (Tr. 21).

The Utility agrees with the Staff recommendations regarding rates and the necessity of the project. The Utility further agrees with Staff's class cost of service study. (Tr. 22).

When Mr. Amtower first became mayor, the general revenue funds were subsidizing the water utility. (Tr. 25, 26). The Utility tried to clean up its accounting which included changes in staff and a new accounting system. The Utility also caught up on its past-due audits. (Tr. 26, 27). The Utility separated its bank accounts for water and sewer operations from other city functions and from each other. (Tr. 27).

Under the Commission-approved interim rates, the Utility has operated in the black and kept current all of its depreciation reserve requirements. (Tr. 28). Mr. Amtower believes that the Utility should have made numerous small rate increases over the past few years but failed to take such prudent action. (Tr. 29, 30).

Frederick Hypes, a registered professional engineer, is the Utility's consulting engineer for the project. (Tr. 34). The water distribution system has a significant amount of galvanized iron pipe installed in the 1950s which is beginning to leak. The Utility has undersized mains with some as small as three-quarters of an inch. (Tr. 35).

The Waxler Road booster station proposed in the project will allow more proper utilization of the million-gallon tank which serves the industrial park and portions of McCoole. (Tr. 36). When more than 15% of the tank is utilized, the higher altitude customers begin to lose pressure. If more than one-third of the tank is utilized, certain customers are completely out of water. Even with one million gallons of water in the tank, the system only utilizes the top 15 % of the tank, meaning it effectively operates as a 150,000 gallon tank. (Tr. 37). The A Street Tank needs to be repainted and it is currently rusting. (Tr. 39).

The technology utilized in the water treatment plant is ninety years old. It is difficult to repair or replace parts of the treatment plant. (Tr. 38, 39). The control equipment, electrical components, lighting, pumps and much of the rest of the plant have reached the end of their useful lives. (Tr. 39).

The Utility operates its treatment plant until it fills the A Street Tank. When the tank is full, the treatment plant shuts down, until the tank has drawn down a sufficient amount of water that requires the treatment plant to begin operation and pumping again. (Tr. 53). The plant pumps twelve to fifteen hours a day but is frequently occupied twenty or more hours a day due to the on and off nature of the current operating requirements. (Tr. 54).

The NCWA connection to the Utility's system is right outside the door of the treatment plant. (Tr. 51, 52). There is little, if any, unaccounted-for water in the particular pipe connecting the Utility to NCWA. (Tr. 52).

Some of the Utility's system storage serves NCWA. (Tr. 54). Water leaving the Utility's storage flows by gravity into NCWA's system providing both pressure and volume. (Tr. 54, 55). Water flows into the NCWA system even when the treatment plant is not in operation. (Tr. 55).

The A Street Tank is also sometimes called the Potomac State Tank. (Tr. 55). Part of the project will be to install a new booster station to pump water from the Waxler Tank fifty feet up into the A Street Tank to meet demands which will allow fewer man hours at the water treatment plant. (Tr. 56). The treatment time will be the same but employees will not have to be sitting at the treatment plant waiting to restart the plant when a certain amount of water drains out of storage. The current treatment plant operates at 1,400 gallons per minute, which equates to two million gallons a day. Technically it is rated at a peak capacity of 2,100 gallons per minute, but it has never operated at that level. (Tr. 57).

NCWA begins drawing water before the treatment plant starts to operate and continues drawing water after the treatment plant shuts down for the day. (Tr. 58). When the treatment

plant is not operating and NCWA is taking water, the water comes from the Utility's storage tanks. (Tr. 61).

The Utility's water system is a spider web with numerous connections connecting large and small mains. (Tr. 62, 63, 79). There is not a single main that can be considered to be a transmission line. There is a 12-inch main that leaves the plant to a large storage tank, but there are also a whole host of smaller lines carrying water back and forth between the tank and the plant. The 12-inch main is connected to NCWA and is not going to be replaced or rehabilitated in the project. (Tr. 63).

David Hatten, a certified public accountant, works for Griffith and Associates which is consulting for the Utility. (Tr. 64, 65). Mr. Hatten is not familiar with the RUS utilizing wrap financing. (Tr. 67, 68). Mr. Hatten characterized the financing for this project as being average for financing packages for utility projects in West Virginia. (Tr. 68, 69).

David Vanscoy, a registered professional engineer, works for RK&K Engineers which is a consultant for NCWA. Mr. Vanscoy used to be the Utility's engineer. (Tr. 76). Mr. Vanscoy believes that, due to the insignificant amount of water pipe used by the Utility to serve NCWA, there would be little to no unaccounted-for water on that pipe. (Tr. 77). NCWA purchases about 250,000 gallons of water from the Utility every day which amounts to a little less than 25% of the water produced by the Utility. The Utility's average production is 1.1 million gallons a day. (Tr. 78). Mr. Vanscoy disagrees with Mr. Hypes that NCWA draws off the entire Utility's system. (Tr. 78, 79). Mr. Vanscoy believes that NCWA draws off the 12-inch main that connects the water treatment plant to the storage tank. (Tr. 79).

Mr. Vanscoy believes that the Liberty Street booster station will not contribute to NCWA in any manner but will merely serve the Utility's higher elevation customers which are currently served by individual pumps. The Waxler Street booster station will repump water, moving it around internally in the Utility's system and will provide only minimal benefit to NCWA. (Tr. 79). Mr. Vanscoy believes that all project costs associated with the treatment plant upgrade should be borne by all customers including NCWA. He believes that NCWA should not be sharing in the cost of the distribution system upgrade. (Tr. 80). NCWA supports both the need for the project and the Staff-calculated total revenue requirement. NCWA does not concur with a significant amount of the new capital costs being allocated to NCWA in a resale rate. (Tr. 81).

The Utility has two resale customers, NCWA and McCoole. NCWA lies to the south of Keyser and McCoole lies to the north. Water going to McCoole has to go throughout the entire Utility system. McCoole's water is metered at the river on the West Virginia side of the riverbank and is pumped under the river to McCoole. (Tr. 82).

NCWA beings taking water about 6:00 a.m. and continues until about midnight. The NCWA pumps approximately seventeen hours per day with telemetry-controlled pumping. On occasions where NCWA suffered from a major line break or a fire, it has required water in the

middle of the night when the Utility was not operating its treatment plant. One such example was for the Pines fire. (Tr. 84).

Gerald Ickes believes that the work is necessary but is concerned that the residents inside the city limits are getting the short end of the stick on rate allocation. (Tr. 88, 89). Mr. Ickes testified that NCWA used about 90 million gallons a year, McCoole used 19 million gallons a year, Keyser used 147 million gallons a year, and unaccounted-for water was 127 million gallons. (Tr. 91, 92).

Sylvia Steranka, a Technical Analyst in the Engineering Division for Staff, concluded that the project was necessary because the plant is very outdated. Ms. Steranka testified that the plant looked like a museum. Ms. Steranka was impressed with the way the plant was operated and believed that the Utility's operators are very qualified. She attributes the plant's continued functioning to the quality work of the Utility's plant operators. Ms. Steranka indicated that it would be very difficult to find components for replacement parts for the existing system. She indicated that the concrete work in the plant is beginning to break down and that the plant roof needs work. The building is in poor condition. (Tr. 98).

James Spurlock, a Technical Analyst in the Engineering Division, prepared class cost of service study allocation factors. (Tr. 100). Mr. Spurlock testified that the class cost of service study methodology utilized by Staff has not been modified much in the last twenty-five years. (Tr. 104).

Sandy Mitchell was assigned to the case as a Utilities Analyst and prepared Staff's Rule 42 Exhibit.[2]

Jonathan McGuire, a Utilities Analyst for Staff, prepared the revenue requirements, class cost of service study and Staff-recommended rates. (Tr. 110, 111).

DISCUSSION

All parties are in agreement that the project is necessary. All parties are also in agreement that the overall Staff-recommended revenue requirements are appropriate. The only disagreement between the parties is regarding the class cost of service study. The Utility supports the Staff class cost of service study. NCWA believes that it is paying too much. It argues for a separate resale rate for each resale customer with its rate being lower than McCoole's rate. Mr. Ickes believes that the resale class is paying too little.

NCWA argues that it should not be allocated any unaccounted-for water losses on the Utility's system and also should not pay for any part of the improvements to the distribution/storage system of the Utility because it takes water from right outside the treatment plant.

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[2] Since that assignment, Ms. Mitchell has been promoted to serve as the Commission's Budget and Finance Manager.

However, the evidence was uncontroverted that NCWA relies on the Utility's storage and distribution system for both pressure support and quantity of water. It draws water from the system during hours when the treatment plant is not in operation. That water comes from the Utility's system including its storage tanks and water mains. The same is undoubtedly true when there is a fire or major leak within the service territory of NCWA and it draws an unusual quantity of water in a short period of time.

NCWA also expresses discomfort at the fact that, in the last class cost of service study conducted in Case No. 95-0062-WS-MA, NCWA was not allocated any cost associated with unaccounted-for water on the Utility's system but it is in this case. At the time of that study, NCWA was the only resale customer of the Utility. McCoole became a customer of the Utility later in the 1990s.

Although the Commission sometimes establishes different rates for different resale customers of a Utility, it is more typical for the Commission to treat all resale customers as a class just as it treats all residential customers or all commercial customers as a class. In this case, NCWA falls within the resale class. The classes of customers generally have somewhat similar usage requirements and other factors that make it reasonable to group them for the purpose of establishing cost based rates. It is probably quite true that the cost of providing service to NCWA is somewhat less than the cost of providing service to McCoole due to the exact nature of the system. That fact alone does not mean that it is inappropriate to establish rates for both NCWA and McCoole as a single class. One can also see in this case that the percentage changes in rates for the various classes are very close together. For pre-project rates, the difference is a 3.75% increase for fire protection to a 3.88% increase for the resale class. For post-project rates, the difference is a 41.99% increase for residential rates to a 44.45% increase for the resale class. In other words, the class cost of service study in this case ends up with rates that are relatively close to the class cost of service study in the last litigated rate case. It is appropriate to establish the same resale rate for NCWA as for McCoole.

Neither NCWA nor Mr. Ickes offered into evidence an independent class cost of service study. Both concluded that the study submitted by Staff and supported by the Utility was erroneous. However NCWA believed that it was paying too much and the other classes and other members of its class were paying too little and Mr. Ickes believed that his class was paying too much and the resale class was paying too little.

No class cost of service study results in a perfect allocation of costs. Ratemaking is as much an art as it is a science. The study offered up by Staff fairly attempts to make reasoned divisions of cost between customer classes. The methodology has been used by the Commission in a multitude of rate cases for a very long time. No party pointed out any errors in the application of the well-worn methodology. The Staff class cost of service study and the resulting rates should be adopted by the Commission for use by the Utility. The project and its proposed financing should be approved.

FINDINGS OF FACT

1. On December 27, 2012, the Utility filed an application for a certificate of convenience and necessity to construct certain improvements to its water distribution system, including the rehabilitation of its water treatment plant. (See filing).

2. The Utility operates a 3 MGD water treatment plant at the rate of 2 MGD, with the plant operating about 14 hours a day. (Staff Exhibit 1).

3. The Utility provides water service to 2,400 customers in Keyser. The Utility serves two resale customers, NCWA and McCoole. NCWA serves 1,350 customers and McCoole serves 900 customers. (Id.).

4. The treatment plant was built in 1924 and most of its components are in need of replacement or significant maintenance. (Staff Ex. 4; Tr. 19, 20, 38, 39, 98).

5. The proposed project includes dredging the raw water source impoundment, emergency generation, treatment building renovations, and replacement or refurbishing of major components of the treatment plant including piping, pumps, valves, controls, meters, flocculators, mixers, chlorine system, filters and other components. (Staff Exhibit 1).

6. The project includes lead abatement, instrumentation replacement, safety equipment and the addition of two booster stations. (Id.).

7. The project includes telemetry and electrical work at the Chestnut and Waxler Tanks. Certain tanks will be painted and refurbished. (Id.).

8. The new Waxler booster station is needed to better utilize the Waxler Tank by storing more water in it while the treatment plant is operating and later pumping that water into the Potomac State Tank while the plant is not in operation. (Id.).

9. The existing turnover rate of the Waxler Tank is ten days, and the project will improve the turnover rate to 3.3 days. (Id.).

10. The project includes replacing certain water mains which are too small to provide adequate pressure or fire flow. (Id.).

11. The project includes replacing water mains that are significantly deteriorated and leaking. (Id.).

12. The Utility has an unaccounted-for water rate of 33% and the project should reduce that rate. (Id.).

13. The Utility currently has to repeatedly start and stop its treatment plant in order to maintain water pressure and water service for various customers on its system due to a poor hydraulic design of its existing tanks and system. (Staff Exhibit 1).

14. The current hydraulic design of the Utility's system means that only 15% of the million-gallon tank can be utilized. If more than the top 15% of the tank is utilized, higher altitude customers begin to lose pressure. If more than one-third of the tank is utilized, certain customers are completely out of water. (Tr. 35, 36, 37).

15. The A Street Tank is currently rusting and needs to be repainted. (Tr. 39).

16. The connection for the NCWA to the Utility's system is right outside the door of the treatment plant. (Tr. 51, 52).

17. Some of the Utility's storage systems serve NCWA. Water leaving the Utility's storage system flows into the NCWA system providing both pressure and volume to NCWA. (Tr. 54, 55).

18. NCWA begins taking water from the Utility prior to the start of the treatment plant each day and continues taking water after the treatment plant shuts down. When the treatment plant is not operating, the water comes from the Utility's storage tanks and mains. (Tr. 61, 84).

19. The Utility's water system is a spider web with numerous connections connecting various facilities on the system, including large and small mains. There is a 12-inch main from the treatment plant to the largest storage tank, but there are also a host of smaller lines carrying water back and forth between the tank and the plant. (Tr. 62, 63, 79).

20. The 12-inch main is not going to be replaced or rehabilitated in this project. (Tr. 63).

21. The estimated construction cost of the Liberty Street booster station is $250,000, and the estimated cost of the Waxler pump station is $350,000. (Tr. 74).

22. McCoole lies on the north side of the City of Keyser, and water going to McCoole has to go through the entire Utility system to reach McCoole. (Tr. 82).

23. The treatment plant is very antiquated, and its continued functioning and service speaks to the quality work of the Utility plant operators. (Tr. 98).

24. The project has been divided into two phases. The work on the distribution system is labeled Phase I and the water treatment plant rehabilitation is labeled Phase II. (Staff Ex. 1).

25. The estimated cost for Phase I is $4,200,000 of which $2,932,800 is for construction. (Id.).

26. The estimated cost for the Phase II portion of the project is $7,600,000 with $5,500,000 for construction. (Staff Ex. 1).

27. Engineering costs represent 13.6% of the total cost and 18.7% of the construction cost which Staff views as reasonable for the nature of the project. (Id.).

28. The Utility has applied for all the necessary permits for the project. The plans and specifications have been approved by the West Virginia Office of Environmental Health Services, with the office issuing Permit No. 19,200 related to the project. The West Virginia Infrastructure and Jobs Development Council has approved the project under Case No. 2001W-596. (Id.).

29. The plans and specifications do not conflict with the Commission's rules. (Staff Exhibit 1).

30. Phase I of the project will be financed by an RUS loan in the amount of $4,200,000 for 40 years at an interest rate of 2.625%. (Id.).

31. Phase II of the project will be financed by an RUS loan in the amount of $4,500,000 for 40 years at an interest rate of 2.375% and a grant in the amount of $3,100,000 from the American Recovery and Reinvestment Act of 2009 administered by RUS. (Id.).

32. Staff recommends approval of the project. (Id.).

33. The Staff-recommended non-project rates generate an increase for the Utility of $43,350 in revenue, or 3.77% over revenues generated prior to the proceeding. (Staff Exhibit 4).

34. The Staff-recommended non-project rates generate .04% more revenue than the revenue generated under the interim rates. (Id.).

35. The Staff-recommended non-project rates provide a surplus of $41,008 and a debt service coverage of 110.11%. The Utility's outstanding bonds require a minimum debt service coverage of 115%. (Id.).

36. The Staff-recommended project rates generate an increase in revenue for the Utility of $493,289, or 42.87% over revenues generated prior to the proceeding. (Id.).

37. The Staff-recommended project rates provide a surplus of $80,049 and a debt service coverage of 115.03% which exceeds the required 115%. (Id.).

38. The Utility is in agreement with the Staff recommendations concerning rates including the rate design. NCWA agrees with the Staff calculated revenue requirement but disagrees with the rate design. Mr. Ickes disagrees with the rate design. (Tr. 22).

39. The project will increase O&M expenses by approximately $19,200 related to both labor and pumping expenses. (Staff Ex. 4).

40. Staff conducted a class cost of service study. Under the Staff class cost of service study, the various percentage increases for the various customer classes range from a low of 3.75% for fire protection class to a high of 3.88% for the resale class. Under the Staff class cost of service study for project rates, the range and percentage increase for various classes range from a low of 41.99% for the residential class and a high of 44.45% for the resale class. (Id.).

41. A residential customer of the Utility using 4,500 gallons of water currently pays $26.66 a month. Under the Staff-recommended non-project rates, the same customer will pay $27.67 a month. Under the Staff-recommended project rates, the same customer will pay $37.81 a month. (Staff Exhibit 4).

42. Staff submitted the only class cost of service study in the proceeding. (Staff Ex.4 and file generally).

CONCLUSIONS OF LAW

1. The public convenience and necessity require the project.

2. The proposed financing is reasonable and should be approved.

3. The rates set forth in Appendix A are reasonable, just, based primarily upon the cost of providing service and should be approved for use by the Utility upon the expiration of the statutory deadline for these cases.

4. The rates set forth in Appendix B are reasonable, just, based primarily upon the cost of providing service and should be approved upon the filing of the certificate of substantial completion for the project certificated in this case.

ORDER

IT IS, THEREFORE, ORDERED that the City of Keyser be, and hereby is, granted a certificate of convenience and necessity to construct the improvements to its water distribution and treatment system as described in its application filed November 27, 2012, without specifically approving the project's plans and specifications. The cost of Phase I of the project shall not exceed $4,200,000. The cost of Phase II of the project shall not exceed $7,600,000. Approval is contingent upon receipt of all necessary federal, state and local permits. The Utility shall file all permits not yet received with the Commission upon receipt.

IT IS FURTHER ORDERED that the proposed financing of Phase I, consisting of a USDA Rural Utilities Service loan in the amount of $4,200,000 for 40 years at an interest rate of 2.625%, be, and hereby is, approved.

IT IS FURTHER ORDERED that the proposed financing of Phase II, consisting of a USDA Rural Utilities Service loan in the amount of $4,500,000 for 40 years at an interest rate of 2.375% and an American Recovery and Reinvestment Act of 2009 grant administered by the Rural Utility Service in the amount of $3,100,000, be, and hereby is, approved.

IT IS FURTHER ORDERED that, if the scope or plans for the project change, or project cost or financing changes require a further rate increase beyond any approved in this order, the Utility must obtain prior Commission approval before commencing construction. Changes in project costs or financing do not require separate approval if those changes do not affect rates and the Utility submits an affidavit from a certified public accountant to this effect.

IT IS FURTHER ORDERED that the Utility provide the Commission with a copy of an engineer's certified bid tabulation for all contracts awarded for this project, as soon as they are available, but no later than ten days after the bid opening date.

IT IS FURTHER ORDERED that the Utility submit to the Commission a copy of the certificate of substantial completion issued for each construction contract associated with the project, as soon as they are available, but no later than ten (10) days after the issuance of such documents.

IT IS FURTHER ORDERED that the Utility comply with all rules and regulations of the Division of Highways regarding the use of Division of Highways' rights-of-way.

IT IS FURTHER ORDERED that the rates attached in Appendix A be, and hereby are, approved for all service by the City of Keyser on and after June 25, 2013. The Utility shall provide the Commission an original and five (5) copies of a tariff reflecting the approved rates within thirty (30) days from the date that they are effective.

IT IS FURTHER ORDERED that the rates attached in Appendix B be, and hereby are, approved for all service by the City of Keyser on and after the filing of the certificate of substantial completion in Case No. 12-1679-W-CN. The Utility shall provide the Commission an original and five (5) copies of a tariff reflecting the approved rates with the Commission within thirty (30) days from the date that they are effective.

IT IS FURTHER ORDERED that the matter be removed from the open docket.

The Executive Secretary is hereby ordered to serve a copy of this order upon the Commission by hand delivery, and by electronic service upon all parties of record who have filed an e-service agreement with the Commission and by United States Certified Mail, return receipt requested, upon all parties of record who have not filed an e-service agreement with the Commission.

Leave is hereby granted to the parties to file written exceptions supported by a brief with the Executive Secretary of the Commission within fifteen (15) days of the date this order is

mailed. If exceptions are filed, the parties filing exceptions shall certify to the Executive Secretary that all parties of record have been served the exceptions.

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

Any party may request waiver of the right to file exceptions to an Administrative Law Judge's order by filing an appropriate petition in writing with the Secretary. No such waiver will be effective until approved by order of the Commission.

K. A. George

Keith A. George
Administrative Law Judge

KAG:cdk
120817af.docx

CITY OF KEYSER
CASE NOS. 12-0817-W-MA AND 12-1679-W-CN

APPROVED RATES

APPLICABILITY

Applicable within the entire territory served.

AVAILABILITY OF SERVICE

Available for general domestic, commercial and industrial service.

RATES (For all customers with metered water supply)

First	2,000 gallons used per month	$6.62 per 1,000 gallons
Next	5,000 gallons used per month	$5.77 per 1,000 gallons
Next	50,000 gallons used per month	$5.08 per 1,000 gallons
Next	50,000 gallons used per month	$3.90 per 1,000 gallons
All Over	107,000 gallons used per month	$2.97 per 1,000 gallons

MINIMUM CHARGE

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

5/8-inch meter	$ 13.24 per month
3/4-inch meter	$ 19.86 per month
1 -inch meter	$ 33.10 per month
1-1/4 -inch meter	$ 48.33 per month
1-1/2 -inch meter	$ 66.20 per month
2 -inch meter	$ 105.92 per month
3 -inch meter	$ 211.84 per month
4 -inch meter	$ 331.00 per month
6 -inch meter	$ 662.00 per month
8 -inch meter	$1,059.20 per month

RESALE RATE

To be used when the City is selling water to another water utility for resale.

Rate $2.33 per 1,000 gallons used per month.

RETURNED CHECK CHARGE

A service charge equal to the actual bank fee assessed to the City, or a maximum of $25.00, will be imposed upon any customer whose check for payment of charges is returned by their bank due to insufficient funds.

DELAYED PAYMENT PENALTY

The above schedule is net. On all accounts not paid in full when due, ten percent (10%) will be added to the net current amount unpaid. This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

RECONNECTION

$35.00

To be charged whenever the supply of water is turned off for violations of rules, non-payment of bills, or fraudulent use of water.

TAP FEE

The following charges are to be made whenever the utility installs a new tap to serve an applicant:

A tap fee of $150.00 will be charged to customers applying for service before construction is completed adjacent to the customer's premises in connection with a certificate proceeding before the Commission. This pre-construction tap fee will be invalid after the completion of construction adjacent to an applicant's premises that is associated with a certificate proceeding.

A tap fee of $425.00 will be charged to all customers who apply for service outside of a certificate proceeding before the Commission for each new tap to the system.

LEAK ADJUSTMENT

$0.84 per 1,000 gallons is to be used when the bill reflects unusual consumption which can be attributed to eligible leakage on the customer's side of the meter. This rate shall be applied to all such consumption above the customer's historical average usage.

SECURITY DEPOSIT

Not to exceed two-twelfths (2/12) of the average annual usage of the applicant's specific customer class, or fifty dollars, whichever is greater. This fee may be changed by applicable statutory provisions.

PRIVATE FIRE PROTECTION SERVICE

Where connections, hydrants, sprinklers, etc., on private property are maintained by the customer:

Rate: $144.79 per month

CITY OF KEYSER
CASE NOS. 12-0817-W-MA AND 12-1679-W-CN

APPROVED RATES

APPLICABILITY

Applicable within the entire territory served.

AVAILABILITY OF SERVICE

Available for general domestic, commercial and industrial service.

RATES (For all customers with metered water supply)

First	2,000 gallons used per month	$9.04 per 1,000 gallons
Next	5,000 gallons used per month	$7.89 per 1,000 gallons
Next	50,000 gallons used per month	$7.12 per 1,000 gallons
Next	50,000 gallons used per month	$5.46 per 1,000 gallons
All Over	107,000 gallons used per month	$4.17 per 1,000 gallons

MINIMUM CHARGE

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

5/8-inch meter	$ 18.08 per month
3/4-inch meter	$ 27.12 per month
1 -inch meter	$ 45.20 per month
1-1/4 -inch meter	$ 65.99 per month
1-1/2 -inch meter	$ 90.40 per month
2 -inch meter	$ 144.64 per month
3 -inch meter	$ 289.28 per month
4 -inch meter	$ 452.00 per month
6 -inch meter	$ 904.00 per month
8 -inch meter	$1,446.40 per month

RESALE RATE

To be used when the City is selling water to another water utility for resale.

Rate $3.24 per 1,000 gallons used per month.

RETURNED CHECK CHARGE

A service charge equal to the actual bank fee assessed to the City, or a maximum of $25.00, will be imposed upon any customer whose check for payment of charges is returned by their bank due to insufficient funds.

DELAYED PAYMENT PENALTY

The above schedule is net. On all accounts not paid in full when due, ten percent (10%) will be added to the net current amount unpaid. This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

RECONNECTION

$35.00

To be charged whenever the supply of water is turned off for violations of rules, non-payment of bills, or fraudulent use of water.

TAP FEE

The following charges are to be made whenever the utility installs a new tap to serve an applicant:

A tap fee of $150.00 will be charged to customers applying for service before construction is completed adjacent to the customer's premises in connection with a certificate proceeding before the Commission. This pre-construction tap fee will be invalid after the completion of construction adjacent to an applicant's premises that is associated with a certificate proceeding.

A tap fee of $425.00 will be charged to all customers who apply for service outside of a certificate proceeding before the Commission for each new tap to the system.

LEAK ADJUSTMENT

$0.93 per 1,000 gallons is to be used when the bill reflects unusual consumption which can be attributed to eligible leakage on the customer's side of the meter. This rate shall be applied to all such consumption above the customer's historical average usage.

SECURITY DEPOSIT

Not to exceed two-twelfths (2/12) of the average annual usage of the applicant's specific customer class, or fifty dollars, whichever is greater. This fee may be changed by applicable statutory provisions.

PRIVATE FIRE PROTECTION SERVICE

Where connections, hydrants, sprinklers, etc., on private property are maintained by the customer:

Rate: $199.84 per month

THE CITY OF KEYSER

Water Revenue Bonds, Series 2013 A
(United States Department of Agriculture)

RECEIPT FOR BOND

The undersigned, authorized representative of the United States Department of Agriculture, Rural Utilities Service, for and on behalf of the United States of America (the "Purchaser"), hereby certifies as follows:

1. On the 3rd day of September, 2013, at Keyser, West Virginia, the undersigned received for the Purchaser the single, fully registered The City of Keyser Water Revenue Bonds, Series 2013 A (United States Department Agriculture), No. AR-1 (the "Series 2013 A Bonds"), in the principal amount of $4,500,000, dated as of the date hereof, bearing interest at the rate of 2.125% per annum, and payable in monthly installments as stated in the Series 2013 A Bonds.

2. At the time of such receipt, the Series 2013 A Bonds had been executed and sealed by the designated officials of The City of Keyser (the "Issuer").

3. At the time of such receipt, there was paid to the Issuer the sum of $665,505.72 being a portion of the principal amount of the Series 2013 A Bonds. The balance of the principal amount of the Series 2013 A Bonds, will be paid to the Issuer as acquisition and construction of the Project progresses.

[Remainder of Page Intentionally Blank]

WITNESS my signature on this 3rd day of September, 2013.

UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL UTILITIES SERVICE

Authorized Representative

480520.00005

SPECIMEN

THE CITY OF KEYSER

WATER REVENUE BONDS, SERIES 2013 A
(UNITED STATES DEPARTMENT OF AGRICULTURE)

$4,500,000

No. AR-1

Date: September 3, 2013

FOR VALUE RECEIVED, THE CITY OF KEYSER (herein called "Borrower") promises to pay to the order of the United States of America (the "Government"), or its registered assigns, at its National Finance Office, St. Louis, Missouri 63103, or at such other place as the Government may hereafter designate in writing, the principal sum of FOUR MILLION FIVE HUNDRED THOUSAND DOLLARS ($4,500,000), plus interest on the unpaid principal balance at the rate of 2.125% per annum, with interest only payable in monthly installments for the first 24 months. Thereafter, principal and interest are payable in monthly installments of $14,400 on the 3rd day of each month, commencing October 3, 2015 to and including September 3, 2053 (forty years from the date of the Series 2013 A Bonds), in the sum of the unpaid principal and interest due on the date thereof, and except that prepayments may be made as provided hereinbelow. The consideration herefor shall support any agreement modifying the foregoing schedule of payments.

If the total amount of the loan is not advanced at the time of loan closing, the loan shall be advanced to Borrower as requested by Borrower and approved by the Government and interest shall accrue on the amount of each advance from its actual date as shown on the Record of Advances attached hereto as a part hereof.

Every payment made on any indebtedness evidenced by this Bond shall be applied first to interest computed to the effective date of the payment and then to principal.

Prepayments of scheduled installments, or any portion thereof, may be made at any time at the option of Borrower. Refunds and extra payments, as defined in the regulations of the Government according to the source of funds involved, shall, after payment of interest, be applied to the installments last to become due under this Bond and shall not affect the obligation of Borrower to pay the remaining installments as scheduled herein.

If the Government at any time assigns this Bond and insures the payment thereof, Borrower shall continue to make payments to the Government as collection agent for the holder.

While this Bond is held by an insured lender, prepayments as above authorized made by Borrower may, at the option of the Government, be remitted by the Government to the holder promptly or, except for final payment, be retained by the Government and remitted to the holder on either a calendar quarter basis or an annual installment due date basis. The effective date of every payment made by Borrower, except payments retained and remitted by the Government on an annual installment due

date basis, shall be the date of the United States Treasury check by which the Government remits the payment to the holder. The effective date of any prepayment retained and remitted by the Government to the holder on an annual installment due date basis shall be the date of the prepayment by Borrower and the Government will pay the interest to which the holder is entitled accruing between the effective date of any such prepayment and the date of the Treasury check to the holder.

Any amount advanced or expended by the Government for the collection hereof or to preserve or protect any security herefor, or otherwise under the terms of any security or other instrument executed in connection with the loan evidenced hereby, at the option of the Government shall become a part of and bear interest at the same rate as the principal of the debt evidenced hereby and be immediately due and payable by Borrower to the Government without demand. Borrower agrees to use the loan evidenced hereby solely for purposes authorized by the Government.

Borrower hereby certifies that it is unable to obtain sufficient credit elsewhere to finance its actual needs at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in or near its community for loans for similar purposes and periods of time.

This Bond, together with any additional bonds ranking on a parity herewith which may be issued and outstanding for the purpose of providing funds for financing costs of acquisition and construction of additions, betterments and improvements to the waterworks system (the "System") of Borrower, is payable solely from and secured by the revenues to be derived from the operation of the System. This Bond does not in any manner constitute an indebtedness of the Borrower within the meaning of any constitutional or statutory provision or limitation, nor shall the Borrower be obligated to pay the same or the interest thereon except from the special fund so provided.

Registration of this Bond is transferable by the registered owner hereof in person or by his, her or its attorney duly authorized in writing, at the office of Borrower, as Bond Registrar, but only in the manner, subject to the limitations and upon payment of the charges, if any, provided in the herein defined Ordinance, and upon surrender and cancellation of this Bond. Upon such transfer a new Bond or Bonds, of authorized denomination or denominations, for the like principal amount, will be issued to the transferee in exchange herefor.

This Bond, under the provisions of the Act, is and has all the qualities and incidents of a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but may only be transferred by transfer of registration hereof with the Bond Registrar.

This Bond has been issued under and in full compliance with the Constitution and statutes of the State of West Virginia, including, among others, Chapter 8, Article 19 of the West Virginia Code of 1931, as amended (herein called the "Act"), and an Ordinance of Borrower duly enacted on May 8, 2013 and a Supplemental Resolution and Conformed Ordinance duly adopted by the Issuer on August 28, 2013, authorizing issuance of this Bond (collectively, the "Ordinance").

If at any time it shall appear to the Government that Borrower may be able to obtain a loan from a responsible cooperative or private credit source at reasonable rates and terms for loans for

similar purposes and periods of time, Borrower will, at the Government's request, apply for and accept such loan in sufficient amount to repay the Government.

This Bond is given as evidence of a loan to Borrower made or insured by the Government pursuant to the Consolidated Farm and Rural Development Act of 1965, as amended. This Bond shall be subject to the present regulations of the Government and to its future regulations not inconsistent with the express provisions hereof.

This Bond is issued to (i) pay the Issuer's Waterworks Design Bond Anticipation Notes, Series 2012 B (The Ohio Valley Bank Company), dated May 9, 2012 and issued in the original aggregate principal amount of $655,000; (ii) pay a portion of the costs of acquisition and construction of certain additions, betterments and improvements to the existing public waterworks system of the Issuer; and (iii) pay costs of issuance and other related costs.

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 (I) WATER REVENUE BOND, SERIES 1980, DATED FEBRUARY 26, 1980, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $3,146,000 AND HELD BY THE UNITED STATES DEPARTMENT OF AGRICULTURE, (THE "SERIES 1980 BONDS"); (II) WATER REVENUE BOND, SERIES 1998 A, (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED OCTOBER 15, 1998, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $761,842 (THE "SERIES 1998 A BONDS"); AND (III) WATER REVENUE BOND, SERIES 1998 B, (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED OCTOBER 15, 1998, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $2,997,584 (THE "SERIES 1998 B BONDS"), (COLLECTIVELY, THE "PRIOR BONDS").

In accordance with the requirements of the United States Department of Agriculture, the Bonds will be in default should any proceeds of the Bonds be used for a purpose that will contribute to excessive erosion of highly erodible land or to the conversion of wetlands to produce an agricultural commodity.

[Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF, THE CITY OF KEYSER has caused this Bond to be executed by its Mayor and its corporate seal to be hereunto affixed or imprinted hereon and attested by its Recorder, all as of the date hereinabove written.

THE CITY OF KEYSER

[CORPORATE SEAL]

Mayor

ATTEST:

Recorder

SPECIMEN

EXHIBIT A

RECORD OF ADVANCES

AMOUNT	DATE	AMOUNT	DATE
(1) $665,505.72	09/03/2013	(19)	
(2)		(20)	
(3)		(21)	
(4)		(22)	
(5)		(23)	
(6)		(24)	
(7)		(25)	
(8)		(26)	
(9)		(27)	
(10)		(28)	
(11)		(29)	
(12)		(30)	
(13)		(31)	
(14)		(32)	
(15)		(33)	
(16)		(34)	
(17)		(35)	
(18)		(36)	

TOTAL $_____

(Form of Assignment)

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers to _____ 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 Borrower with full power of substitution in the premises.

Dated: _____, 20____.

_____

In presence of:

_____

THE CITY OF KEYSER

WATER REVENUE BONDS, SERIES 2013 A
(UNITED STATES DEPARTMENT OF AGRICULTURE)

$4,500,000

REGISTRATION BOOKS

(No writing on these Books except by the Issuer as Registrar)

Bond No.	Date of Registration	In Whose Name Registered	Signature of Secretary of Registrar
AR-1	September 3, 2013	United States Department of Agriculture	Carol L Higgins

STEPTOE & JOHNSON PLLC
ATTORNEYS AT LAW

Chase Tower, Eighth Floor
P.O. Box 1588
Charleston, WV 25326-1588
(304) 353-8000 (304) 353-8180 Fax
www.steptoe-johnson.com

Writer's Contact Information

September 3, 2013

The City of Keyser
Water Revenue Bonds, Series 2013 A
(United States Department of Agriculture)

The City of Keyser
Keyser, West Virginia

United States Department of Agriculture
Elkins, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

Ladies and Gentlemen:

We have served as bond counsel in connection with the issuance by The City of Keyser, in Mineral County, West Virginia (the "Issuer"), of its $4,500,000 Water Revenue Bonds, Series 2013 A (United States Department of Agriculture), dated the date hereof (the "Series 2013 A Bonds"), pursuant to Chapter 8, Article 19 of the West Virginia Code of 1931, as amended (the "Act"), and a Bond Ordinance of the Issuer duly enacted on May 8, 2013, as supplemented by Supplemental Resolution and Conformed Ordinance duly adopted on August 28, 2013 (collectively, the "Bond Legislation"). We have examined the law and such certified proceedings and other papers as we deem necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon the representations of the Issuer contained in the Bond Legislation and in the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

Based upon the foregoing, we are of the opinion, under existing law, as follows:

1. The Issuer is duly created and validly existing as a municipal corporation and political subdivision of the State of West Virginia with full power and authority to adopt and enact the Bond Legislation, perform the agreements on its part contained therein and issue and sell the Series 2013 A Bonds, pursuant to the provisions of the Act and other applicable provisions of law.

2. The Bond Legislation has been duly adopted and enacted by the Issuer and constitutes a valid and binding obligation of the Issuer enforceable upon the Issuer.

3. The Bonds are being issued for the purposes of (i) paying the Issuer's Waterworks Design Bond Anticipation Notes, Series 2012 B (The Ohio Valley Bank Company), dated May 9, 2012 and issued in the original aggregate principal amount of $655,000 (the "Series 2012 B Notes"); (ii) paying a portion of the costs of acquisition and construction of certain additions, betterments and improvements to the existing public waterworks system of the Issuer (the "Project"); and (iii) paying costs of issuance and related costs.

4. Pursuant to the Act, the Bond Legislation creates a valid lien on the Gross Revenues of the System for the security of the Series 2013 A Bonds on a parity with the Issuer's: (i) Water Revenue Bonds, Series 1980, dated February 26, 1980, issued in the original aggregate principal amount of $3,146,000 and held by the United States Department of Agriculture (the "Series 1980 Bonds"); (ii) Water Revenue Bonds, Series 1998 A (West Virginia Water Development Authority), dated October 15, 1998, issued in the original aggregate principal amount of $761,842 (the "Series 1998 A Bonds"); (iii) Water Revenue Bonds, Series 1998 B (West Virginia Water Development Authority), dated October 15, 1998, issued in the original aggregate principal amount of $2,997,584 (the "Series 1998 B Bonds"), (collectively, the "Prior Bonds"). Other than the Prior Bonds, there are no other outstanding bonds or obligations of the Issuer which rank prior to or on a parity with the Series 2013 A Bonds as to liens, pledge and/or source of and security for payment.

5. The Series 2013 A Bonds have been duly authorized, executed and delivered by the Issuer and is a valid and binding special obligation of the Issuer, payable solely from the sources provided therefor in the Bond Legislation.

6. The Series 2013 A Bonds have not been issued on the basis that the interest, if any, thereon is or will be excluded from the gross income of the owners thereof for federal income tax purposes; therefore, the interest on the Series 2013 A Bonds is not excluded from gross income for federal income tax purposes. We express no opinion regarding other federal tax consequences arising with respect to the Series 2013 A Bonds.

7. The Series 2013 A Bonds are, under the Act, exempt from all taxation by the State of West Virginia, and the other taxing bodies of said State, and interest on the Series 2013 A Bonds is exempt from personal and corporate net income taxes imposed directly thereon by the State of West Virginia.

8. With proceeds from the Series 2013 A Bonds, the Series 2012 B Notes have been paid in full within the meaning and with the effect expressed in the resolutions authorizing such Series 2012 B Notes, and the covenants, agreements and other obligations of the Issuer to the owners of such Series 2012 B Notes have been satisfied and discharged. In rendering the opinion set forth in this paragraph, we have relied upon the receipt of payment from The Ohio Valley Bank Company that they have received payment for the entire outstanding principal of such Series 2012 B Notes and all interest accrued thereon on the date hereof and that such Series 2012 B Notes have been paid in full.

It is to be understood that the rights of the holder of the Series 2013 A Bonds and the enforceability of the Series 2013 A Bonds, 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 the enforcement thereof may also be subject to the exercise of judicial discretion in appropriate cases.

Very truly yours,

STEPTOE & JOHNSON PLLC

480520.00005

SPILMAN THOMAS & BATTLE, PLLC
ATTORNEYS AT LAW

September 3, 2013

The City of Keyser
Water Revenue Bonds, Series 2013 A
(United States Department of Agriculture)

The City of Keyser
Keyser, West Virginia

United States Department of Agriculture
Morgantown, West Virginia

Steptoe & Johnson PLLC
Charleston, West Virginia

Ladies and Gentlemen:

We are Special PSC Counsel to The City of Keyser, a municipal corporation and political subdivision of the State of West Virginia in Mineral County of said State (the "Issuer"). As such counsel, we have represented the Issuer before the Public Service Commission of West Virginia in connection with the issuance of the above-referenced bonds, and the acquisition and construction of the Project.

We are of the opinion that:

1. The Issuer has duly taken any other action required for the imposition of such rates and charges, including, without limitation, the enactment of an ordinance on May 23, 2012, prescribing such rates and charges as amended by Recommended Decision dated May 1, 2013, which became a Final Order on May 21, 2013, in Case No. 12-0817-W-MA of the Public Service Commission of West Virginia. The Order is in full force and effect.

2. We are of the opinion that the Issuer has received all orders and approvals from the Public Service Commission of West Virginia, including the Recommended Decision dated May 1, 2013, which became a Final Order on May 21, 2013, in Case No. 12-1679-W-CN granting a certificate of convenience and necessity for the Project and approving the financing for the Project. The Order is in full force and effect.

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

Sincerely,

Spilman Thomas & Battle, PLLC

SPILMAN THOMAS & BATTLE, PLLC

Spilman Center | 300 Kanawha Boulevard, East | Post Office Box 273 | Charleston, West Virginia 25321-0273
www.spilmanlaw.com | 304.340.3800 | 304.340.3801 fax
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KEYSER, WEST VIRGINIA 26726

PHONE 304-788-9292
FACSIMILE 304-788-6041

September 3, 2013

USDA Rural Development
Rural Utilities Services
1550 Earl Core Road, Suite 101
Morgantown, WV 26505
Attention: Mr. Steven G. Collins

Re: Final Title Opinion
City of Keyser – Phase II Water Project
1) Armstrong St. Ext. & r/w (water booster pumping station; Faulk prop.), 1755.2 SF, Keyser Mun. Dist.;
2) Water Filtration Plant: Water St. bet. Carskadon Ln & Newton St., Keyser Mun. Dist.
3) Liberty St. (water booster pumping station), 400 SF inters. Baker & Liberty Sts., Keyser Mun. Dist.
4) Water tower bet. A St. & State St., Keyser Mun. Dist.
5) Waxler Rd. Industrial Park, 14.82 ac., New Creek Dist.
Mineral Co., WV.

Dear Steve:

I have acted as local counsel to The City of Keyser (the "City") in the captioned project. I provide this final title opinion on behalf of the City of Keyser and its water board to satisfy the requirements of the USDA with regard to the USDA financing proposed for the Project. Based on information provided to me by the City and the engineer for the Project, Dunn Engineers, Inc., during my representation, please be advised of the following:

1. That I am of the opinion that the City of Keyser is a duly created and existing municipal corporation possessed with all the powers and authority granted to municipal corporations under the laws of the State of West Virginia and has the full power and authority to construct, construct, operate and maintain the Project as approved by the Bureau for Public Health and USDA.

2. That the City of Keyser has obtained approval for all necessary permits and approvals for the construction of the Project.

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

4. That I have examined the records on file in the Office of the Clerk of the County Commission of Mineral County, West Virginia, the county in which the Project is to be located and, in my opinion, the City of Keyser has acquired legal title or such other estate or interest in the necessary site components for the Project sufficient to assure undisturbed use and possession for the purpose of construction, operation and maintenance for the estimated life of the facilities to be constructed.

5. That any deeds or other documents which have been acquired to date by the City of Keyser have been duly recorded in the aforesaid Clerk's Office in order to protect the legal title to and interest of the City of Keyser.

The foregoing opinions are subject to the accuracy of the information provided to me after due inquiry.

Please let me know if you have any questions or need additional information with respect to this final title opinion.

Sincerely,

John D. Athey
Attorney at Law

bcb

USDAPhaseIIWaterSystemKeyserFINALTITLENarrative_Opinion[1].doc

Position 5

UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL DEVELOPMENT
FARM SERVICE AGENCY

Form RD 1927-10
(Rev. 7-98)

FORM APPROVED
OMB NO. 0575-0147

FINAL TITLE OPINION

LOAN APPLICANT	ADDRESS OR PROPERTY COVERED BY THIS OPINION	
City of Keyser, a municipal corporation	Five (5) parcels in or near City of Keyser, as follows: See Below***	
APPLICANT FOR TITLE EXAMINATION	COUNTY	STATE
City of Keyser	Mineral	West Virginia

I. I have examined title to the property described in the security instrument described in paragraph II. B. below. My examination covered the period from the time of termination of title search covered by my Preliminary Title Opinion on Form RD 1927-9; or the time of recordation of the initial loan security instrument if this opinion covers land already owned by the loan applicant in a subsequent loan case, to Sept. 3, (Date), 2013 at 3:06 ~~a.m.~~ p.m. and 3:09 p.m. (including the time of filing the current security instrument).

II. Based on said title examination, my preliminary title examination if any, and any additional information concerning the title which has come to my attention, it is my opinion that:

A. Good and marketable title, in accordance with title examination standards prevailing in the area, to said property (real estate and any water rights offered as security) is now vested in The City of Keyser, a municipal corporation

as sole tenant
(Joint tenants, tenants by the entirety, etc.)

B. The United States of America holds a valid first (Priority) statutory (Mortgage, etc.) lien (Bond Ordinance) on said property as required by Rural Development or the Farm Service Agency, or their successor (Agency), which lien (Payment Bond and Performance Bond) was filed for record on Sept. 3 (Date), 2013, at 3:06 p.m (payment bond) ~~a.m.~~ and 3:09 p.m. (performance bond) and is recorded in the Office of the Clerk of the Co. Comm. (Book, page, and office) of Mineral Co., WV in Bond Book 3, pages 761 and 766.

C. Said property and lien are subject only to encumbrances, reservations, exceptions, and defects which were approved by written administrative waivers of the Agency attached hereto or to my Preliminary Title Opinion.

III. If a water right is involved and is not covered by the current security instrument, it is subject only to the encumbrances, reservations, exceptions, and defects set forth in said administrative waivers and was made available as security in the following manner (Water stock would normally be reissued in the names of said land owners and the United States of America and delivered to the Agency Official at the time of loan closing):

***1) Rt. 46/Armstrong St. Ext., Keyser, WV; 1755.2 SF & right of way, pt. assessed 3.56 ac. (Faulk property), Keyser Mun. Dist., Mineral Co., WV See attached Attorney Final Cert. and description.
2) Water St. bet. Carskadon Ln. & Newton St., Keyser, WV (water filtration plant), Lots 13-18 T.R. Carskadon's Market Garden Add. to Keyser, Keyser Mun. Dist., Mineral Co., WV See attached Attorney Final Cert. and description
3) Intersection Baker & Liberty Streets, Keyser, WV; 400 SF located inside Baker St. right of way, New Creek Dist., Mineral Co., WV. See attached Attorney Final Cert. & description (Cont. next page)***

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0575-0147. The time required to complete this information collection is estimated to average 20 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

IV. The term "encumbrances, reservations, exceptions, and defects" means all matters which would prevent the United States from obtaining the required lien on the property identified in paragraph I, including but not limited to (a) mortgages, deeds of trust, and vendors', mechanics', materialmen's, and all other liens, including any provisions thereof for future advances which could take priority over the said lien to the United States, (b) Federal, State, and local taxes, including county, school, improvement, water, drainage, sewer, inheritance, personal property, and income, (c) State and Federal bankruptcy, insolvency, receivership, and probate proceedings, (d) judgments and pending suits, in State and Federal courts, (e) recorded covenants; conditions; restrictions; reservations; liens; encumbrances; easements; rights-of-way; leases; mineral, oil, gas, and geothermal rights (regardless of the right of surface entry); timber rights; water rights; pending court proceedings and other matters of record which affect the title of the property or the ability of the buyer or seller to convey or accept title.

V. This opinion is issued expressly for the benefit of the above-named applicant for title examination and the United States of America acting through the United States Department of Agriculture Agency which provided the assistance, and I assume liability to each hereunder.

September 3, 2013
(Date)

(Attorney's signature)

149 ARMSTRONG ST., KEYSER, WV 26726
(Address, include ZIP Code)

Attachments

As stated

***
Property covered (Cont.)

4) Between A Street & State St., Keyser, WV (water tower); 1/2 acre, +/- Lot 16 & Pt. Lot 15 F.H. Babb Fort Hill Add. to Keyser, Keyser Mun. Dist, Mineral Co., WV. See attached Prel. Title Report, Attorney Final Cert. & description.

5) Waxler Road Industrial Park, Keyser, WV; 14.82 acres, +/-, New Creek Dist., Mineral Co., WV. See attached Prel. Title Report, Attorney Final Cert. and description.

Position 5

Form RD 442-22
(Rev. 10-96)

UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL DEVELOPMENT

FORM APPROVED
OMB NO. 0575-0015

OPINION OF COUNSEL RELATIVE TO RIGHTS-OF-WAY

Date September 3, 2013

Dear Sir:

I have reviewed the action taken by The City of Keyser (hereinafter called the "Corporation") in obtaining a right-of-way for the construction, operation, and maintenance of the facilities to be installed, repaired, or enlarged with the proceeds of a loan made or insured by, and/or a grant from Rural Development to the Corporation. I have examined the right-of-way instruments, permits, or licenses obtained from landowners, public bodies, and public utilities and made such searches of the public records necessary to determine the legal sufficiency of the instruments covered by the "Right-of-way ***right-of-way/easement for water booster pumping station dated April 15, 2013, and recorded in Certificate," executed by the Corporation on ***Mineral Co., WV Deed***, 20 _____. I also have examined the "Right-of-way Map" to determine whether continuous and adequate land and rights-of-way are owned or have been acquired by the instruments covered in the "Right-of-way Certificate".

Based on the foregoing examination, and to the best of my knowledge, information, and belief, I am of the opinion that:

A. The legal instruments by which the Corporation has acquired said rights-of-way (a) are in appropriate and due legal form and adequately confer upon the Corporation the necessary rights-of-way for the construction, operation, and maintenance of its facilities in their present or proposed location, and such omissions or defects as may exist will in no substantial way or manner endanger the value or operation of the facilities, and (b) have each been properly recorded in the appropriate public land records of each County in which any of the land affected thereby is situated. Such consents, releases, or subordinations from lienholders recommended by me or required by Rural Development have been obtained.

B. The legal instruments referred to above give unto the Corporation a continuous and adequate right-of-way to permit the construction, operation, and maintenance of the Corporation's facilities except as below noted.

C. Exceptions:

None.

***(Book 356, page 461.)

Very truly yours,

John D. Athey

Attorney for The City of Keyser

a municipal corporation

Public reporting burden for this collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to U.S. Department of Agriculture, Clearance Officer STOP 7602, 1400 Independence Avenue, S. W, Washington, D. C. 20250-7602. Please DO NOT RETURN this form to this address. Forward to the local USDA office only. You are not required to respond to this collection of information unless it displays a currently valid OMB control number.

ATTORNEY'S FINAL CERTIFICATE OF TITLE

TO: **Steven G. Collins, Community Programs Spec.**
Rural Development, USDA
1550 Earl Core Road, Suite 101
Morgantown, WV 26505

Re: CITY OF KEYSER, a Mun. Corp.
1755.2 SF, pt. of assessed 3.56 ac. Armstrong St. Ext./Rt. 46 (for water boosting pumping station);
Keyser Municipal Dist., Mineral Co., WV

THIS CERTIFIES that the undersigned, John D. Athey, Attorney at Law has examined the record title for the period set forth in its Preliminary Title Report dated March 11, 2013, to the real estate described in a bond ordinance made by The City of Keyser, a Municipal Corporation, and USDA Rural Development Rural Utilities Service (RUS), dated the 3rd day of September, 2013, the Payment Bond and Performance Bond of which are recorded in the Office of the Clerk of the County Commission of Mineral County, West Virginia, in Bond Book No. 3, pages 761 and 766.

IT IS FURTHER CERTIFIED that said bond ordinance is a first valid and subsisting statutory lien on said real estate, for the principal sum of $4,576,200.00, and that the property described is free and clear of all mechanics' liens, equity suits and judgments or other liens.

Remarks: 1) Deed from Neal J. Faulk, Benny J. Faulk and William J. Faulk to The City of Keyser, a municipal corporation of the State of West Virginia, for the 1755.2 SF parcel dated April 15, 2013, is recorded in Deed Book 356, page 457; 2) Right-of-way/Easement for Water Booster Pumping Station to The City of Keyser, a municipal corporation of the State of West Virginia, from Neal J. Faulk, Benny J. Faulk and William J. Faulk dated April 15, 2013, is recorded in Deed Book 356, page 461; 3) Release and Waiver of Right of Refusal to Purchase is recorded in Deed Book 356, page 464; 4) The above real estate is subject to an agreement between Neal J. Faulk, etal and The City of Keyser that the electrical service to the City water boosting pumping station will be 3-phase power through underground conduits rather than overhead electrical service, as more particularly set forth in the above deed to said City from the Faulks, dated and recorded as aforesaid. 5) Tax liens WV State Tax Dept. vs. Neal J. Faulk, etal are paid in full and are being released; 6) Subject to remarks in preliminary title report.

This the 3rd day of September, 2013 (date of recording payment and performance bonds)

John D. Athey

JOHN D. ATHEY, Attorney at Law
Athey Law Building
149 Armstrong Street, Keyser, WV 26726
Phone: (304)788-9292, Fax (304)788-6041

Enc.: Copies of recorded deed, recorded Right-of-Way/Easement, recorded Release and Waiver of Right of Refusal to Purchase.
bcb
FCCityofKeyserFalkArmstrongStpumpst1755.2SF.doc

ATTORNEY'S FINAL CERTIFICATE OF TITLE

TO: **Steven G. Collins, Community Programs Spec.**
Rural Development, USDA
1550 Earl Core Road, Suite 101
Morgantown, WV 26505

Re: CITY OF KEYSER, a Mun. Corp.
Filtration Plant 190'x250' T. R. Carskadon's
Market Garden Add. to City of Keyser
Lots 13-18 (incorr. Assessed as Lot 7)
Water St. bet. Carskadon Ln & Newton St.
Keyser Mun. Dist., Mineral Co., WV

THIS CERTIFIES that the undersigned, John D. Athey, Attorney at Law has examined the record title for the period set forth in its Preliminary Title Report dated March 11, 2013, to the real estate described in a bond ordinance made by The City of Keyser, a Municipal Corporation, and USDA Rural Development Rural Utilities Service (RUS), dated the 3rd day of September, 2013, the Payment Bond and Performance Bond of which are recorded in the Office of the Clerk of the County Commission of Mineral County, West Virginia, in Bond Book No. 3, pages 761 and 766.

IT IS FURTHER CERTIFIED that said bond ordinance is a first valid and subsisting statutory lien on said real estate, for the principal sum of $4,576,200.00, and that the property described is free and clear of all mechanics' liens, equity suits and judgments or other liens.

Remarks: Subject to remarks in preliminary title report.

This the 3rd day of September, 2013 (date of recording payment and performance bonds)

JOHN D. ATHEY, Attorney at Law
Athey Law Building
149 Armstrong Street, Keyser, WV 26726
Phone: (304)788-9292; Fax (304)788-6041

bcb

FCCityofKeyserfiltrationplant.doc

ATTORNEY'S FINAL CERTIFICATE OF TITLE

TO: **Steven G. Collins, Community Programs Spec.**
Rural Development, USDA
1550 Earl Core Road, Suite 101
Morgantown, WV 26505

Re: CITY OF KEYSER, a Mun. Corp.
400 SF located inside Baker St. r/w, inter. Baker & Liberty Sts., pt. of Assign. of reserved Easements; Liberty Street booster pumping station
New Creek Dist., Mineral Co., WV

THIS CERTIFIES that the undersigned, John D. Athey, Attorney at Law has examined the record title for the period set forth in its Preliminary Title Report dated March 11, 2013, to the real estate described in a bond ordinance made by The City of Keyser, a Municipal Corporation, and USDA Rural Development Rural Utilities Service (RUS), dated the 3rd day of September, 2013, the Payment Bond and Performance Bond of which are recorded in the Office of the Clerk of the County Commission of Mineral County, West Virginia, in Bond Book No. 3, pages 761 and 766.

IT IS FURTHER CERTIFIED that said bond ordinance is a first valid and subsisting statutory lien on said real estate, for the principal sum of $4,576,200.00, and that the property described is free and clear of all mechanics' liens, equity suits and judgments or other liens.

Remarks: 1) The following straw deeds were executed to place a deed on record describing the 400 SF "Liberty Street Booster Pumping Station" property: 1st: The City of Keyser, a municipal corporation of the State of West Virginia, to John D. Athey, Trustee, dated March 12, 2013, and recorded in Deed Book 354, page 469; and 2nd: John D. Athey, Trustee, to The City of Keyser, a municipal corporation of the State of West Virginia, dated March 12, 2013, and recorded in Deed Book 354, page 473; 2) Subject to remarks in preliminary title report.

This the 3rd day of September, 2013 (date of recording payment and performance bonds)

John D. Athey

JOHN D. ATHEY, Attorney at Law
Athey Law Building
149 Armstrong Street, Keyser, WV 26726
Phone: (304)788-9292; Fax (304)788-6041

Enc.: Copies of two recorded deeds.
bcb

FCCityofKeyserLibertySt.pumpst.doc

ATTORNEY'S FINAL CERTIFICATE OF TITLE

TO: **Steven G. Collins, Community Programs Spec.**
1550 Earl Core Road, Suite 101
Morgantown, WV 26505

Re: CITY OF KEYSER, a Mun. Corp.
Lot 16 and Part Lot 15 F. H. Babb Fort Hill Add. to Keyser (water tower), approx. ½ acre between A Street and State Street
Keyser Mun. Dist., Mineral Co., WV

THIS CERTIFIES that the undersigned, John D. Athey, Attorney at Law has examined the record title for the period set forth in its Preliminary Title Report dated July 24, 2013, to the real estate described in a bond ordinance made by The City of Keyser, a Municipal Corporation, and USDA Rural Development Rural Utilities Service (RUS), dated the 3rd day of September, 2013, the Payment Bond and Performance Bond of which are recorded in the Office of the Clerk of the County Commission of Mineral County, West Virginia, in Bond Book No. 3, pages 761 and 766.

IT IS FURTHER CERTIFIED that said bond ordinance is a first valid and subsisting statutory lien on said real estate, for the principal sum of $4,576,200.00, and that the property described is free and clear of all mechanics' liens, equity suits and judgments or other liens.

Remarks: 1) Subject to remarks in preliminary title report.

This the 3rd day of September, 2013 (date of recording payment and performance bonds)

JOHN D. ATHEY, Attorney at Law
Athey Law Building
149 Armstrong Street, Keyser, WV 26726
Phone: (304)788-9292, Fax (304)788-6041

bcb

FCCityofKeyserwatertowerAStStateSt.doc

ATTORNEY'S FINAL CERTIFICATE OF TITLE

TO: **Steven G. Collins, Community Programs Spec.**
1550 Earl Core Road, Suite 101
Morgantown, WV 26505

Re: CITY OF KEYSER, a Mun. Corp.
14.82 acres Waxler Road Industrial Park
New Creek District, Mineral Co., WV

THIS CERTIFIES that the undersigned, John D. Athey, Attorney at Law has examined the record title for the period set forth in its Preliminary Title Report dated July 24, 2013, to the real estate described in a bond ordinance made by The City of Keyser, a Municipal Corporation, and USDA Rural Development Rural Utilities Service (RUS), dated the 3rd day of September, 2013, the Payment Bond and Performance Bond of which are recorded in the Office of the Clerk of the County Commission of Mineral County, West Virginia, in Bond Book No. 3, pages 761 and 766.

IT IS FURTHER CERTIFIED that said bond ordinance is a first valid and subsisting statutory lien on said real estate, for the principal sum of $4,576,200.00, and that the property described is free and clear of all mechanics' liens, equity suits and judgments or other liens.

Remarks: 1) Subject to remarks in preliminary title report.

This the 3rd day of September, 2013 (date of recording payment and performance bonds)

JOHN D. ATHEY, Attorney at Law
Athey Law Building
149 Armstrong Street, Keyser, WV 26726
Phone: (304)788-9292; Fax (304)788-6041

bcb

FCCityofKeyser14.82acWaxlerRdIndustrialPark.doc

EXHIBIT "A"
THE CITY OF KEYSER, a Municipal corporation
Armstrong St. Ext. & r/w (water booster pumping station;
Faulk prop.), 1755.2 SF, Keyser Mun. Dist., Mineral Co., WV

"The following described real estate situate, to-wit:
"Beginning at a 5/8 inch rebar with cap set inside the Neal Faulk tract recorded in will book 23 page 760 and reference to deed book 54 page 383 and from which the northeast corner to said tract for which a ½ inch rebar found at said corner bears S 72°22' E, 209.52 feet;
Thence through the said Faulk tract from which this parcel is a part for four (4) calls:

1) N 57°42' W, 37.98 feet to a 5/8 inch rebar with cap set;
2) N 32°09' E, 46.20 feet to a 5/8 inch rebar with cap set;
3) S 57°42' E, 38.00 feet to a 5/8 inch rebar with cap set;
4) S 32°10' W, 46.20 feet to the place of beginning, containing 1,755.2 square feet more or less as shown on a map titled, "PLAT OF SURVEY SHOWING 1,755.2 SQ. FT. TRACT", dated April 2, 2013.

Together with a right of way for ingress, egress, and regress for which the location of said access has not yet been determined.
Together with a 30 foot temporary construction easement for which is located 30 feet outside the entire perimeter of the above described 1,755.2 square foot tract."
The rights of way/easements are set forth in a document entitled "Right-of-Way/Easement for Water Booster Pumping Station" from Neal J. Faulk, Benny J. Faulk and William J. Faulk to The City of Keyser, dated April 15, 2013, and recorded in said Clerk's Office in Deed Book 356, page 461.

"The Grantors and Grantee herein (by acceptance of this Deed) agree that electrical service to the City of Keyser water booster pumping station on the real estate herein conveyed will be 3-phase power through underground conduits under said pumping station property, and under the remaining real estate of the Grantors, if necessary, rather than overhead electrical service, and said Grantors and Grantee agree to allow the electrical company access to the property in accordance with the rules and regulations of said company in order to complete the underground electrical service to said pumping station."

The real estate above described is the same real estate which was conveyed unto The City of Keyser, a municipal corporation of the State of West Virginia, by deed bearing date on the 15th day of April, 2013, from Neal J. Faulk, Benny J. Faulk and William J. Faulk, recorded in the Office of the Clerk of the County Commission of Mineral County, West Virginia, in Deed Book 356, page 457.

The above real estate is subject to all public utility easements and agreements of record in the chain of title.

ExhibitUSDACityofKeyserFaulk1755.2SF.doc

EXHIBIT "A"
THE CITY OF KEYSER, a Municipal corporation
Liberty Street (water booster pumping station) 400 SF @ intersection of
Baker & Liberty Streets in Baker St. right of way, New Creek Dist., Mineral Co., WV

"The following tract of real estate located in New Creek District, Mineral County, West Virginia, to-wit:

"Beginning at a point inside the Baker Street right of way and from which a 2 inch iron pipe found at the northwest corner of the intersection of Liberty Street and Baker Street bears S 20°45' W, 25.66 feet;

Thence through the said Baker Street right of way from which this tract is a part for four (4) calls:

1) N 33°59' W, 20.00 feet to a point;
2) N 56°01' E, 20.00 feet to a point;
3) S 33°59' E, 20.00 feet to a point;
4) S 56°01' W, 20.00 feet to the place of beginning, containing 400 square feet more or less as shown on a map titled, "PLAT OF SURVEY SHOWING 400 SQ. FT. PARCEL (located inside of Baker Street R/W, situate near Baker & Liberty Street, Keyser, WV)," dated December 7, 2012. Said map is referenced hereto and made part of this description."

The real estate above described and hereby conveyed is the same real estate which was conveyed unto The City of Keyser, a municipal corporation of the State of West Virginia, from John D. Athey, Trustee, by deed bearing date on the 12th day of March, 2013, and recorded in the Office of the Clerk of the County Commission of Mineral County, West Virginia, in Deed Book 354, page 473.

The following rights are conveyed as set forth in said Clerk's Office in Assignment Book 9, page 649: "Those rights, etc., are set forth in the aforesaid Assignment as follows: 'WHEREAS, the Assignor has reserved certain rights by virtue of its restrictive covenants recorded in various Deeds and in the general form as is set forth in that certain Deed from the Assignor to R. Terrance Stephens, et ux, recorded in said Clerk's Office in Deed Book 269, at page 197, et seq., and in particular paragraph 8 thereof and by virtue of his ownership rights to the roadways as developer; and, WHEREAS, the Assignor is desirous of empowering the City of Keyser to exercise any rights he may possess or have reserved by virtue of being developer or Grantor under said restrictive covenants for the purposes of installing, maintaining, reinstalling, constructing, removing and/or replacing water and sewage lines or such other utilities as may be appropriate in said reserved areas.'"

ExhibitUSDACityofKeyserLibertySt400SFwbps.doc

EXHIBIT "A"
THE CITY OF KEYSER, a Municipal corporation
Water Street between Carskadon Lane and Newton St. (water filtration plant)
Lots 13-18 T. R. Carskadon's Market Garden Add. to Keyser
Keyser Mun. Dist., Mineral Co., WV

FIRST PARCEL:

"All that certain lot or parcel of real estate situated in the City of Keyser, Mineral County, West Virginia, as shown on T. R. Carskadon's Market Garden Addition to the City aforesaid, and known and numbered on said plat (Plat Cabinet File #356B) as Lot Number Thirteen (13), and more particularly described as follows:

Beginning at the corner of Water Street and Carskadon Lane, and thence with said Water Street 31.45 feet, more or less, to the corner (of) Lot Number Fourteen (14); thence with the dividing line between Lots Numbers Thirteen (13) and Fourteen (14) 182.15 feet, more or less, to an eighteen (18) foot alley; thence with said alley 50.12 feet, more or less, to the corner of Carskadon Lane; thence with said Carskadon Lane 182.7 feet, more or less, to the beginning, and for a more particular description of said lot reference is hereby made to the plat aforesaid."

The real estate above described is the same real estate which was conveyed unto The City of Keyser, a municipal corporation, from Harry G. Fisher and F. H. Babb, Executors and Trustees of (the Estate of) Thomas R. Carskadon, deceased, by deed bearing date on the 24th day of December, 1921, and recorded in the Office of the Clerk of the County Commission of Mineral County, West Virginia, in Deed Book 41, page 556.

SECOND PARCEL:

"All those five certain lots or parcels of real estate situated in the City of Keyser, Mineral County, West Virginia, and known and numbered on the plat of T. R. Carskadon's Market Garden Addition to the City of Keyser, West Virginia, recorded in the Office of the Clerk of the County Court (now Commission) of Mineral County, West Virginia, in Deed Book No. 40, page 385 (Plat Cabinet File #356B), as Lots Numbers Fourteen (14), Fifteen (15), Sixteen (16), Seventeen (17) and Eighteen (18), each fronting Fifty (50) feet, more or less, on Water Street and extending back One Hundred and Eighty-two (182) feet, more or less, to an Eighteen (18) foot alley, said Lot Number Eighteen (18) running back with and adjoining Newton Street, and for a more particular description of said lots reference is made to said plat which is made a part of this deed."

The real estate above described is the same real estate which was conveyed unto The City of Keyser, a municipal corporation, from Harry G. Fisher and F. H. Babb, Executors and Trustees of (the Estate of) Thomas R. Carskadon, deceased, by deed bearing date on the 16th day of June, 1923, and recorded in the Office of the Clerk of the County Commission of Mineral County, West Virginia, in Deed Book 43, page 361.

EXHIBIT "A"
THE CITY OF KEYSER, a Municipal corporation
Approx. ½ acre between A Street and State Street (water tower)
Lot 16 and Part Lot 15 F. H. Babb Fort Hill Addition to City of Keyser
Keyser Mun. Dist., Mineral Co., WV

"The following real estate, to-wit:

All that certain lot or parcel of land situate in the City of Keyser, Mineral County, West Virginia, fronting 64 feet on State Street, adjoining lands of H. L. Arnold and others, and bounded and described as follows

BEGINNING at a large post in the west line of State Street, corner of said Arnold lot and original corner of the entire tract of 9¾ acres of which this is a part, and running thence, along Arnold and others, N. 49 degrees, 52 minutes W. 342.4 feet to a stake, 15 feet short of the old Davis and Trout line; thence, parallel with said Dave and Trout line and leaving a strip 15 feet wide between this line and said Davis and Trout line, S. 35 degrees 11 minutes W. 64.2 feet to a stake; thence, parallel with the first line thereof, S. 49 degrees 52 minutes E. 337.4 feet to a stake in the line of said State Street; thence, along said State Street and reversing the call of said entire tract, N. 39 degrees 45 minutes E. 64 feet to the beginning, containing one-half acre, more or less."

The real estate above described is the same real estate which was conveyed unto The City of Keyser, a (municipal) corporation, from Tillie L. Blackburn and Charles A. Blackburn, her husband, by deed bearing date on the 9th day of July, 1923, and recorded in the Office of the Clerk of the County Commission of Mineral County, West Virginia, in Deed Book 43, page 367.

EXHIBIT "A"
THE CITY OF KEYSER, a Municipal corporation
14.82 acres Waxler Road Industrial Park
New Creek Dist., Mineral Co., WV

"That certain tract or parcel of real estate located on what is known as Waxler Road, near the City of Keyser, in New Creek District, Mineral County, West Virginia, and more particularly described as follows:

Beginning at a point in the western right of way line of State Route 8, said point being also in the northern right of way line of the Baltimore & Ohio Railroad (B&O) spur tract to the Keyser Glass Corporation; thence, with the right of way line of said spur tract, N. 89 deg. 08' 07" W. 13.49 feet to the point of curvature (P.C.) of a curve to the left, having a radius of 494.46 feet and a delta angle of 34 deg. 47' 15"; thence, continuing with said curve 300.22 feet, as measured on the arc, to the point of tangency (P.T.); thence, continuing S. 56 deg. 04' 38" W. 218.01 feet to the P.C. of a curve to the left, having a radius of 590.69 feet and a delta angle of 22 deg. 46' 18"; thence, continuing with said curve 234.77 feet, as measured on the arc, to a point in the eastern right of way line of the B&O Mail Line; thence, with the said right of way of the B&O Main Line for the following three courses, 467.42 feet, as measured on the arc of a curve to the left, said curve having a radius of 1,943.08 feet, a delta angle of 13 deg. 46' 58" and a chord bearing of N. 18 deg. 32' 02" E., to the P.T.; thence, continuing N. 11 deg. 38' 32" E. 1,109.78 feet to the P.C. of a curve to the left, having a radius of 1,111.51 feet and a delta angle of 22 deg. 00' 43"; thence, continuing with said curve 427.02 feet, as measured on the arc, to a point, said point being common corner to property of the City of Keyser, West Virginia; thence, leaving the right of way line of the B&O Railroad and with the line of the City of Keyser, N. 77 deg. 59' 53" E. 187.29 feet to a point in the western right of way line of the aforementioned Route 8 and corner common to the City of Keyser; thence, with the western right of way line of Route 8 for the following six (6) courses, S. 37 deg. 12' 27" W. 69.59 feet to the P.C. of a curve to the left having a radius of 218.69 feet and a delta angle of 66 deg. 27' 00"; thence, continuing with said curve 253.63 feet, as measured on the arc, to a point; thence, leaving said curve and continuing N. 60 deg. 45' 27" E. 15.00 feet to a point; thence, continuing S. 29 deg. 14' 33" E. 396.67 feet to the P.C. of a curve to the right, having a radius of 533.00 feet and delta angle of 40 deg. 30' 00"; thence, continuing with said curve 376.75 feet, as measured on the arc, to the P.T.; thence, continuing S. 11 deg. 15' 27" W. 635.51 feet to the point of beginning, containing 14.82 acres, more or less."

The real estate above described is the same real estate which was conveyed unto (The) City of Keyser, a Municipal corporation, from Mineral County Industrial Development Corporation, a West Virginia corporation, by deed bearing date on the 4th day of December, 1979, and recorded in the Office of the Clerk of the County Commission of Mineral County, West Virginia, in Deed Book 219, page 554.

Lauren Ellifritz
MINERAL County 03:06:25 PM
Instrument No 124243
Date Recorded 09/03/2013
Document Type BND
Pages Recorded 5
Book-Page 3-761

EJCDC
ENGINEERS JOINT CONTRACT DOCUMENTS COMMITTEE

PAYMENT BOND

CONTRACTOR *(name and address)*:
Orders Construction Company, Inc.
P.O. Box 1448
St. Albans, WV 25177

SURETY *(name and address of principal place of business)*:
Travelers Casualty and Surety Company of America
One Tower Square
Hartford, CT 06183

OWNER *(name and address)*: City of Keyser
111 North Davis Street, Keyser, WV 26726

CONSTRUCTION CONTRACT
Effective Date of the Agreement: 9/3/13
Amount: $4,576,200
Description *(name and location)*: Contract 1: Water Treatment Facility Rehabilitation

BOND
Bond Number: 105972632
Date *(not earlier than the Effective Date of the Agreement of the Construction Contract)*: 9/3/13
Amount: $4,576,200
Modifications to this Bond Form: ☐ None ☐ See Paragraph 18

Surety and Contractor, intending to be legally bound hereby, subject to the terms set forth below, do each cause this Payment Bond to be duly executed by an authorized officer, agent, or representative.

CONTRACTOR AS PRINCIPAL	SURETY
Orders Construction Company, Inc. *(seal)* Contractor's Name and Corporate Seal	Travelers Casualty and Surety Company of America *(seal)* Surety's Name and Corporate Seal
By: [signature] Signature	By: [signature] Signature *(attach power of attorney)*
NATHANIEL R. ORDERS Print Name	Andrew K Teeter, Licensed WV Resident Agent Print Name
PRESIDENT Title	Attorney-in-fact Title
Attest: [signature] Signature	Attest: Susie Burdette Signature Susie Burdette
Secretary Title	Witness to Surety Title

Notes: (1) Provide supplemental execution by any additional parties, such as joint venturers. (2) Any singular reference to Contractor, Surety, Owner, or other party shall be considered plural where applicable.

1. The Contractor and Surety, jointly and severally, bind themselves, their heirs, executors, administrators, successors, and assigns to the Owner to pay for labor, materials, and equipment furnished for use in the performance of the Construction Contract, which is incorporated herein by reference, subject to the following terms.

2. If the Contractor promptly makes payment of all sums due to Claimants, and defends, indemnifies, and holds harmless the Owner from claims, demands, liens, or suits by any person or entity seeking payment for labor, materials, or equipment furnished for use in the performance of the Construction Contract, then the Surety and the Contractor shall have no obligation under this Bond.

3. If there is no Owner Default under the Construction Contract, the Surety's obligation to the Owner under this Bond shall arise after the Owner has promptly notified the Contractor and the Surety (at the address described in Paragraph 13) of claims, demands, liens, or suits against the Owner or the Owner's property by any person or entity seeking payment for labor, materials, or equipment furnished for use in the performance of the Construction Contract, and tendered defense of such claims, demands, liens, or suits to the Contractor and the Surety.

4. When the Owner has satisfied the conditions in Paragraph 3, the Surety shall promptly and at the Surety's expense defend, indemnify, and hold harmless the Owner against a duly tendered claim, demand, lien, or suit.

5. The Surety's obligations to a Claimant under this Bond shall arise after the following:

   5.1 Claimants who do not have a direct contract with the Contractor,

      5.1.1 have furnished a written notice of non-payment to the Contractor, stating with substantial accuracy the amount claimed and the name of the party to whom the materials were, or equipment was, furnished or supplied or for whom the labor was done or performed, within ninety (90) days after having last performed labor or last furnished materials or equipment included in the Claim; and

      5.1.2 have sent a Claim to the Surety (at the address described in Paragraph 13).

   5.2 Claimants who are employed by or have a direct contract with the Contractor have sent a Claim to the Surety (at the address described in Paragraph 13).

6. If a notice of non-payment required by Paragraph 5.1.1 is given by the Owner to the Contractor, that is sufficient to satisfy a Claimant's obligation to furnish a written notice of non-payment under Paragraph 5.1.1.

7. When a Claimant has satisfied the conditions of Paragraph 5.1 or 5.2, whichever is applicable, the Surety shall promptly and at the Surety's expense take the following actions:

   7.1 Send an answer to the Claimant, with a copy to the Owner, within sixty (60) days after receipt of the Claim, stating the amounts that are undisputed and the basis for challenging any amounts that are disputed; and

   7.2 Pay or arrange for payment of any undisputed amounts.

   7.3 The Surety's failure to discharge its obligations under Paragraph 7.1 or 7.2 shall not be deemed to constitute a waiver of defenses the Surety or Contractor may have or acquire as to a Claim, except as to undisputed amounts for which the Surety and Claimant have reached agreement. If, however, the Surety fails to discharge its obligations under Paragraph 7.1 or 7.2, the Surety shall indemnify the Claimant for the reasonable attorney's fees the Claimant incurs thereafter to recover any sums found to be due and owing to the Claimant.

8. The Surety's total obligation shall not exceed the amount of this Bond, plus the amount of reasonable attorney's fees provided under Paragraph 7.3, and the amount of this Bond shall be credited for any payments made in good faith by the Surety.

9. Amounts owed by the Owner to the Contractor under the Construction Contract shall be used for the performance of the Construction Contract and to satisfy claims, if any, under any construction performance bond. By the Contractor furnishing and the Owner accepting this Bond, they agree that all funds earned by the Contractor in the performance of the Construction Contract are dedicated to satisfy obligations of the Contractor and Surety under this Bond, subject to the Owner's priority to use the funds for the completion of the work.

10. The Surety shall not be liable to the Owner, Claimants, or others for obligations of the Contractor that are unrelated to the Construction Contract. The Owner shall not be liable for the payment of any costs or expenses of any Claimant under this Bond, and shall have under this Bond no obligation to make payments to or give notice on behalf of Claimants, or otherwise have any obligations to Claimants under this Bond.

11. The Surety hereby waives notice of any change, including changes of time, to the Construction Contract or to related subcontracts, purchase orders, and other obligations.

12. No suit or action shall be commenced by a Claimant under this Bond other than in a court of competent jurisdiction in the state in which the project that is the subject of the Construction Contract is located or after the expiration of one year from the date (1) on which the Claimant sent a Claim to the Surety pursuant to Paragraph 5.1.2 or 5.2, or

(2) on which the last labor or service was performed by anyone or the last materials or equipment were furnished by anyone under the Construction Contract, whichever of (1) or (2) first occurs. If the provisions of this paragraph are void or prohibited by law, the minimum period of limitation available to sureties as a defense in the jurisdiction of the suit shall be applicable.

13. Notice and Claims to the Surety, the Owner, or the Contractor shall be mailed or delivered to the address shown on the page on which their signature appears. Actual receipt of notice or Claims, however accomplished, shall be sufficient compliance as of the date received.

14. When this Bond has been furnished to comply with a statutory or other legal requirement in the location where the construction was to be performed, any provision in this Bond conflicting with said statutory or legal requirement shall be deemed deleted herefrom and provisions conforming to such statutory or other legal requirement shall be deemed incorporated herein. When so furnished, the intent is that this Bond shall be construed as a statutory bond and not as a common law bond.

15. Upon requests by any person or entity appearing to be a potential beneficiary of this Bond, the Contractor and Owner shall promptly furnish a copy of this Bond or shall permit a copy to be made.

16. Definitions

16.1 **Claim:** A written statement by the Claimant including at a minimum:

1. The name of the Claimant;
2. The name of the person for whom the labor was done, or materials or equipment furnished;
3. A copy of the agreement or purchase order pursuant to which labor, materials, or equipment was furnished for use in the performance of the Construction Contract;
4. A brief description of the labor, materials, or equipment furnished;
5. The date on which the Claimant last performed labor or last furnished materials or equipment for use in the performance of the Construction Contract;
6. The total amount earned by the Claimant for labor, materials, or equipment furnished as of the date of the Claim;
7. The total amount of previous payments received by the Claimant; and
8. The total amount due and unpaid to the Claimant for labor, materials, or equipment furnished as of the date of the Claim.

16.2 **Claimant:** An individual or entity having a direct contract with the Contractor or with a subcontractor of the Contractor to furnish labor, materials, or equipment for use in the performance of the Construction Contract. The term Claimant also includes any individual or entity that has rightfully asserted a claim under an applicable mechanic's lien or similar statute against the real property upon which the Project is located. The intent of this Bond shall be to include without limitation in the terms of "labor, materials, or equipment" that part of the water, gas, power, light, heat, oil, gasoline, telephone service, or rental equipment used in the Construction Contract, architectural and engineering services required for performance of the work of the Contractor and the Contractor's subcontractors, and all other items for which a mechanic's lien may be asserted in the jurisdiction where the labor, materials, or equipment were furnished.

16.3 **Construction Contract:** The agreement between the Owner and Contractor identified on the cover page, including all Contract Documents and all changes made to the agreement and the Contract Documents.

16.4 **Owner Default:** Failure of the Owner, which has not been remedied or waived, to pay the Contractor as required under the Construction Contract or to perform and complete or comply with the other material terms of the Construction Contract.

16.5 **Contract Documents:** All the documents that comprise the agreement between the Owner and Contractor.

17. If this Bond is issued for an agreement between a contractor and subcontractor, the term Contractor in this Bond shall be deemed to be Subcontractor and the term Owner shall be deemed to be Contractor.

18. Modifications to this Bond are as follows:

WARNING: THIS POWER OF ATTORNEY IS INVALID WITHOUT THE RED BORDER

TRAVELERS

POWER OF ATTORNEY

Farmington Casualty Company
Fidelity and Guaranty Insurance Company
Fidelity and Guaranty Insurance Underwriters, Inc.
St. Paul Fire and Marine Insurance Company
St. Paul Guardian Insurance Company
St. Paul Mercury Insurance Company
Travelers Casualty and Surety Company
Travelers Casualty and Surety Company of America
United States Fidelity and Guaranty Company

Attorney-In Fact No. 227002

Certificate No. 005592501

KNOW ALL MEN BY THESE PRESENTS: That Farmington Casualty Company, St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company, St. Paul Mercury Insurance Company, Travelers Casualty and Surety Company, Travelers Casualty and Surety Company of America, and United States Fidelity and Guaranty Company are corporations duly organized under the laws of the State of Connecticut, that Fidelity and Guaranty Insurance Company is a corporation duly organized under the laws of the State of Iowa, and that Fidelity and Guaranty Insurance Underwriters, Inc., is a corporation duly organized under the laws of the State of Wisconsin (herein collectively called the "Companies"), and that the Companies do hereby make, constitute and appoint

Andrew K. Teeter, Douglas P. Taylor, Kimberly L. Miles, Christopher A. Michel, and Kimberly S. Burdette

of the City of Charleston, State of West Virginia, their true and lawful Attorney(s)-in-Fact, each in their separate capacity if more than one is named above, to sign, execute, seal and acknowledge any and all bonds, recognizances, conditional undertakings and other writings obligatory in the nature thereof on behalf of the Companies in their business of guaranteeing the fidelity of persons, guaranteeing the performance of contracts and executing or guaranteeing bonds and undertakings required or permitted in any actions or proceedings allowed by law.

IN WITNESS WHEREOF, the Companies have caused this instrument to be signed and their corporate seals to be hereto affixed, this 8th day of August, 2013.

Farmington Casualty Company
Fidelity and Guaranty Insurance Company
Fidelity and Guaranty Insurance Underwriters, Inc.
St. Paul Fire and Marine Insurance Company
St. Paul Guardian Insurance Company
St. Paul Mercury Insurance Company
Travelers Casualty and Surety Company
Travelers Casualty and Surety Company of America
United States Fidelity and Guaranty Company

State of Connecticut
City of Hartford ss.

By: _____
Robert L. Raney, Senior Vice President

On this the 8th day of August, 2013, before me personally appeared Robert L. Raney, who acknowledged himself to be the Senior Vice President of Farmington Casualty Company, Fidelity and Guaranty Insurance Company, Fidelity and Guaranty Insurance Underwriters, Inc., St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company, St. Paul Mercury Insurance Company, Travelers Casualty and Surety Company, Travelers Casualty and Surety Company of America, and United States Fidelity and Guaranty Company, and that he, as such, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing on behalf of the corporations by himself as a duly authorized officer.

In Witness Whereof, I hereunto set my hand and official seal.
My Commission expires the 30th day of June, 2016.

Marie C. Tetreault
Marie C. Tetreault, Notary Public

58440-8-12 Printed in U.S.A.

WARNING: THIS POWER OF ATTORNEY IS INVALID WITHOUT THE RED BORDER

This Power of Attorney is granted under and by the authority of the following resolutions adopted by the Boards of Directors of Farmington Casualty Company, Fidelity and Guaranty Insurance Company, Fidelity and Guaranty Insurance Underwriters, Inc., St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company, St. Paul Mercury Insurance Company, Travelers Casualty and Surety Company, Travelers Casualty and Surety Company of America, and United States Fidelity and Guaranty Company, which resolutions are now in full force and effect, reading as follows:

RESOLVED, that the Chairman, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President, any Vice President, any Second Vice President, the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary may appoint Attorneys-in-Fact and Agents to act for and on behalf of the Company and may give such appointee such authority as his or her certificate of authority may prescribe to sign with the Company's name and seal with the Company's seal bonds, recognizances, contracts of indemnity, and other writings obligatory in the nature of a bond, recognizance, or conditional undertaking, and any of said officers or the Board of Directors at any time may remove any such appointee and revoke the power given him or her; and it is

FURTHER RESOLVED, that the Chairman, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President or any Vice President may delegate all or any part of the foregoing authority to one or more officers or employees of this Company, provided that each such delegation is in writing and a copy thereof is filed in the office of the Secretary; and it is

FURTHER RESOLVED, that any bond, recognizance, contract of indemnity, or writing obligatory in the nature of a bond, recognizance, or conditional undertaking shall be valid and binding upon the Company when (a) signed by the President, any Vice Chairman, any Executive Vice President, any Senior Vice President or any Vice President, any Second Vice President, the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary and duly attested and sealed with the Company's seal by a Secretary or Assistant Secretary; or (b) duly executed (under seal, if required) by one or more Attorneys-in-Fact and Agents pursuant to the power prescribed in his or her certificate or their certificates of authority or by one or more Company officers pursuant to a written delegation of authority; and it is

FURTHER RESOLVED, that the signature of each of the following officers: President, any Executive Vice President, any Senior Vice President, any Vice President, any Assistant Vice President, any Secretary, any Assistant Secretary, and the seal of the Company may be affixed by facsimile to any Power of Attorney or to any certificate relating thereto appointing Resident Vice Presidents, Resident Assistant Secretaries or Attorneys-in-Fact for purposes only of executing and attesting bonds and undertakings and other writings obligatory in the nature thereof, and any such Power of Attorney or certificate bearing such facsimile signature or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by such facsimile signature and facsimile seal shall be valid and binding on the Company in the future with respect to any bond or understanding to which it is attached.

I, Kevin E. Hughes, the undersigned, Assistant Secretary, of Farmington Casualty Company, Fidelity and Guaranty Insurance Company, Fidelity and Guaranty Insurance Underwriters, Inc., St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company, St. Paul Mercury Insurance Company, Travelers Casualty and Surety Company, Travelers Casualty and Surety Company of America, and United States Fidelity and Guaranty Company do hereby certify that the above and foregoing is a true and correct copy of the Power of Attorney executed by said Companies, which is in full force and effect and has not been revoked.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the seals of said Companies this 3rd day of September, 2013.

Kevin E. Hughes, Assistant Secretary

To verify the authenticity of this Power of Attorney, call 1-800-421-3880 or contact us at www.travelersbond.com. Please refer to the Attorney-In-Fact number, the above-named individuals and the details of the bond to which the power is attached.

Lauren Ellifritz
MINERAL County 03:09:22 PM
Instrument No 124244
Date Recorded 09/03/2013
Document Type BND
Pages Recorded 5
Book-Page 3-766

PERFORMANCE BOND

Any singular reference to Contractor, Surety, Owner, or other party shall be considered plural where applicable.

CONTRACTOR (*Name and Address*):
Orders Construction Company, Inc.
P.O. Box 1448
St. Albans, WV 25177

SURETY (*Name, and Address of Principal Place of Business*):
Travelers Casualty and Surety Company of America
One Tower Square
Hartford, CT 06183

OWNER (*Name and Address*):
City of Keyser
111 North Davis Street
Keyser, WV 26726

CONTRACT
Effective Date of Agreement: 9/3/13
Amount: $4,576,200
Description (*Name and Location*):
Contract 1: Water Treatment Facility Rehabilitation

BOND
Bond Number: 105972632
Date (*Not earlier than Effective Date of Agreement*): 9/3/13
Amount: $4,576,200
Modifications to this Bond Form:

Surety and Contractor, intending to be legally bound hereby, subject to the terms set forth below, do each cause this Performance Bond to be duly executed by an authorized officer, agent, or representative.

CONTRACTOR AS PRINCIPAL	SURETY
Orders Construction Company, Inc. (Seal) Contractor's Name and Corporate Seal	Travelers Casualty and Surety Company of America (Seal) Surety's Name and Corporate Seal
By: [signature] Signature	By: [signature] Signature (Attach Power of Attorney)
NATHANIEL R. ORDERS Print Name	Andrew K Teeter, Licensed WV Resident Agent Print Name
PRESIDENT Title	Attorney-in-fact Title
Attest: [signature] Signature	Attest: Susie Burdette Signature Susie Burdette
Secretary Title	Witness to Surety Title

Note: Provide execution by additional parties, such as joint venturers, if necessary.

Contractor and Surety, jointly and severally, bind themselves, their heirs, executors, administrators, successors, and assigns to Owner for the performance of the Contract, which is incorporated herein by reference.

1. If Contractor performs the Contract, Surety and Contractor have no obligation under this Bond, except to participate in conferences as provided in Paragraph 2.1.

2. If there is no Owner Default, Surety's obligation under this Bond shall arise after:
   - 2.1 Owner has notified Contractor and Surety, at the addresses described in Paragraph 9 below, that Owner is considering declaring a Contractor Default and has requested and attempted to arrange a conference with Contractor and Surety to be held not later than 15 days after receipt of such notice to discuss methods of performing the Contract. If Owner, Contractor, and Surety agree, Contractor shall be allowed a reasonable time to perform the Contract, but such an agreement shall not waive Owner's right, if any, subsequently to declare a Contractor Default; and
   - 2.2 Owner has declared a Contractor Default and formally terminated Contractor's right to complete the Contract. Such Contractor Default shall not be declared earlier than 20 days after Contractor and Surety have received notice as provided in Paragraph 2.1; and
   - 2.3 Owner has agreed to pay the Balance of the Contract Price to:
     1. Surety in accordance with the terms of the Contract; or
     2. Another contractor selected pursuant to Paragraph 3.3 to perform the Contract.

3. When Owner has satisfied the conditions of Paragraph 2, Surety shall promptly, and at Surety's expense, take one of the following actions:

   - 3.1 Arrange for Contractor, with consent of Owner, to perform and complete the Contract; or
   - 3.2 Undertake to perform and complete the Contract itself, through its agents or through independent contractors; or
   - 3.3 Obtain bids or negotiated proposals from qualified contractors acceptable to Owner for a contract for performance and completion of the Contract, arrange for a contract to be prepared for execution by Owner and contractor selected with Owner's concurrence, to be secured with performance and payment bonds executed by a qualified surety equivalent to the bonds issued on the Contract, and pay to Owner the amount of damages as described in Paragraph 5 in excess of the Balance of the Contract Price incurred by Owner resulting from Contractor Default; or
   - 3.4 Waive its right to perform and complete, arrange for completion, or obtain a new contractor, and with reasonable promptness under the circumstances:
     1. After investigation, determine the amount for which it may be liable to Owner and, as soon as practicable after the amount is determined, tender payment therefor to Owner; or
     2. Deny liability in whole or in part and notify Owner citing reasons therefor.

4. If Surety does not proceed as provided in Paragraph 3 with reasonable promptness, Surety shall be deemed to be in default on this Bond 15 days after receipt of an additional written notice from Owner to Surety demanding that Surety perform its obligations under this Bond, and Owner shall be entitled to enforce any remedy available to Owner. If Surety proceeds as provided in Paragraph 3.4, and Owner refuses the payment tendered or Surety has denied liability, in whole or in part, without further notice Owner shall be entitled to enforce any remedy available to Owner.

5. After Owner has terminated Contractor's right to complete the Contract, and if Surety elects to act under Paragraph 3.1, 3.2, or 3.3 above, then the responsibilities of Surety to Owner shall not be greater than those of Contractor under the Contract, and the responsibilities of Owner to Surety shall not be greater than those of Owner under the Contract. To the limit of the amount of this Bond, but subject to commitment by Owner of the Balance of the Contract Price to mitigation of costs and damages on the Contract, Surety is obligated without duplication for:

5.1 The responsibilities of Contractor for correction of defective Work and completion of the Contract;
5.2 Additional legal, design professional, and delay costs resulting from Contractor's Default, and resulting from the actions of or failure to act of Surety under Paragraph 3; and
5.3 Liquidated damages, or if no liquidated damages are specified in the Contract, actual damages caused by delayed performance or non-performance of Contractor.

6. Surety shall not be liable to Owner or others for obligations of Contractor that are unrelated to the Contract, and the Balance of the Contract Price shall not be reduced or set off on account of any such unrelated obligations. No right of action shall accrue on this Bond to any person or entity other than Owner or its heirs, executors, administrators, or successors.

7. Surety hereby waives notice of any change, including changes of time, to Contract or to related subcontracts, purchase orders, and other obligations.

8. Any proceeding, legal or equitable, under this Bond may be instituted in any court of competent jurisdiction in the location in which the Work or part of the Work is located, and shall be instituted within two years after Contractor Default or within two years after Contractor ceased working or within two years after Surety refuses or fails to perform its obligations under this Bond, whichever occurs first. If the provisions of this paragraph are void or prohibited by law, the minimum period of limitation available to sureties as a defense in the jurisdiction of the suit shall be applicable.

9. Notice to Surety, Owner, or Contractor shall be mailed or delivered to the address shown on the signature page.

10. When this Bond has been furnished to comply with a statutory requirement in the location where the Contract was to be performed, any provision in this Bond conflicting with said statutory requirement shall be deemed deleted herefrom and provisions conforming to such statutory requirement shall be deemed incorporated herein. The intent is that this Bond shall be construed as a statutory bond and not as a common law bond.

11. Definitions.

11.1 Balance of the Contract Price: The total amount payable by Owner to Contractor under the Contract after all proper adjustments have been made, including allowance to Contractor of any amounts received or to be received by Owner in settlement of insurance or other Claims for damages to which Contractor is entitled, reduced by all valid and proper payments made to or on behalf of Contractor under the Contract.
11.2 Contract: The agreement between Owner and Contractor identified on the signature page, including all Contract Documents and changes thereto.
11.3 Contractor Default: Failure of Contractor, which has neither been remedied nor waived, to perform or otherwise to comply with the terms of the Contract.
11.4 Owner Default: Failure of Owner, which has neither been remedied nor waived, to pay Contractor as required by the Contract or to perform and complete or otherwise comply with the other terms thereof.

FOR INFORMATION ONLY – (*Name, Address and Telephone*)	(304) 346-0611
Surety Agency or Broker: Wells Fargo Insurance Services of WV, Inc.	1 Hillcrest Dr. E.
Owner's Representative (*Engineer or other party*):	Charleston, WV 25311

WARNING: THIS POWER OF ATTORNEY IS INVALID WITHOUT THE RED BORDER

TRAVELERS

POWER OF ATTORNEY

Farmington Casualty Company
Fidelity and Guaranty Insurance Company
Fidelity and Guaranty Insurance Underwriters, Inc.
St. Paul Fire and Marine Insurance Company
St. Paul Guardian Insurance Company

St. Paul Mercury Insurance Company
Travelers Casualty and Surety Company
Travelers Casualty and Surety Company of America
United States Fidelity and Guaranty Company

Attorney-In Fact No. 227002

Certificate No. 005592496

KNOW ALL MEN BY THESE PRESENTS: That Farmington Casualty Company, St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company, St. Paul Mercury Insurance Company, Travelers Casualty and Surety Company, Travelers Casualty and Surety Company of America, and United States Fidelity and Guaranty Company are corporations duly organized under the laws of the State of Connecticut, that Fidelity and Guaranty Insurance Company is a corporation duly organized under the laws of the State of Iowa, and that Fidelity and Guaranty Insurance Underwriters, Inc., is a corporation duly organized under the laws of the State of Wisconsin (herein collectively called the "Companies"), and that the Companies do hereby make, constitute and appoint

Andrew K. Teeter, Douglas P. Taylor, Kimberly L. Miles, Christopher A. Michel, and Kimberly S. Burdette

of the City of Charleston, State of West Virginia, their true and lawful Attorney(s)-in-Fact, each in their separate capacity if more than one is named above, to sign, execute, seal and acknowledge any and all bonds, recognizances, conditional undertakings and other writings obligatory in the nature thereof on behalf of the Companies in their business of guaranteeing the fidelity of persons, guaranteeing the performance of contracts and executing or guaranteeing bonds and undertakings required or permitted in any actions or proceedings allowed by law.

IN WITNESS WHEREOF, the Companies have caused this instrument to be signed and their corporate seals to be hereto affixed, this 8th day of August, 2013.

Farmington Casualty Company
Fidelity and Guaranty Insurance Company
Fidelity and Guaranty Insurance Underwriters, Inc.
St. Paul Fire and Marine Insurance Company
St. Paul Guardian Insurance Company

St. Paul Mercury Insurance Company
Travelers Casualty and Surety Company
Travelers Casualty and Surety Company of America
United States Fidelity and Guaranty Company

State of Connecticut
City of Hartford ss.

By: _____
Robert L. Raney, Senior Vice President

On this the 8th day of August, 2013, before me personally appeared Robert L. Raney, who acknowledged himself to be the Senior Vice President of Farmington Casualty Company, Fidelity and Guaranty Insurance Company, Fidelity and Guaranty Insurance Underwriters, Inc., St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company, St. Paul Mercury Insurance Company, Travelers Casualty and Surety Company, Travelers Casualty and Surety Company of America, and United States Fidelity and Guaranty Company, and that he, as such, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing on behalf of the corporations by himself as a duly authorized officer.

In Witness Whereof, I hereunto set my hand and official seal.
My Commission expires the 30th day of June, 2016.

Marie C. Tetreault
Marie C. Tetreault, Notary Public

58440-8-12 Printed in U.S.A.

WARNING: THIS POWER OF ATTORNEY IS INVALID WITHOUT THE RED BORDER

This Power of Attorney is granted under and by the authority of the following resolutions adopted by the Boards of Directors of Farmington Casualty Company, Fidelity and Guaranty Insurance Company, Fidelity and Guaranty Insurance Underwriters, Inc., St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company, St. Paul Mercury Insurance Company, Travelers Casualty and Surety Company, Travelers Casualty and Surety Company of America, and United States Fidelity and Guaranty Company, which resolutions are now in full force and effect, reading as follows:

RESOLVED, that the Chairman, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President, any Vice President, any Second Vice President, the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary may appoint Attorneys-in-Fact and Agents to act for and on behalf of the Company and may give such appointee such authority as his or her certificate of authority may prescribe to sign with the Company's name and seal with the Company's seal bonds, recognizances, contracts of indemnity, and other writings obligatory in the nature of a bond, recognizance, or conditional undertaking, and any of said officers or the Board of Directors at any time may remove any such appointee and revoke the power given him or her; and it is

FURTHER RESOLVED, that the Chairman, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President or any Vice President may delegate all or any part of the foregoing authority to one or more officers or employees of this Company, provided that each such delegation is in writing and a copy thereof is filed in the office of the Secretary; and it is

FURTHER RESOLVED, that any bond, recognizance, contract of indemnity, or writing obligatory in the nature of a bond, recognizance, or conditional undertaking shall be valid and binding upon the Company when (a) signed by the President, any Vice Chairman, any Executive Vice President, any Senior Vice President or any Vice President, any Second Vice President, the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary and duly attested and sealed with the Company's seal by a Secretary or Assistant Secretary; or (b) duly executed (under seal, if required) by one or more Attorneys-in-Fact and Agents pursuant to the power prescribed in his or her certificate or their certificates of authority or by one or more Company officers pursuant to a written delegation of authority; and it is

FURTHER RESOLVED, that the signature of each of the following officers: President, any Executive Vice President, any Senior Vice President, any Vice President, any Assistant Vice President, any Secretary, any Assistant Secretary, and the seal of the Company may be affixed by facsimile to any Power of Attorney or to any certificate relating thereto appointing Resident Vice Presidents, Resident Assistant Secretaries or Attorneys-in-Fact for purposes only of executing and attesting bonds and undertakings and other writings obligatory in the nature thereof, and any such Power of Attorney or certificate bearing such facsimile signature or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by such facsimile signature and facsimile seal shall be valid and binding on the Company in the future with respect to any bond or understanding to which it is attached.

I, Kevin E. Hughes, the undersigned, Assistant Secretary, of Farmington Casualty Company, Fidelity and Guaranty Insurance Company, Fidelity and Guaranty Insurance Underwriters, Inc., St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company, St. Paul Mercury Insurance Company, Travelers Casualty and Surety Company, Travelers Casualty and Surety Company of America, and United States Fidelity and Guaranty Company do hereby certify that the above and foregoing is a true and correct copy of the Power of Attorney executed by said Companies, which is in full force and effect and has not been revoked.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the seals of said Companies this 3rd day of September, 20 13.

Kevin E. Hughes, Assistant Secretary

To verify the authenticity of this Power of Attorney, call 1-800-421-3880 or contact us at www.travelersbond.com. Please refer to the Attorney-In-Fact number, the above-named individuals and the details of the bond to which the power is attached.

JOHN ATHEY
149 ARMSTRONG STREET
KEYSER, WV 26726-3504

Lauren Ellifritz
MINERAL County 11:29:49 AM
Instrument No 123318
Date Recorded 07/31/2013
Document Type DEP
Pages Recorded 4
Book-Page 356-457

THIS DEED, Made this the 15th day of April, 2013, by and between **NEAL J. FAULK, BENNY J. FAULK and WILLIAM J. FAULK,** Grantors and parties of the first part, and **THE CITY OF KEYSER, a municipal corporation of the State of West Virginia,** Grantee and party of the second part, whose mailing address is 111 North Davis Street, Keyser, West Virginia 26726.

WITNESSETH: That for and in consideration of the sum of TEN DOLLARS ($10.00), cash in hand paid, and for other good and valuable considerations deemed sufficient in law, the receipt of all of which is hereby acknowledged, the said Grantors and parties of the first part do hereby grant, bargain, sell and convey, with covenants of general warranty, unto the said City of Keyser, its successors and assigns, the following described real estate situate, to-wit:

"Beginning at a 5/8 inch rebar with cap set inside the Neal Faulk tract recorded in will book 23 page 760 and reference to deed book 54 page 383 and from which the northeast corner to said tract for which a ½ inch rebar found at said corner bears S 72°22' E, 209.52 feet;

Thence through the said Faulk tract from which this parcel is a part for four (4) calls:

1) N 57°42' W, 37.98 feet to a 5/8 inch rebar with cap set;
2) N 32°09' E, 46.20 feet to a 5/8 inch rebar with cap set;
3) S 57°42' E, 38.00 feet to a 5/8 inch rebar with cap set;
4) S 32°10' W, 46.20 feet to the place of beginning, containing 1,755.2 square feet more or less as shown on a map titled, "PLAT OF SURVEY SHOWING 1,755.2 SQ. FT. TRACT", dated April 2, 2013.

Together with a right of way for ingress, egress, and regress for which the location of said access has not yet been determined.
Together with a 30 foot temporary construction easement for which is located 30 feet outside the entire perimeter of the above described 1,755.2 square foot tract."
The rights of way/easements are set forth in a document entitled "Right-of-Way/Easement for Water Booster Pumping Station" from Neal J. Faulk, Benny J. Faulk and William J. Faulk to The City of Keyser, dated April 15, 2013, and to be recorded simultaneously with this deed.

The real estate above described and hereby conveyed is a portion of an assessed 3.56-acre parcel (Keyser Municipal District, Tax Map 7, parcel 86) described in a deed to Olan J. Faulk, Jr. from Edward N. Faulk, Sr., et ux, dated the 12th day of October, 1984, and recorded in the Office of the Clerk of the County Commission of Mineral County, West Virginia, in Deed Book 237, page 657, and as shown on a Plat recorded in said Clerk's Office in Deed Book 237, page 664, which is a portion of the same real estate conveyed unto Edward N. Faulk, Sr. and Olan J. Faulk, Jr. (being a part of the 5-1/8 acre tract) from W. B. Woolf, single, by deed dated October 2, 1952, of record in said Clerk's Office in Deed Book 102, page 479; and a portion of the same real estate conveyed unto Edward N. Faulk, Sr., and Olan J. Faulk, Jr., partners, trading and doing business as "Faulk Brothers" (being the 1.012-acre tract) from Catherine S. Blundon, widow, et al, by deed dated August 31, 1970, of record in said Clerk's Office in Deed Book 173, page 442.

Said Edward N. Faulk, Sr. and Margaret K. Faulk, his wife, conveyed all of their right, title and interest in and to said real estate unto Olan J. Faulk, Jr. by deed dated October 12, 1984, of record in said Clerk's Office in Deed Book 237, page 657.

Olan J. Faulk, Jr. died testate on February 26, 1990, and by the terms of his joint Last Will and Testament with Justinia M. Faulk, dated December 6, 1983, of record in said Clerk's Office in Will Book 23, page 760, his interest in said real estate was devised as follows: 37% to his son Neal J. Faulk; 31.5% to his son Benny J. Faulk; 31.5% to his son William J. Faulk; 1% to his brother Edward Faulk during his natural life; and 10% to his wife Justinia M. Faulk during her natural life.

Edward Faulk (aka Edward N. Faulk, Sr.) died on September 19, 1994, thereby extinguishing his life estate interest in and to said real estate.

Justinia M. Faulk died on November 8, 2009, thereby extinguishing her life estate interest in and to all of said real estate.

The Grantors and Grantee herein (by acceptance of this Deed) agree that electrical service to the City of Keyser water booster pumping station on the real estate herein conveyed will be 3-phase power through underground conduits under said pumping station property, and under the remaining real estate of the Grantors, if necessary, rather than overhead electrical service, and said Grantors and Grantee agree to allow the electrical company access to the property in accordance with the rules and regulations of said company in order to complete the underground electrical service to said pumping station.

The above real estate is subject to all public utility easements and agreements of record in the chain of title.

The Grantors hereby declare that this is an exempt transfer pursuant to West Virginia Code Section 11-22-1 et seq., and therefore not subject to excise taxation, because it is a conveyance to a municipal corporation of the State of West Virginia.

TO HAVE AND TO HOLD the above described real estate, together with the rights, ways, privileges and appurtenances thereunto belonging, or in anywise appertaining, unto the said City of Keyser, a municipal corporation of the State of West Virginia as aforesaid, its successors and assigns, in fee simple forever.

WITNESS the following signatures and seals:

_____ (SEAL)
NEAL J. FAULK

_____ (SEAL)
BENNY J. FAULK

_____ (SEAL)
WILLIAM J. FAULK

STATE OF WEST VIRGINIA,

COUNTY OF MINERAL, to-wit:

The foregoing and hereunto annexed deed was acknowledged before me this 30th day of July, 2013, by Neal J. Faulk.

My commission expires: June 4, 2019.

(Notarial Seal) OFFICIAL SEAL NOTARY PUBLIC STATE OF WEST VIRGINIA VIRGINIA L. PANCAKE JOHN D. ATHEY, ESQ. 149 ARMSTRONG ST. KEYSER, WV 26726 My Commission Expires June, 4, 2019

Virginia L Pancake
Notary Public

STATE OF WEST VIRGINIA,

COUNTY OF MINERAL, to-wit:

The foregoing and hereunto annexed deed was acknowledged before me this 31st day of July, 2013, by Benny J. Faulk.

My commission expires: June 4, 2019.

(Notarial Seal)

Virginia L Pancake
Notary Public

STATE OF WEST VIRGINIA,

COUNTY OF MINERAL, to-wit:

The foregoing and hereunto annexed deed was acknowledged before me this 30th day of July, 2013, by William J. Faulk.

My commission expires: June 4, 2019.

(Notarial Seal) OFFICIAL SEAL NOTARY PUBLIC STATE OF WEST VIRGINIA VIRGINIA L. PANCAKE JOHN D. ATHEY, ESQ. 149 ARMSTRONG ST. KEYSER, WV 26726 My Commission Expires June, 4, 2019

Virginia L Pancake
Notary Public

Prepared by John D. Athey, Esquire, Keyser, West Virginia

FaulkAmendedCityofKeyser1755.2SFDeed.doc

PLAT OF SURVEY

SHOWING

1,755.2 SQ. FT. TRACT

PART OF THE NEAL FAULK PARCEL

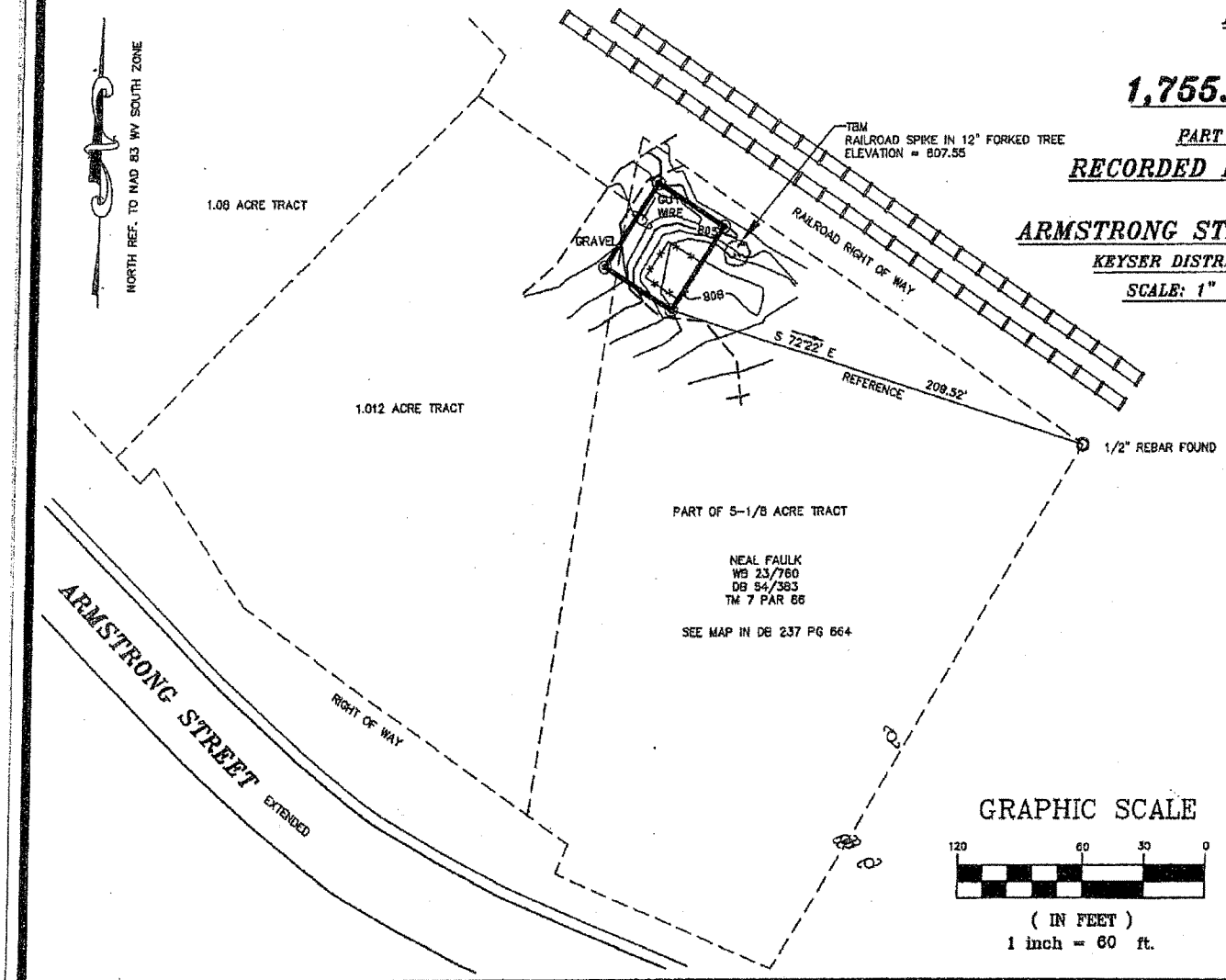
RECORDED IN WILL BOOK 23 PAGE 760

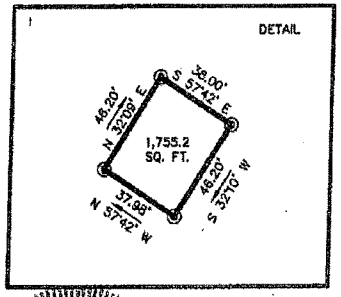
LOCATED ON

ARMSTRONG STREET (ROUTE 46) KEYSER, WV

KEYSER DISTRICT, MINERAL COUNTY, WEST VIRGINIA

SCALE: 1" = 60 FEET DATE: APRIL 2, 2013





GRAPHIC SCALE

120 60 30 0

(IN FEET)
1 inch = 60 ft.

KEVIN D. SCHAFER
LICENSED
NO. 923
STATE OF WEST VIRGINIA
PROFESSIONAL SURVEYOR

KEVIN D. SCHAFER, P.S.

dT design TECH, INC

199 HEADLEY DRIVE CHARLESTON WV 25312

(304) 746-4734 FAX: (304) 746-4735

PROJECT NO. 12P-106-WAX2

JOHN ATHEY
149 ARMSTRONG STREET
KEYSER, WV 26726-3504

Lauren Ellifritz
MINERAL County 11:32:43 AM
Instrument No 123319
Date Recorded 07/31/2013
Document Type DER
Pages Recorded 3
Book-Page 356-461

RIGHT-OF-WAY/EASEMENT FOR WATER BOOSTER PUMPING STATION

KNOW ALL MEN BY THESE PRESENTS:

That in consideration of One Dollar ($1.00) and other good and valuable consideration paid to **Neal J. Faulk, Benny J. Faulk and William J. Faulk** (hereinafter referred to as "GRANTOR", whether singular or plural), by **THE CITY OF KEYSER, a municipal corporation of the State of West Virginia** (hereinafter referred to as "GRANTEE"), the receipt of which is hereby acknowledged, the GRANTOR does hereby grant, bargain, sell, transfer, and convey unto the GRANTEE, its successors and assigns, a perpetual right of way/easement to access a **water booster pumping station** known as the Armstrong Street (Rt. 46/Waxler) Booster Pumping Station, to be located on the property of the GRANTOR, for the purpose of using, operating, inspecting, servicing, repairing, replacing, maintaining, and fueling, etc., said water booster pumping station, which station is shown on a Plat prepared by Kevin D. Schafer, WV Lic. PS No. 923, attached to a deed from GRANTOR to said GRANTEE to be recorded prior to or simultaneously with this right of way/easement.

The permanent right of way/easement for said water booster pumping station is for ingress, egress and regress from County or State Road over, under, across and through the land of the GRANTOR situated in Keyser Municipal District, Mineral County, State of West Virginia, said land being described as follows:

That certain parcel(s) of real estate to wit: **A portion** of an assessed 3.56-acre parcel (**Keyser Municipal District, Tax Map 7, parcel 86**) described in a deed to Olan J. Faulk, Jr. from Edward N. Faulk, Sr., et ux, dated the 12th day of October, 1984, and recorded in the Office of the Clerk of the County Commission of Mineral County, West Virginia, in Deed Book 237, page 657, and as shown on a Plat recorded in said Clerk's Office in Deed Book 237, page 664, and is a portion of the same real estate conveyed unto Edward N. Faulk, Sr. and Olan J. Faulk, Jr. (being a part of the 5-1/8 acre tract) from W. B. Woolf, single, by deed dated October 2, 1952, of record in said Clerk's Office in Deed Book 102, page 479; and a portion of the same real estate conveyed unto Edward N. Faulk, Sr., and Olan J. Faulk, Jr., partners, trading and doing business as "Faulk Brothers" (being the 1.012-acre tract) from Catherine S. Blundon, widow, et al, by deed dated August 31, 1970, of record in said Clerk's Office in Deed Book 173, page 442.

Said Edward N. Faulk, Sr. and Margaret K. Faulk, his wife, conveyed all of their right, title and interest in and to said real estate unto Olan J. Faulk, Jr. by deed dated October 12, 1984, of record in said Clerk's Office in Deed Book 237, page 657.

Olan J. Faulk, Jr. died testate on February 26, 1990, and by the terms of his joint Last Will and Testament with Justinia M. Faulk, dated December 6, 1983, of record in said Clerk's Office in Will Book 23, page 760, his interest in said real estate was devised as follows: 37% to his son Neal J. Faulk; 31.5% to his son Benny J. Faulk; 31.5% to his son William J. Faulk; 1% to his brother Edward Faulk during his natural life; and 10% to his wife Justinia M. Faulk during her natural life.

Edward Faulk (aka Edward N. Faulk, Sr.) died on September 19, 1994, thereby extinguishing his life estate interest in and to said real estate.

Justinia M. Faulk died on November 8, 2009, thereby extinguishing her life estate interest in and to all of said real estate.

Said right of way/easement is to be accessed along the route of one or more of the GRANTOR'S existing roadways, or along any other roadway constructed by the GRANTOR in the future. The route is to be at the GRANTOR'S discretion. Should the GRANTOR decide to authorize a different route, the City shall be so notified in writing and must be acceptable to the City.

Said right of way/easement shall be of sufficient length and width suitable for use by service and fuel trucks to access the station and for adequate parking while servicing said station.

Access is to be unfettered, although access through a locked gate of the GRANTOR'S construction would be acceptable.

The temporary construction easement shall be Thirty (30') feet in width and will be located 30 feet outside the entire perimeter of the water boosting pumping station as described in the deed from said GRANTOR to said GRANTEE, and as shown on the above referenced Plat attached to said deed to be recorded prior to or simultaneously herewith, and shall be in effect until the installation of the water booster pumping station is complete. However, the Contractor of said booster pumping station will need an area of approximately 50' x 100' for only the period of time that it takes to deliver and install the precast concrete building that will house the pumping equipment. A semi-trailer and a large truck crane will be parked on the site to complete this phase of the work. Before and after the delivery and installation, the 30' temporary easement will be adequate.

The GRANTEE agrees that for and in consideration of the granting of this easement by the GRANTOR, the GRANTEE shall return and restore the real estate of the GRANTOR to its pre-construction easement condition and to the reasonable satisfaction of the GRANTEE, with the exception of trees. Any trees removed from said easement will not be replaced.

The consideration herein above recited shall constitute payment in full for any damages to the land of the GRANTOR, its heirs and/or assigns, by reason of the installation operation, and maintenance of the structures or improvements referred to herein. The GRANTEE covenants to maintain the easement in good repair so that no unreasonable damage will result from its use to the adjacent land of the GRANTOR, its heirs and/or assigns.

The GRANTOR hereby declares that this is an exempt transfer pursuant to West Virginia Code Section 11-22-1 et seq., and therefore not subject to excise taxation, because it is a conveyance to a municipal corporation of the State of West Virginia.

The grant and other provisions of this easement shall constitute a covenant running with the land for the benefit of the GRANTEE, its successors and/or assigns.

IN WITNESS WHEREOF, the GRANTOR has executed this instrument this 15th day of April, 2013.

_____ (SEAL)
NEAL J. FAULK

_____ (SEAL)
BENNY J. FAULK

_____ (SEAL)
WILLIAM J. FAULK

STATE OF WEST VIRGINIA,

COUNTY OF MINERAL, to-wit:

I, Carol L. Kiggins, a Notary Public in and for the County and State aforesaid, do hereby certify that Neal J. Faulk acknowledged the foregoing and hereunto annexed right-of-way/easement before me this 15th day of April, 2013.

My commission expires: June 23, 2013.

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
CAROL L. KIGGINS
RT. 1 BOX 175
BURLINGTON, WV 26710
My commission expires June 23, 2013

(Notarial Seal)

_____
Notary Public

STATE OF WEST VIRGINIA,

COUNTY OF MINERAL, to-wit:

I, Carol L. Kiggins, a Notary Public in and for the County and State aforesaid, do hereby certify that Benny J. Faulk acknowledged the foregoing and hereunto annexed right-

of-way/easement before me this 15th day of April, 2013.

My commission expires: June 23, 2013.

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
CAROL L. KIGGINS
RT. 1 BOX 175
BURLINGTON, WV 26710
My commission expires June 23, 2013

(Notarial Seal)

Carol L Kiggins
Notary Public

STATE OF WEST VIRGINIA,

COUNTY OF MINERAL, to-wit:

I, Carol L. Kiggins, a Notary Public in and for the County and State aforesaid, do hereby certify that William J. Faulk acknowledged the foregoing and hereunto annexed right-of-way/easement before me this 15th day of April, 2013.

My commission expires: June 23, 2013.

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
CAROL L. KIGGINS
RT. 1 BOX 175
BURLINGTON, WV 26710
My commission expires June 23, 2013

(Notarial Seal)

Carol L Kiggins
Notary Public

This instrument was prepared by John D. Athey, Esquire, Attorney at Law, Keyser, West Virginia

FaulkCityofKeysertemppermEasementcorr.doc

JOHN ATHEY
149 ARMSTRONG STREET
KEYSER, WV 26726-3504

Lauren Ellifritz
MINERAL County 11:35:14 AM
Instrument No 123320
Date Recorded 07/31/2013
Document Type DEM
Pages Recorded 2
Book-Page 356-464

RELEASE AND WAIVER OF RIGHT OF REFUSAL TO PURCHASE

WHEREAS, Olan J. Faulk, Jr., by the terms of his joint Last Will and Testament with Justinia M. Faulk, dated December 6, 1983, and probated and recorded in the Office of the Clerk of the County Commission of Mineral County, West Virginia, in Will Book 23, page 760, devised a right of refusal to the heirs of Edward Faulk (aka Edward N. Faulk, Sr.) to purchase certain real estate which is more particularly described in those deeds recorded in said Clerk's Office in Deed Book 102, page 479, in Deed Book 173, page 442, in Deed Book 196, page 208, and in Deed Book 195, page 464;

WHEREAS, by deed dated ~~March 12,~~ lib April 15 2013, the heirs of said Olan J. Faulk, Jr. and Justinia M. Faulk are conveying to the City of Keyser a parcel containing ~~554.24~~ lib 1,755.2 Square Feet, a portion of the above real estate described in those deeds recorded in said Clerk's Office in Deed Book 102, page 479, Deed Book 173, page 442, and in Deed Book 196, page 208; and

WHEREAS, Edward N. Faulk, Sr. died on September 19, 1994, leaving as his sole heir, his wife, Margaret K. Faulk; and said Margaret K. Faulk died on April 15, 2005, leaving as her heirs, Shirley J. Thorne, Carolyn Sue Roby and Edward Faulk, Jr.; and

WHEREAS, the heirs of said Edward N. Faulk, Sr. desire to waive and release the right of refusal to purchase the above referenced ~~554.24~~ lib 1,755.2 square feet, a portion of the real estate devised unto the heirs of said Olan J. Faulk, Jr. and Justinia M. Faulk in said Last Will and Testament.

NOW, THEREFORE, the undersigned do hereby waive and release said right of refusal to purchase said real estate referred to herein containing ~~554.24~~ lib 1,755.2 square feet.

WITNESS the following signatures and seals:

Shirley J. Thorne (SEAL)
SHIRLEY J. THORNE 504

Carolyn Sue Roby (SEAL)
CAROLYN SUE ROBY

Edward Faulk (SEAL)
EDWARD FAULK, JR.

STATE OF West Virginia,

COUNTY OF Mineral, to-wit:

The foregoing release and waiver was acknowledged before me this 29th day of March, 2013 by Shirley J. Thorne.

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
CAROL L. KIGGINS
RT. 1 BOX 175
BURLINGTON, WV 26710
My commission expires June 23, 2013

Carol L. Kiggins

My commission expires: June 23 2013.

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
CAROL L. KIGGINS
RT. 1 BOX 175
BURLINGTON, WV 26710
My commission expires June 23, 2013

(Notarial Seal)

Carol L. Kiggins
Notary Public

STATE OF West Virginia,

COUNTY OF Mineral, to-wit:

The foregoing release and waiver was acknowledged before me this 29th day of March, 2013 by Carolyn Sue Roby.

My commission expires: June 23, 2013.

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
CAROL L. KIGGINS
RT. 1 BOX 175
BURLINGTON, WV 26710
My commission expires June 23, 2013

(Notarial Seal)

Carol L. Kiggins
Notary Public

STATE OF West Virginia,

COUNTY OF Mineral, to-wit:

The foregoing release and waiver was acknowledged before me this 29th day of March, 2013 by Edward Faulk, Jr.

My commission expires: June 23, 2013.

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
CAROL L. KIGGINS
RT. 1 BOX 175
BURLINGTON, WV 26710
My commission expires June 23, 2013

(Notarial Seal)

Carol L. Kiggins
Notary Public

Prepared by John D. Athey, Attorney at Law, Keyser, West Virginia

RelWaiverRightFirstrefusalFaulkheirs.doc

JOHN ATHEY
149 ARMSTRONG STREET
KEYSER, WV 26726-3504

Lauren Ellifritz
MINERAL County 10:09:48 AM
Instrument No 119825
Date Recorded 03/27/2013
Document Type DEP
Pages Recorded 4
Book-Page 354-469

John D Athey ①

THIS DEED, Made this the 12th day of March, 2013, by and between **THE CITY OF KEYSER, a municipal corporation of the State of West Virginia**, Grantor and party of the first part, and **JOHN D. ATHEY, Trustee,** Grantee and party of the second part, whose mailing address is 149 Armstrong Street, Keyser, West Virginia 26726.

WHEREAS, the hereinafter described real estate is a portion of those rights of way and easements assigned to The City of Keyser, a municipal corporation, from Cline A. Ludwick, Jr., as Trustee under the Ludwick Trust U/I August 28, 1979, by "Assignment of Reserved Easements" dated November 9, 1998, and recorded in the Office of the Clerk of the County Commission of Mineral County, West Virginia, in Assignment Book 09, page 649; and

WHEREAS, said City of Keyser intends to place a water booster pumping station inside the rights of way assigned as aforesaid; and

WHEREAS, The City of Keyser has contracted with Dunn Engineers, Inc. (Kevin D. Schafer, WV Lic. PS No. 923) to prepare a Plat and description for said pumping station inside the right of way of Baker Street, one of the assigned rights of way, at the intersection of said Baker Street and Liberty Street, which is to be called "Liberty Street Booster Pumping Station"; and

WHEREAS, said City wishes to place on record the Plat and description of said pumping station, as well as the source of title of the rights of way/easements assigned to said City.

NOW, THEREFORE, WITNESSETH: That for and in consideration of the sum of TEN DOLLARS ($10.00), cash in hand paid, and for other good and valuable considerations deemed sufficient in law, the receipt of all of which is hereby acknowledged, the said Grantor and party of the first part does hereby grant, bargain, sell and convey, with covenants of special warranty, unto the said John D. Athey, Trustee, for the purpose hereinabove set forth and no other purpose, the following tract of real estate located in New Creek District, Mineral County, West Virginia, to-wit:

"Beginning at a point inside the Baker Street right of way and from which a 2 inch iron pipe found at the northwest corner of the intersection of Liberty Street and Baker Street bears S 20°45' W, 25.66 feet;

Thence through the said Baker Street right of way from which this tract is a part for four (4) calls:

1) N 33°59' W, 20.00 feet to a point;
2) N 56°01' E, 20.00 feet to a point;
3) S 33°59' E, 20.00 feet to a point;
4) S 56°01' W, 20.00 feet to the place of beginning, containing 400 square feet more or less as shown on a map titled, "PLAT OF SURVEY SHOWING 400 SQ. FT. PARCEL (located inside of Baker Street R/W, situate near Baker & Liberty Street, Keyser, WV)," dated December 7, 2012. Said map is referenced hereto and made part of this description."

The real estate above described and hereby conveyed is a portion of the same real estate which was conveyed unto Cline A. Ludwick, Jr., as Trustee under the Ludwick Trust U/I August 28, 1979, from Cline A. Ludwick, Jr., Executor under the Will of Cline Arnold Ludwick, deceased, et al, by deed

bearing date on the 28th day of August, 1979, and recorded in the Office of the Clerk of the County Commission of Mineral County, West Virginia, in Deed Book 216, page 870; and is a portion of those rights of way/easements assigned to The City of Keyser from Cline A. Ludwick, Jr., as Trustee under the Ludwick Trust U/I August 28, 1979, by Assignment dated November 9, 1998, and recorded in said Clerk's Office in Assignment Book 09, page 649.

Those rights, etc., are set forth in the aforesaid Assignment as follows: "WHEREAS, the Assignor has reserved certain rights by virtue of its restrictive covenants recorded in various Deeds and in the general form as is set forth in that certain Deed from the Assignor to R. Terrance Stephens, et ux, recorded in said Clerk's Office in Deed Book 269, at page 197, et seq., and in particular paragraph 8 thereof and by virtue of his ownership rights to the roadways as developer; and, WHEREAS, the Assignor is desirous of empowering the City of Keyser to exercise any rights he may possess or have reserved by virtue of being developer or Grantor under said restrictive covenants for the purposes of installing, maintaining, reinstalling, constructing, removing and/or replacing water and sewage lines or such other utilities as may be appropriate in said reserved areas."

The Grantor hereby declares that there is no excise tax due the State of West Virginia upon the transfer of the property conveyed by this document for the reason the same is between straw parties without consideration. and is exempt pursuant to WV Code §11-22-1, because it is a transfer from a municipal corporation of the State of WV.

TO HAVE AND TO HOLD the above described real estate, together with the rights, ways, privileges and appurtenances thereunto belonging, or in anywise appertaining, unto the said John D. Athey, Trustee, for the purpose aforesaid and no other purpose.

IN WITNESS WHEREOF the City of Keyser, a municipal corporation, has caused these presents to be executed on its behalf by Randall W. Amtower, its Mayor, and duly attested by Shannon Marsh, its City Administrator.

THE CITY OF KEYSER, a municipal corporation,

By: Randall W. Amtower
RANDALL W. AMTOWER
Its Mayor

Attest: Shannon Marsh
Shannon Marsh, City Administrator

STATE OF WEST VIRGINIA,

COUNTY OF MINERAL, to-wit:

The foregoing and hereunto annexed deed was acknowledged before me this 20th day of March, 2013, by Randall W. Amtower, Mayor of the City of Keyser, a municipal corporation, on behalf of said municipal corporation.

My commission expires: June 23, 2013.

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
CAROL L. KIGGINS
RT. 1 BOX 175
BURLINGTON, WV 26710
My commission expires June 23, 2013

Carol L. Kiggins
Notary Public

Prepared by John D. Athey, Attorney at Law, Keyser, West Virginia

CityofKeyserAtheyLibertyStstraw.ded.doc

PLAT OF SURVEY

SHOWING

400 SQ. FT. PARCEL

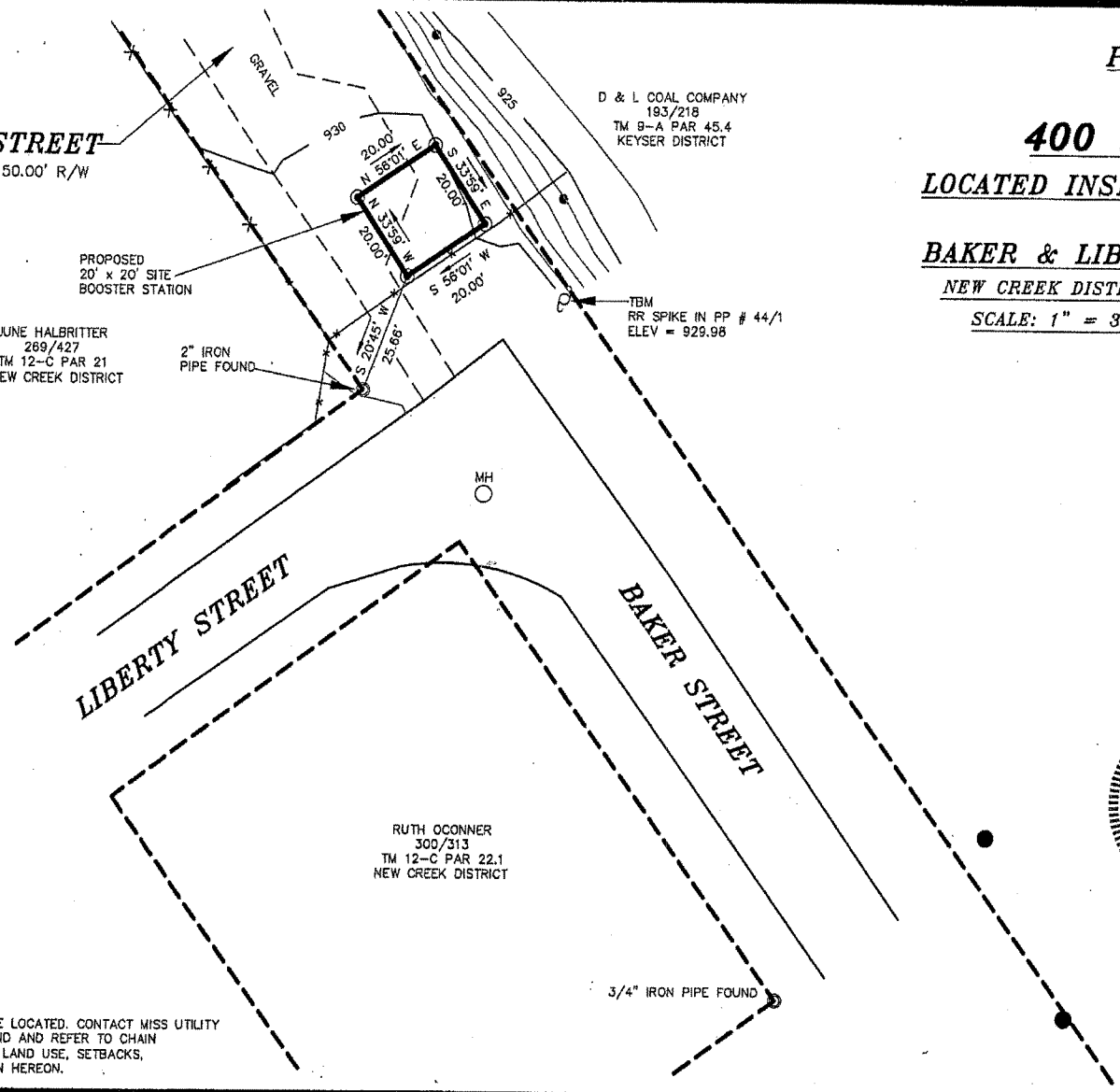
LOCATED INSIDE OF BAKER STREET R/W

SITUATE NEAR

BAKER & LIBERTY STREET, KEYSER, WV

NEW CREEK DISTRICT, MINERAL COUNTY, WEST VIRGINIA

SCALE: 1" = 30 FEET DATE: DECEMBER 07, 2012



KEVIN D. SCHAFER
LICENSED
NO. 923
STATE OF
WEST VIRGINIA
PROFESSIONAL SURVEYOR

KEVIN D. SCHAFER, P.S.

dT design TECH, INC

199 HEADLEY DRIVE CHARLESTON WV 25312

(304) 746-4734 FAX: (304) 746-4735

PROJECT NO. LIBERTY.DWG

SURVEY NOTE:

NO UNDERGROUND UTILITIES WERE LOCATED. CONTACT MISS UTILITY BEFORE ANY EXCAVATION OF LAND AND REFER TO CHAIN OF TITLE FOR RESTRICTIONS FOR LAND USE, SETBACKS, AND ANY EASEMENTS NOT SHOWN HEREON.

State of West Virginia, Mineral County, to-wit:
Be it remembered that on this 27 day of March 2013. The foregoing was presented in the Office of the Clerk of County Commission and admitted to record.
Lauren T. P. Elliritz
Clerk of County Commission

BOOK 351 PAGE 472

JOHN ATHEY
149 ARMSTRONG STREET
KEYSER, WV 26726-3504

Lauren Ellifritz,
MINERAL County 10:12:51 AM
Instrument No 119826
Date Recorded 03/27/2013
Document Type DEP
Pages Recorded 4
Book-Page 354-473

John D. Athey ②

THIS DEED, Made this the 12th day of March, 2013, by and between **JOHN D. ATHEY, Trustee,** Grantor and party of the first part, and **THE CITY OF KEYSER, a municipal corporation of the State of West Virginia,** Grantee and party of the second part, whose mailing address is 111 North Davis Street, Keyser, West Virginia 26726.

WHEREAS, the hereinafter described real estate is a portion of those rights of way and easements assigned to The City of Keyser, a municipal corporation, from Cline A. Ludwick, Jr., as Trustee under the Ludwick Trust U/I August 28, 1979, by "Assignment of Reserved Easements" dated November 9, 1998, and recorded in the Office of the Clerk of the County Commission of Mineral County, West Virginia, in Assignment Book 09, page 649; and

WHEREAS, said City of Keyser intends to place a water booster pumping station inside the rights of way assigned as aforesaid; and

WHEREAS, The City of Keyser has contracted with Dunn Engineers, Inc. (Kevin D. Schafer, WV Lic. PS No. 923) to prepare a Plat and description for said pumping station inside the right of way of Baker Street, one of the assigned rights of way, at the intersection of said Baker Street and Liberty Street, which is to be called "Liberty Street Booster Pumping Station"; and

WHEREAS, said City wishes to place on record the Plat and description of said pumping station, as well as the source of title of the rights of way/easements assigned to said City.

NOW, THEREFORE, WITNESSETH: That for and in consideration of the sum of TEN DOLLARS ($10.00), cash in hand paid, and for other good and valuable considerations deemed sufficient in law, including the considerations set forth in that certain deed bearing even date herewith executed by the said City of Keyser, a municipal corporation, to John D. Athey, Trustee, Grantor herein, for the purpose of his re-conveying the hereinafter described real estate unto said Grantee herein to place on record the Plat and description of the aforesaid pumping station, as well as the source of title of the rights of way/easements assigned to said City, the said Grantor and party of the first part does hereby grant, bargain, sell and convey, with covenants of special warranty, unto The City of Keyser, its successors and assigns, the following tract of real estate located in New Creek District, Mineral County, West Virginia, to-wit:

"Beginning at a point inside the Baker Street right of way and from which a 2 inch iron pipe found at the northwest corner of the intersection of Liberty Street and Baker Street bears S 20°45' W, 25.66 feet;

Thence through the said Baker Street right of way from which this tract is a part for four (4) calls:

1) N 33°59' W, 20.00 feet to a point;
2) N 56°01' E, 20.00 feet to a point;
3) S 33°59' E, 20.00 feet to a point;
4) S 56°01' W, 20.00 feet to the place of beginning, containing 400 square feet more or less as shown on a map titled, "PLAT OF SURVEY SHOWING 400 SQ. FT. PARCEL (located

inside of Baker Street R/W, situate near Baker & Liberty Street, Keyser, WV)," dated December 7, 2012. Said map is referenced hereto and made part of this description."

The real estate above described and hereby conveyed is a portion of the same real estate which was conveyed unto Cline A. Ludwick, Jr., as Trustee under the Ludwick Trust U/I August 28, 1979, from Cline A. Ludwick, Jr., Executor under the Will of Cline Arnold Ludwick, deceased, et al, by deed bearing date on the 28th day of August, 1979, and recorded in the Office of the Clerk of the County Commission of Mineral County, West Virginia, in Deed Book 216, page 870; and is a portion of those rights of way/easements assigned to The City of Keyser from Cline A. Ludwick, Jr., as Trustee under the Ludwick Trust U/I August 28, 1979, by Assignment dated November 9, 1998, and recorded in said Clerk's Office in Assignment Book 09, page 649, and is the same real estate which was conveyed unto John D. Athey, Trustee, from The City of Keyser, a municipal corporation, by deed bearing even date herewith, and to be recorded in said Clerk's Office prior to the recording of this deed.

Those rights, etc., are set forth in the aforesaid Assignment as follows: "WHEREAS, the Assignor has reserved certain rights by virtue of its restrictive covenants recorded in various Deeds and in the general form as is set forth in that certain Deed from the Assignor to R. Terrance Stephens, et ux, recorded in said Clerk's Office in Deed Book 269, at page 197, et seq., and in particular paragraph 8 thereof and by virtue of his ownership rights to the roadways as developer; and, WHEREAS, the Assignor is desirous of empowering the City of Keyser to exercise any rights he may possess or have reserved by virtue of being developer or Grantor under said restrictive covenants for the purposes of installing, maintaining, reinstalling, constructing, removing and/or replacing water and sewage lines or such other utilities as may be appropriate in said reserved areas."

The Grantor hereby declares that there is no excise tax due the State of West Virginia upon the transfer of the property conveyed by this document for the reason the same is between straw parties without consideration, and is exempt pursuant to WV Code §11-22-1, because it is a transfer to a municipal corporation of the State of WV.

TO HAVE AND TO HOLD the above described real estate, together with the rights, ways, privileges and appurtenances thereunto belonging, or in anywise appertaining, unto The City of Keyser, a municipal corporation, its successors and assigns.

WITNESS the following signature and seal:

John D. Athey (SEAL)
JOHN D. ATHEY, Trustee

STATE OF WEST VIRGINIA,

COUNTY OF MINERAL, to-wit:

The foregoing and hereunto annexed deed was acknowledged before me this 21st day of March, 2013, by John D. Athey, Trustee.

My commission expires: June 4, 2019.

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
VIRGINIA L. PANCAKE
JOHN D. ATHEY, ESQ.
148 ARMSTRONG ST.
KEYSER, WV 26726
My Commission Expires June, 4, 2019

Virginia L Pancake
Notary Public

Prepared by John D. Athey, Attorney at Law, Keyser, West Virginia

AtheyCityofKeyserLibertyStstraw.ded.doc

PLAT OF SURVEY

SHOWING

400 SQ. FT. PARCEL

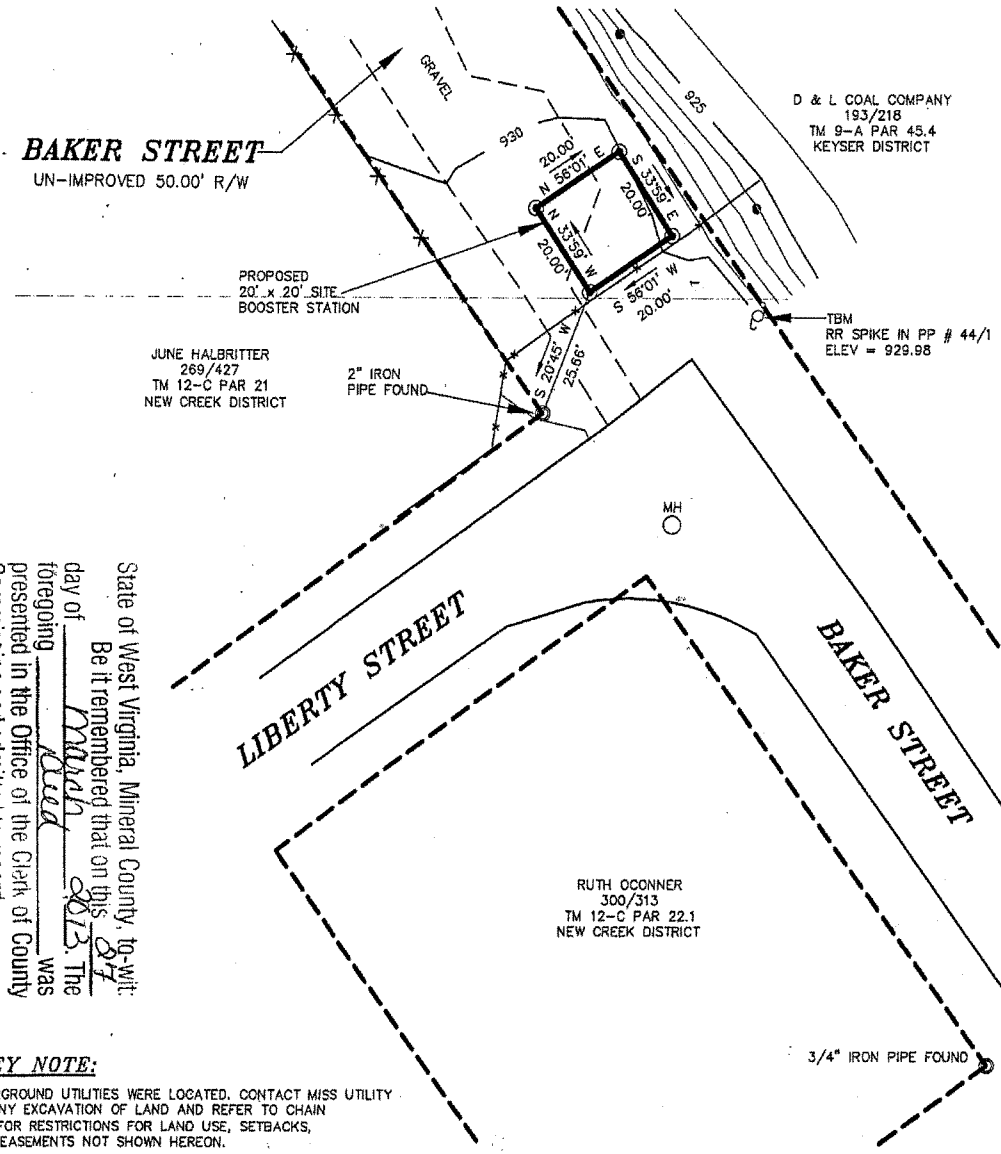
LOCATED INSIDE OF BAKER STREET R/W

SITUATE NEAR

BAKER & LIBERTY STREET, KEYSER, WV

NEW CREEK DISTRICT, MINERAL COUNTY, WEST VIRGINIA

SCALE: 1" = 30 FEET DATE: DECEMBER 07, 2012



KEVIN D. SCHAFER
LICENSED
NO. 923
STATE OF
WEST VIRGINIA
PROFESSIONAL SURVEYOR

KEVIN D. SCHAFER, P.S.

dT design TECH, INC

199 HEADLEY DRIVE CHARLESTON WV 25312

(304) 746-4734 FAX: (304) 746-4735

PROJECT NO. LIBERTY.DWG

SURVEY NOTE:

NO UNDERGROUND UTILITIES WERE LOCATED. CONTACT MISS UTILITY BEFORE ANY EXCAVATION OF LAND AND REFER TO CHAIN OF TITLE FOR RESTRICTIONS FOR LAND USE, SETBACKS, AND ANY EASEMENTS NOT SHOWN HEREON.

State of West Virginia, Mineral County, to-wit:
Be it remembered that on this 27 day of March 2013. The foregoing was presented in the Office of the Clerk of County Commission and admitted to record.
Lauren T. P. Ellifritz
Clerk of County Commission

354 476

The City of Keyser
Water Revenue Bonds, Series 2013 A
(United States Department of Agriculture)

COMBINED CERTIFICATE OF ISSUER AND ATTORNEY ON:

1. AUTHORIZATION AND AWARD OF BOND
2. NO LITIGATION
3. GOVERNMENTAL APPROVALS
4. PUBLICATION AND NO PROTEST
5. NO ADVERSE FINANCIAL CHANGE; INDEBTEDNESS
6. SIGNATURES, ETC.
7. CERTIFICATION OF COPIES OF DOCUMENTS
8. INCUMBENCY AND OFFICIAL NAME, ETC.
9. DELIVERY AND PAYMENT
10. USE OF PROCEEDS
11. LAND AND RIGHTS OF WAY
12. MEETINGS; PUBLICATION AND POSTING OF NOTICES, ETC.
13. CONTRACTORS' INSURANCE, ETC.
14. CONNECTIONS, ETC.
15. MANAGEMENT
16. GRANT
17. CONFLICT OF INTEREST
18. PROCUREMENT OF ENGINEERING SERVICES
19. EXECUTION OF COUNTERPARTS

We, the undersigned MAYOR and RECORDER of The City of Keyser, in Mineral County, West Virginia (the "Issuer"), and the undersigned COUNSEL to the Issuer, acting for the Issuer and in its name, hereby state and certify on this 3rd day of September, 2013, in connection with The City of Keyser Water Revenue Bonds, Series 2013 A (United States Department of Agriculture), No. AR-1, fully registered, dated the date hereof, in the principal amount of $4,500,000, and bearing interest at the rate of 2.125% per annum (the "Series 2013 A Bonds") as follows:

1. AUTHORIZATION AND AWARD OF BOND: The undersigned are authorized to execute this certificate on behalf of the Issuer and are knowledgeable with respect to the matters set forth herein. The entire issue of the Bonds have been duly awarded to the United States of America, acting by the United States Department of Agriculture, Rural Utilities Service (the "Purchaser"), pursuant to a Letter of Conditions from the Purchaser, dated March 10, 2010, as amended, and as appears in Section 7.03 of the Bond Ordinance duly enacted on May 8, 2013, as supplemented by Supplemental Resolution and Conformed Ordinance duly adopted by the Issuer on August 28, 2013, authorizing issuance of the Bond (collectively, the "Ordinance" or "Bond Ordinance"). Terms used herein and not otherwise defined herein shall have the same meaning as defined in the Bond Ordinance when used herein. The Bonds are being issued on this date to permanently finance a portion of the cost of acquisition and construction of the Project located within the boundaries of the Issuer and to pay costs of issuance thereof.

2. NO LITIGATION: No controversy or litigation of any nature is now pending, or, to the knowledge of any of the undersigned, threatened, restraining, enjoining or affecting the issuance and delivery of the Bonds or receipt of any grant moneys committed for the System; nor questioning the proceedings and authority by which the Issuer authorized the issuance and sale of the Bonds; nor in any way questioning or affecting the validity of the grants committed for the System or the Bonds, or any provisions made or authorized for the payment thereof, including, without limitation, the pledge or application of the Gross Revenues or any other moneys or security provided for the payment of the Bonds or the existence or the powers of the Issuer insofar as they relate to the authorization, sale and issuance of the Bonds, the acquisition and construction of the Project, the operation of the System, the pledge or application of moneys and security or the collection of the Gross Revenues; nor questioning the existence, powers or proceedings of the Issuer or the Council of the Issuer (the "Governing Body") or the title of the members and officers thereof to their respective offices; nor questioning the operation of the waterworks system of the Issuer (the waterworks system, as improved and expanded by the Project, as defined in the Ordinance, is herein called the "System") or the acquisition and construction of the Project being financed in part out of the proceeds of sale of the Bonds; nor questioning the rates and charges provided for services of the System

3. GOVERNMENTAL APPROVALS: All applicable and necessary approvals, permits, authorizations, registrations, exemptions, consents and certificates required by law for the acquisition and construction of the Project, the operation of the System, including, without limitation, the imposition of rates and charges, and the issuance of the Bonds have been duly and timely obtained and remain in full force and effect, the time for appeal of which or rehearing having expired. 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 received the Recommended Decision dated May 1, 2013, which became Final Order on May 21, 2013 of the Public Service Commission of West Virginia in Case No. 12-1679-W-CN, granting to the Issuer a certificate of public convenience and necessity for the Project, and approving the financing for the Project. The time for appeal of the Order has expired prior to the date hereof. Such Order remains in full force and effect.

The Issuer enacted an ordinance adopting water rates and charges for the System on May 23, 2012, which rates were amended per Recommended Decision dated May 1, 2013 which became Final Order on May 21, 2013 in Case No. 12-0817-W-MA of the Public Service Commission of West Virginia. The time for appeal of the Order has expired prior to the date hereof. Such Order remains in full force and effect.

4. PUBLICATION AND NO PROTEST: Notice of public hearing upon the Bond Ordinance, was duly published as required by law.

There was not any protest to the passage of the Bond Ordinance, oral or written, and the Bond Ordinance became fully effective following the public hearing thereon and remains in full force and effect.

5. NO ADVERSE FINANCIAL CHANGE; INDEBTEDNESS: There has been no adverse change in the financial condition of the Issuer or the System since the approval by the Purchaser of a loan to assist in acquisition and construction of the Project.

The Issuer has outstanding its (i) Water Revenue Bonds, Series 1980, dated February 26, 1980, issued in the original aggregate principal amount of $3,146,000 and held by the United States Department of Agriculture (the "Series 1980 Bonds"); (ii) Water Revenue Bonds, Series 1998 A (West Virginia Water Development Authority), dated October 15, 1998, issued in the original aggregate principal amount of $761,842 (the "Series 1998 A Bonds"); and (iii) Water Revenue Bonds, Series 1998 B (West Virginia Water Development Authority), dated October 15, 1998, issued in the original aggregate principal amount of $2,997,584 (the "Series 1998 B Bonds"), (collectively, the "Prior Bonds"). The Series 2013 A Bonds are payable from and secured by a first lien on the Gross Revenues of the System. The Series 2013 A 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.

Prior to the issuance of the Series 2013 A Bonds, the Issuer will obtain (i) a certificate of an Independent Certified Public Accountant stating that the coverage and parity tests of the Prior Bonds are met; and (ii) the written consent of the Holders of the Prior Bonds to the issuance of the Series 2013 A Bonds on a parity with the Prior Bonds. Other than the Prior Bonds, there are no other outstanding bonds or obligations of the Issuer which are secured by revenues of the System.

The Issuer is not in default under the terms of the Prior Bonds, the ordinance and resolution authorizing the Prior Bonds or any document in connection therewith, and has complied with all requirements of all the foregoing with respect to the issuance of parity bonds or has obtained a sufficient and valid consent or waiver thereof.

6. SIGNATURES, ETC.: The undersigned Mayor and Recorder did, for the Issuer on the date hereof, officially execute and seal the Series 2013 A Bonds with the official corporate seal of the Issuer, an impression of which seal is on this certificate above our signatures and said officers are the duly elected or appointed (as applicable), qualified and serving officers as indicated by the official titles opposite their signatures below, and are duly authorized to execute and seal the Series 2013 A Bonds for the Issuer.

7. 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, supplemented or changed in any way unless modification appears from later documents also listed below.

Conformed Ordinance

Supplemental Resolution

Public Service Commission Orders

United States Department of Agriculture Loan Resolution

Specimen Series 2013 A Bond

Charter

Oaths of Office of Officers and Council Members

Resolution on Open Governmental Proceedings

Water Rates

Affidavit of Publication on Bond Ordinance

Minutes on Adoption and Enactment of Bond Ordinance

United States Department of Agriculture Letter of Conditions and Closing Instructions

United States Department of Agriculture Grant Agreement

Consent of Water Development Authority

Consent of United States Department of Agriculture

Receipt and Release of Series 2012 B Notes

8. INCUMBENCY AND OFFICIAL NAME, ETC.: The proper corporate title of the Issuer is the "The City of Keyser." The Issuer is a municipal corporation in Mineral 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 6 councilmember's, 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:

Name	Date of Commencement of Office	Date of Termination of Office
Randy Amtower, Mayor	July 1, 2011	June 30, 2015
Terry Liller	July 1, 2012	June 30, 2016
Clinton Faulk	July 1, 2012	June 30, 2016
Ed Miller	July 1, 2012	June 30, 2016
Herman Judy	July 1, 2011	June 30, 2015
Isaac "Sonny" Alt	July 1, 2011	June 30, 2015
Carol Kiggins, Recorder	February 27, 2013	June 30, 2015

The duly appointed and acting Counsel to the Issuer is Spilman Thomas & Battle, PLLC, Charleston, West Virginia.

9. DELIVERY AND PAYMENT: On the date hereof, the Bonds were delivered to the Purchaser at Keyser, West Virginia, by the undersigned Mayor for the purposes of (i) paying the Issuer's Waterworks Design Bond Anticipation Notes, Series 2012 B (The Ohio Valley Bank Company), dated May 9, 2012 and issued in the original aggregate principal amount of $655,000 (the "Series 2012 B Notes"); (ii) paying a portion of the costs of acquisition and construction of certain additions, betterments and improvements to the existing public waterworks system of the Issuer (the "Project"); and (iii) paying costs of issuance and related costs, and at the time of such delivery, the Bonds had been duly and fully executed and sealed on behalf of the Issuer in accordance with the Bond Ordinance.

At the time of delivery of the Series 2013 A Bonds, the amount of $665,505.72 was received by the undersigned Mayor, being a portion of the principal amount of the Series 2013 A Bonds, the balance to be paid as acquisition and construction of the Project progresses.

The Series 2013 A Bond is dated the date hereof and interest on advances thereon at the rate of 2.125% per annum is payable from the date of each respective advance.

10. USE OF PROCEEDS: The Bonds and the entire proceeds thereof will be used for the purposes herein set forth and for no other purposes. The total cost of the Project is estimated at $7,600,000. Sources and uses of funds for the Project are as follows:

SOURCES	
Proceeds of the Series 2013 A Bonds	$4,500,000.00
Proceeds of the USDA Grant	$3,100,000.00
Total Sources	$7,600,000.00
USES	
Costs of Acquisition and Construction	$7,020,144.26
Pay the Series 2012 B Notes	$549,855.74
Costs of Issuance	$30,000.00
Total Uses	$7,600,000.00

11. 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, 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 Series 2013 A Bonds.

12. MEETINGS; PUBLICATION AND POSTING OF NOTICES, 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 and the System were authorized, enacted or adopted at meetings of the Governing Body of the Issuer duly and regularly called and held pursuant to the Charter of the

Issuer and any 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 published and/or posted were so published and/or posted.

13. CONTRACTORS' INSURANCE, ETC.: All contractors will be required to maintain Workers' Compensation, public liability and property damage insurance, and builder's risk insurance where applicable, in accordance with the Letter of Conditions of the Purchaser, as amended, and the Bond Ordinance.

14. CONNECTIONS, ETC.: The Issuer will serve at least 2,478 bona fide full time users of the System, upon completion of the Project, in full compliance with the requirements of the Purchaser.

15. MANAGEMENT: The Issuer has heretofore delivered to the Purchaser a plan concerning operation and management of the System, which plan was found to be acceptable by the Purchaser.

16. GRANT: As of the date hereof the grant from the United States Department of Agriculture in the amount of $3,100,000 is committed and in full force and effect.

17. 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 Bond, the Bond Ordinance and/or the Project, including, without limitation, with respect to the Depository Bank, as defined in the Bond Ordinance. 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.

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

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

WITNESS our signatures and the official corporate seal of THE CITY OF KEYSER on the day and year first written above.

[CORPORATE SEAL]

SIGNATURE	OFFICIAL TITLE
_____	Mayor
_____	Recorder
_____	Counsel to Issuer

480520.00005

THE CITY OF KEYSER

Water Revenue Bonds, Series 2013 A
(United States Department of Agriculture)

ENGINEER'S CERTIFICATE

I, Fred Hypes, Registered Professional Engineer, West Virginia License No. 9327, of Dunn Engineers, Inc., Charleston, West Virginia, hereby certify this 3rd day of September, 2013, that my firm is the engineer for the acquisition and construction of improvements to the existing waterworks system (the "Project") of The City of Keyser (the "Issuer"), to be acquired and constructed in Mineral County, West Virginia, which acquisition and construction are being financed in whole or in part by the above-captioned revenue bonds of the Issuer.

2. The Bonds are being issued for the purposes of (i) paying the Issuer's Waterworks Design Bond Anticipation Notes, Series 2012 B (The Ohio Valley Bank Company), dated May 9, 2012 and issued in the original aggregate principal amount of $655,000 (the "Series 2012 B Notes"); (ii) paying a portion of the costs of acquisition and construction of certain additions, betterments and improvements to the existing public waterworks system of the Issuer (the "Project"); and (iii) paying costs of issuance and related costs.

3. To the best of my knowledge, information and belief, (i) within the limits and in accordance with the applicable and governing contractual requirements relating to the Project, the Project will be constructed in general accordance with the approved plans, specifications and designs prepared by my firm and approved by the Bureau for Public Health; (ii) the Project, as designed, is adequate for its intended purpose and has a useful life of at least 40 years, if properly constructed, operated and maintained, excepting anticipated replacements due to normal wear and tear; (iii) the Issuer has received bids for the acquisition and construction of the Project; (iv) the successful bidders received any and all addenda to the original bid documents; (v) the bid documents and the bid forms provided to the bidders contain the critical operational components of the Project; (vi) the successful bids include prices for every item on such bid forms; and (vii) the Issuer has obtained all permits required by the laws of the State of West Virginia and the United States necessary for the construction of the Project and operation of the System.

[Remainder of Page Intentionally Blank]

WITNESS my signature on the day and year first written above.

DUNN ENGINEERS, INC.

(SEAL)

Frederick L. Hypes, P.E.
West Virginia License No. 9327

FREDERICK L. HYPES
REGISTERED
9327
STATE OF
WEST VIRGINIA
PROFESSIONAL ENGINEER

480520.00005

City of Keyser

8/28/2013

A. COST OF PROJECT	(A) TOTAL	(B) Paid w/ Design Loan (2012 B)	Total ((A)-(B))	USDA
1 Construction (Orders)	4,576,200.00	0.00	4,576,200.00	4,576,200.00
Construction Contingency 7%	320,300.00	0.00	320,300.00	320,300.00
Contingency (from bid underrun)	*1,149,662.00*	0.00	1,149,662.00	1,149,662.00
2 Technical Services - Dunn				
a. Planning	0.00	0.00	0.00	0.00
b. Design	693,000.00	485,100.00	207,900.00	207,900.00
c Construction	337,000.00	0.00	337,000.00	337,000.00
d. Special Services	0.00	0.00	0.00	0.00
3 Legal & Fiscal				
a. Legal	20,000.00	11,035.00	8,965.00	8,965.00
b Legal (PSC)	25,000.00	17,500.00	7,500.00	7,500.00
c Accounting	25,000.00	17,500.00	7,500.00	7,500.00
4 Administrative	25,000.00	482.74	24,517.26	24,517.26
5 Sites & Other Lands				
a. Land acquisition / ROW	60,000.00	0.00	60,000.00	60,000.00
6 Payoff Design Loan	0.00	0.00	549,855.74	549,855.74
Interest on Design Loan	9,238.00	9,238.00	0.00	0.00
7 Project Contingency	137,600.00	9,000.00	128,600.00	128,600.00
8 TOTAL of Lines 1 through 6	7,378,000.00	549,855.74	7,378,000.00	7,378,000.00
B. COST OF FINANCING				
9 Capitalized Interest	192,000.00		192,000.00	192,000.00
10 Reserve	0.00		0.00	0.00
11 Bond Counsel	30,000.00		30,000.00	30,000.00
12 Cost of Financing (Total Line 8 plus 9)	222,000.00		222,000.00	222,000.00
13 TOTAL PROJECT COST line 7 plus line 10	7,600,000.00		7,600,000.00	7,600,000.00
C. SOURCES OFOTHER FUNDS				
14 Federal Grants USDA	3,100,000.00		3,100,000.00	3,100,000.00
15 State Grants	0.00		0.00	0.00
16 Other Grants	0.00		0.00	0.00
17 TOTAL GRANTS Lines 12 through 15	3,100,000.00		3,100,000.00	3,100,000.00
18 Size of Bond Issue (line 11 minus line 16)	4,500,000.00		4,500,000.00	4,500,000.00

City of Keyser — Date: 28 Aug 2013

Dunn Engineers — Date: 28 August 2013

Griffith & Associates, PLLC Accountants & Consultants

September 3, 2013

The City of Keyser
Water Revenue Bonds, Series 2013 A
(United States Department of Agriculture)

The City of Keyser
Keyser, West Virginia

United States Department of Agriculture
Elkins, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

Ladies and Gentlemen:

Based upon the rates and charges set forth in the water rate ordinance enacted by The City of Keyser (the "Issuer") on May 23, 2012 as amended by Recommended Decision dated May 1, 2013 which became a Final Order on May 21, 2013 in Case No. 12-0817-W-MA of the Public Service Commission of West Virginia, and projected operation and maintenance expenses and anticipated customer usage as furnished to us by Dunn Engineers, Inc., consulting engineers, it is our opinion that such rates and charges will be sufficient to provide revenues which, together with other revenues of the waterworks system (the "System") of the Issuer, will pay all repair, operation and maintenance expenses of the System and leave a balance each year equal to at least 115% of the maximum amount required in any year for debt service on the Water Revenue Bonds, Series 2013 A (United States Department of Agriculture), issued in the original aggregate principal amount of $4,500,000 (the "Series 2013 A Bonds"), and the Issuer's outstanding:

(i) Water Revenue Bond, Series 1980, dated February 26, 1980, issued in the original aggregate principal amount of $3,146,000 and held by the United States Department of Agriculture, (the "Series 1980 Bonds");

(ii) Water Revenue Bond, Series 1998 A (West Virginia Water Development Authority), dated October 15, 1998, issued in the original aggregate principal amount of $761,842 (the "Series 1998 A Bonds"); and

(iii) Water Revenue Bond, Series 1998 B (West Virginia Water Development Authority), dated October 15, 1998, issued in the original aggregate principal amount of $2,997,584 (the "Series 1998 B Bonds"), (collectively, the "Prior Bonds").

Michael D. Griffith, CPA, AFI
mgriffith@gcorpwv.com
950 Little Coal River Road Alum Creek, WV 25003
Phone: (304) 756.3600 Facsimile: (304) 756.2911

It is further our opinion that (i) the Net Revenues for the Fiscal Year following the year in which the Series 2013 A Bonds are issued will be at least 120% of the average annual debt service on the Prior Bonds and the Series 2013 A Bonds and that (ii) the Net Revenues actually derived from the System during any 12 consecutive months, within the 18 months immediately preceding the date of the actual issuance of the Series 2013 A 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 the Series 2013 A Bonds, are not less than 115% of the largest aggregate amount that will mature and become due in any succeeding fiscal year for the principal of and interest on the Prior Bonds and the Series 2013 A Bonds.

Very truly yours,

Michael D. Griffith, CPA, AFI
Griffith & Associates, PLLC

MDG/dk

Michael D. Griffith, CPA, AFI
mgriffith@gcorpwv.com

950 Little Coal River Road Alum Creek, WV 25003
Phone: (304) 756.3600 Facsimile: (304) 756.2911

CITY OF KEYSER CHARTER

(Chapter 89 - Acts of the Legislature, 1913)

AN ACT to incorporate the City of Keyser in the County of Mineral, West Virginia, defining the powers thereof and describing the limits of said City, and to repeal all acts and parts of acts inconsistent with the provisions of this act.

(Passed February 3, 1913. In effect from passage. Approved by the Governor February 20, 1913.)

SEC.
1. The City of Keyser; power defined.
2. Corporate limits.
3. Election precincts.
4. Qualification of voters.
5. Registration of voters.
6. Municipal authorities; primary and general election.
7. Contested elections.
8. Council.
9. Citizens' committee.
10. The mayor.
11. Departments of city government; salaries.
12. Meetings of council.
13. Improvements, ordinances and franchises.
14. Qualification of mayor and councilman.
15. Oath of officers.
16. General powers of council.
17. Municipal authority.
18. Assessment and collection of taxes.
19. Bonds.
20. Licenses.
21. Franchises.
22. Mandamus.
23. Pavements and sidewalks
24. Nuisances.
25. Lien for taxes, etc.
26. Health, health commissioner
27. Ordinance general provision
28. Ordinance to be in writing and not changed, when.
29. Ordinances and vetoes shall be recorded, etc.
30. Duties of city clerk.
31. Duties of the treasurer.
32. Duties of city attorney.
33. Police department.
34. Duties of the street commissioner.
35. Power to condemn.
36. Recall.
37. Initiative.
38. Referendum.
39. Petitions.
40. Election to adopt or reject charter.
41. Acts repealed.

BE IT ENACTED BY THE LEGISLATURE OF WEST VIRGINIA:

THE CITY OF KEYSER.

Sec. 1. That the inhabitants of so much of the County of Mineral as are within the boundaries prescribed by Section Two of this Act, and their successors, shall be and remain, and they are hereby made a body politic and corporate, by the name and style of "the City of Keyser," and as such, and by that name may contract and be contracted with, sue and be sued, plead and be impleaded, answer and

be answered unto, and may purchase, take, receive, hold and use goods and chattels, lands and tenements, and choses in action, or any interest, right or estate therein, either for the proper use of said City, or in trust for the benefit of any person or corporation therein; and the same may grant, sell, convey, transfer, let, lease and assign, pledge, mortgage, charge and encumber in any case, and in any manner, in which it would be lawful for a private individual so to do, subject to the limitations and provisions of the constitution of the state; and may have and use a common seal and alter and renew the same at pleasure; and generally shall have all the rights, franchises, capacities and powers appertaining to like corporations in this state, and shall have and succeed to all powers, franchises and immunities, rights and privileges which were conferred upon or belonged or appertained to the Town of Keyser by virtue of any act or acts of the legislature of this state heretofore passed; and shall have all the rights, privileges, capacities and powers provided by Chapter Forty-seven of the Code of West Virginia, as contained in the edition of the year One Thousand Nine Hundred and Six, and amendments thereto, and for which provision is not herein otherwise expressly made. All general and special laws of the State of West Virginia, governing cities, towns and villages, and now applicable and not inconsistent with the provisions of this act, shall apply to and govern the City of Keyser. All by-laws, ordinances and resolutions lawfully passed and in force in the Town of Keyser, as heretofore constituted, and not inconsistent herewith, shall remain in force until altered or repealed by the council elected under the provisions of this Act, and shall extend to and over the whole of the City of Keyser as embraced in Section Two of this Act, and all valid ordinances enacted and now in force in the Town of South Keyser, as heretofore constituted, shall remain in full force and effect therein, until the Mayor and Council shall have been elected and qualified under the first election provided by this Act, at which time all of said ordinances shall ipso facto be repealed. All rights and property heretofore vested in said Towns of Keyser and South Keyser are continued and preserved, and no right or liability, either in favor of or against either of them, existing at the time, and no suit or prosecution of any kind, shall be affected by such change, unless otherwise provided for in this Act, and the said City of Keyser shall succeed to all the rights and liabilities of the Towns of Keyser and South Keyser, and it shall be liable for all the debts and obligations of said towns in the same manner and to the same effect as if such indebtedness had been created by the said City of Keyser.

CORPORATE LIMITS.

Sec. 2. The corporate limits and boundaries of said city shall be as follows, to-wit: Beginning at a large double poplar on the north-west side of, and at the mouth of White's run where it empties into the North branch of the Potomac River, standing North 35° 45' E. 236 feet from the north end of the Baltimore and Ohio Railroad culvert over said run, and running thence up the river with and near the state

line of West Virginia and Maryland, North 12° W. 462 feet to a sugar at a bend of the river; North 46° 37' W. 600 feet to a large black oak; North 36° W. 225 feet to a large black oak, with double ash pointers; North 61° 15' W. 241.5 feet to a large maple, with sassafras and water birch pointers on the bank of the main branch of the river; South 86° 23' W. 589 feet to a double elm; thence leaving the river, South 36° 43' W. 516 feet passing main tracks of Baltimore and Ohio Railroad, at 266 feet, their inspector's house at 406 feet, the Piedmont Road at 466 feet, leaving said railroad company's lands to a stone on a hillside on the W. A. Liller lands; thence along said hillside, South 8° E. 1,186 feet to a stone in a hollow in Liller's orchard near a spring, standing South 50° 30' W. 64 feet from a pointer marked ash tree, and 140 feet from and at right angles to the southerly side of Piedmont Street; thence, parallel to said street, South 51° E. 1,355 feet to a stone standing in the line of said Liller and Randall Harrison, 140 feet southerly from said street; thence leaving Liller and crossing Harrison and F. M. Reynolds vineyard tract, South 5° 20' W. 1,060 feet to the corner of Reynolds and Hetzel's addition to Keyser, in the old T. B. Davis, or Sheetz and McCarty line; thence along it crossing White's run, and the road leading up the mountain to Elk Garden, South 31° 45' E. 1,363 feet to a stone in this line by a large post on a hill, corner of Babb, Smith and Trout heirs land; thence leaving said line and with the division line of Babb and Smith; South 36° 33' W. 1,265 feet to a large post, formerly corner of the T. B. Davis and T. R. Carskadon lands; thence along their line, now Babb and others, South 50° 42' E. 1,267 feet passing a set stone, corner of the Davis and Carskadon lands at 1,021 feet, to a stone in the westerly line of an alley at the rear of the lots fronting on Mineral Street; thence with said line of said alley, South 48° W. 1,273 feet leaving the same at 1,060 feet crossing a street and running on the Carskadon lands, to a stone on the southerly side of Carskadon run; thence down and along said run with the southerly side of Carskadon lane crossing New Creek pike at 1,152 feet, New Creek at 1,214 feet, South 48° 56' E. 2,094 feet to two chestnuts and a stone on the mountain, on the Carskadon lands; thence along the mountain leaving said lands at 1,435 feet crossing J. R. Carskadon and Taylor land, North 50° 30' E. 4,375 feet to two maples, a locust and stone on the Joseph Arnold land, at the northeast end of a bench of the mountain; thence along the side of the mountain passing H. Vernon's corner at 930 feet, South 69° 12' E. 1,400 feet to a set stone on a hillside with two chestnut oak pointers, south of Arza Furbee's house; thence North 77° 30' E. 857 feet crossing the Headsville road and the Twin mountain and Potomac Railroad at the end of this line to a black walnut stump at the west edge of Limestone Run; thence down along the run, North 7° 55' W. 123 feet; North 8° 50' E. 277.5 feet to a point at the edge of the water; thence down and with the same passing under the county road bridge and the Baltimore and Ohio Railroad, through a culvert, North 37° 07' W. 256 feet to the mouth of said run where it empties into the North Branch of the Potomac River at the upper side of "lovers leap" at the state line of West Virginia and Maryland; thence up and with said state line, the direct lines being, South 70° 10' W. 330 feet;

North 58° W. 486 feet; North 30° W. 293 feet crossing the mouth of New Creek at 148 feet; North 32° 56' W. 250 feet; North 34° 30' W. 650 feet; North 6° W. 708 feet; North 38° 17' W. 196 feet; North 60° 23' W. 169.2 feet passing the Western Maryland railroad bridge at 26 feet to the center of the south end of the Keyser and McCoole highway bridge; North 59° 30' W. 1,188.6 feet; North 73° W. 800 feet to a three pronged willow at the edge of the water; North 68° 10' W. 686 feet to a large sycamore tree; North 63° W. 1,837 feet to a large poplar; thence North 43° 45' W. 666 feet to the beginning.

ELECTION PRECINCTS.

Sec. 3. The territory of said City shall be divided into such number of election precincts to include such territory as the council shall by ordinance adopt and fix, but for the purposes of the first primary and general election to be held under this Act the several election precincts heretofore established in the Town of Keyser and the Town of South Keyser shall constitute the election precincts for holding said first primary and election.

QUALIFICATION OF VOTERS.

Sec. 4. Every registered voter qualified by law to vote for a member of the legislature of the state, and who shall have been a resident of said City for six months preceding the day of election, and is a bona fide resident of the election precinct in which he offers to vote, shall be entitled to vote at all elections held in said City by or under the corporate authorities thereof. For the first primary and election hereunder those qualified voters resident in election precincts wherein elections were held for a member of the legislature in the year One Thousand Nine Hundred and Twelve, and at which no municipal election is held under this act, shall be regarded as residents of the municipal election precinct nearest to their actual residence.

REGISTRATION OF VOTERS.

Sec. 5. The registration of voters provided for under the general laws of the state shall be adopted in the City of Keyser, so far as applicable, and the council shall appoint registrars who shall have authority to register such persons who have moved into the municipality at least six months preceding an election and who are otherwise qualified to vote. Registration books shall be prepared under the direction of the City Clerk and furnished to the judges of the election, and all the provisions of the general law relating to the registration of voters shall apply in said City so far as applicable.

MUNICIPAL AUTHORITIES -- PRIMARY AND GENERAL ELECTION.

Sec. 6. For said City, there shall be elected at the regular municipal election to be held on the Tuesday after the first Monday in June, One Thousand Nine Hundred and Thirteen, a mayor and three

councilmen who shall hold their office for two years and until their successors are elected and qualified, except that the two councilmen elected, who shall receive the lowest number of votes, shall hold their office for one year, and on the Tuesday after the first Monday in June, One Thousand Nine Hundred and Fourteen, there shall be held an election for the purpose of electing two councilmen as their successors, who shall hold their office for two years and until their successors are elected and qualified, and thereafter, on the Tuesday after the first Monday in June in the succeeding year, a mayor and one councilman shall be elected and in the next succeeding year, on the Tuesday after the first Monday in June, two councilmen shall be elected, and in like manner thereafter, who shall hold their office for two years and until their successors are elected and qualified.

If any vacancy occurs in any such office, the remaining members of said Council shall appoint a person to fill such vacancy during the balance of the unexpired term.

Said officers shall be nominated and elected at large, and they shall qualify and their terms of office shall be two years and until their successors are elected and qualified, and shall begin on the first day of July after the election. The terms of office of the Mayor, Councilmen and Recorder in the Town of Keyser and the Town of South Keyser, in office at the beginning of the terms of office of the Mayor and Councilmen first elected under the provisions of this Act, shall then cease and determine, and the terms of office of all other elective or appointive officers in force in such towns, except as hereinafter provided, shall cease and determine as soon as the Council shall by resolution declare.

Candidates to be voted for at all general municipal elections at which a mayor and one councilman, or at which two councilmen are to be elected, under the provisions of this Act, shall be nominated by a primary election, and no other name shall be printed upon the general ballot except those elected in the manner hereinafter prescribed. The primary election for such nominations shall be held on the second Tuesday preceding the general municipal election. The judges of election shall be appointed by the Council for the general municipal election, who shall be the judges of the primary election, and it shall be held at the same place, so far as possible, and the polls shall be opened and closed at the same hours, with the same clerks as are required for said general municipal election. The Council of the Town of Keyser, as constituted at the passage of this Act, shall appoint the judges for the first primary and general elections to be held hereunder, but the Council of South Keyser, as constituted at the passage of this Act, shall have the right to nominate the judges for the first primary and general elections to be held hereunder for the election precinct embraced within the territory of South Keyser.

Any person desiring to become a candidate for mayor or councilman shall, at least ten days prior to said primary election, file with

the City Clerk a statement of such candidacy, in substantially the following form:

State of West Virginia, Mineral County, ss:

I, _____, being first duly sworn, say that I reside at _____ Street, City of Keyser, County of Mineral, State of West Virginia; that I am a qualified voter therein; that I am a candidate for nomination to the office of (mayor or councilman) to be voted upon at the primary election to be held on the _____ Tuesday of May, 19___, and I hereby request that my name be printed upon the official primary ballot for nomination by such primary election for such office.

(Signed)_____

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

(Signed)_____

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

PETITION ACCOMPANYING NOMINATING STATEMENT.

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

Names of Qualified Electors. Number. Street.

Immediately upon the expiration of the time of filing the statements and petitions for candidates, the said City Clerk shall cause to be published in the newspapers published in the City, in proper form, the names of the persons as they are to appear upon the primary ballot; and shall cause copies of said list of names, as published, to be forthwith posted in at least ten conspicuous places in said City; and the said clerk shall thereupon cause the primary ballots to be

printed, authenticated with a facsimile of his signature. Upon the said ballot the names of the candidates for mayor, arranged alphabetically, shall first be placed, with a square at the left of each name and immediately below, the words "vote for one". Following these names, likewise arranged in alphabetical order, shall appear the names of the candidates for councilmen, with a square at the left of each name, and below the names of such candidates shall appear the words "vote for one". The ballot shall be printed upon plain, substantial white paper, and shall be headed:

"Candidates for nomination for mayor and councilmen of the City of Keyser, at the primary election," but shall have no party designation or mark whatever. The ballots shall be in substantially the following form:

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

OFFICIAL PRIMARY BALLOT.

Candidates for nomination for mayor and councilmen of the City of Keyser at the primary election.

For Mayor

[ ] (Name of candidate.)

(Vote for one.)

For Councilman.

[ ] (Name of candidate.)

(Vote for one.)

Official ballot, attest:

Signature _____, City Clerk.

At the first primary the direction shall be printed below the names of the candidates for councilmen, "vote for three," and in those years in which only two councilmen are to be elected, the ballot shall be headed:

"Candidates for nomination for councilmen of the City of Keyser at the primary election," and below the names of the candidates for councilmen shall be the direction "vote for two."

Having caused said ballot to be printed, the City Clerk shall cause to be delivered at each polling place a number of said ballots equal to twice the number of votes cast in such polling precinct at the last general municipal election for mayor. The persons who are qualified to vote at the general municipal election shall be qualified to vote at such primary election, and challenges can be made by not more than two persons, to be appointed at the time of opening the polls by the judges of election; and the law applicable to challenges at a

general municipal election shall be applicable to challenges made at such primary election.

All candidates before the primary may meet at least two days preceding the primary election and a majority thereof may select two challengers for each precinct whom they shall certify to the judge of election and the judge shall in such case appoint such persons certified as the challengers. Judges of election shall, immediately upon the closing of the polls, count the ballots and ascertain the number of votes cast in such precinct for each of the candidates, and make return thereof to the City Clerk before nine o'clock A.M., of the following day. On the day following the said primary election the council shall canvass said returns so received from all the polling precincts, and shall make and publish in all the newspapers of said City at least once, the result thereof. Said canvass shall be publicly made. In those years in which a mayor and one councilman are to be elected, the two candidates receiving the highest number of votes for mayor shall be the candidates and the only candidates whose names shall be placed upon the ballot for mayor at the next succeeding general municipal election, and the two candidates receiving the highest number of votes for councilmen, or if such candidate if less than two, shall be the candidates and the only candidates whose names shall be placed upon the ballot for councilmen at such municipal election; and in those years in which two councilmen are to be elected, the four candidates receiving the highest number of votes for coucil-men, or all such candidates if less than four, shall be the candidates and the only candidates whose names shall be placed upon the ballot for councilmen at such municipal election. At the first election under this Act, the six candidates receiving the highest number of votes for councilmen shall be placed upon the ballot for councilmen at such election. In the event of the death or resignation of a nominee before the election, the candidate receiving the next highest number of votes at the primary shall be placed on the ticket in his stead.

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

For the first primary and general election held under this Act, the duties herein required of the council of the City of Keyser shall be performed by the council of the Town of Keyser, and the duties herein required to be performed by the City Clerk, shall be performed by the recorder of the Town of Keyser, and contests in such cases shall be heard and determined by the council of the Town of Keyser.

CONTESTED ELECTIONS.

Sec. 7. All contested elections shall be heard and decided by the Council, and the contest shall be made and conducted in the same manner as provided for in such contests for county and district offices; and the Council shall conduct its proceedings in such cases as nearly as practicable in conformity with the proceedings of the county court in such cases.

COUNCIL.

Sec. 8. Said City shall be governed by a Council, consisting of the Mayor and three Councilmen chosen as provided in this Act. Each of said councilmen shall have the right to vote on all questions coming before the Council, but the Mayor shall have no such right. The three members of the Council, or the Mayor and two members of the Council, shall constitute a quorum, and the affirmative vote of two members shall be necessary to adopt any motion, resolution or ordinance or pass any measure. Upon every vote the yeas and nays shall be called and recorded, and every resolution or ordinance shall be reduced to writing and read before the vote is taken thereon.

CITIZENS' COMMITTEE.

Sec. 9. Whenever moneys are to be raised and procured for public improvements by the issuance and sale of bonds, or whenever application is made to the City for a public franchise, the Mayor shall, before any action is taken relating to the issuance of such bonds, or the granting or refusing of such franchise, by and with the consent and approval of the Council, appoint seven citizens of said City who shall have been actual residents therein for five years next preceding their appointment and who have been assessed with and paid taxes on at least One Thousand Dollars worth of property therein for the year preceding their appointment, to act in conjunction with the Council, and as a part thereof, in the consideration and determination of all matters and questions pertaining to the issuance of such bonds, or the granting or refusing of such franchises. Each of said citizens shall have a vote in the Council upon all questions relating to or arising out of the matters for which they were appointed, including the awarding of contracts, expenditure of the money and auditing and approving the accounts therefor. The said citizens shall receive such compensation as the Council may prescribe, take the same oath prescribed for councilmen and shall serve until all of the work for which such money was raised and procured, is fully completed, and the accounts of expenditures thereof finally audited and approved; or until such franchise has been granted or refused.

THE MAYOR.

Sec. 10. The Mayor shall preside at all meetings of the Council; he shall have power to veto any resolution or ordinance, passed by

the Council, and every resolution or ordinance so passed must be signed by him, or by the three councilmen, and be recorded before the same shall be in force. After the passage of any ordinance or resolution by the Council, the ordinance or resolution shall be presented to the Mayor for his approval or disapproval, and at the next regular meeting of the council, he shall return the same with his approval endorsed thereon, or accompanied by his veto and his reasons therefor reduced to writing and if he endorses his approval thereon, or fails to return the same as herein provided, such ordinance shall have full force and effect, but if accompanied by his veto and his reasons in writing the same shall have no force or effect but shall stand as reconsidered in the Council. The objection of the Mayor shall be entered at large upon the journal of its proceedings, and the Council shall proceed to consider the question which shall be in form: "Shall the ordinance or resolution pass, the objection of the mayor thereto notwithstanding?" . The vote on the question shall be taken by yeas and nays and shall require the affirmative vote of all three members of the Council to pass such resolution or ordinance over the veto of the Mayor. Should such ordinance or resolution fail to receive the affirmative votes of all three members of the Council, when returned accompanied by the veto and objections of the Mayor thereto, it shall be null and void, but if it receives the affirmative vote of the three members of the Council, it shall thereupon become and be in full force and effect to the same extent as if it had received the approval of the Mayor.

The Mayor shall be superintendent of the department of public affairs and public safety, and he shall, at the first regular meeting of the Council, by and with the consent and approval of the Council, designate one councilman to be superintendent of the department of accounts and finance, one to be superintendent of the department of streets, alleys, parks, public improvements and public property, and one to be superintendent of the department of water works and sewers' but such designation, including that of the Mayor as superintendent of the department of public affairs and public safety, shall be changed whenever it appears to the Council that such change is necessary or advisable.

The Mayor shall at said first meeting nominate, and by and with the consent of the Council, shall appoint a city clerk, street commissioner, chief of police, city attorney, treasurer and such other officers and assistants, including regular policemen, as shall be provided for by ordinance and necessary to the proper and efficient conduct of the affairs of the City; all of said officers shall hold office during the term of the mayor by whom they are appointed and until their successors are appointed and qualified, unless sooner removed by the Council. Any officer, assistant or employee, elected, appointed or employed may be removed at any time by a vote of a majority of the members of the Council, under such regulations as the Council may prescribe. Should the Mayor fail or refuse to transmit to the Council nominations for any or all appointive offices for two successive

meetings of the Council, after he shall have qualified, or for two successive meetings after the Council has refused to confirm any nomination made by him, the Council shall fill such office or offices.

The Mayor shall be the chief executive officer of the City, and he shall, except as otherwise herein provided, see that the laws and ordinances of the City are enforced; that the peace and good order of the city are preserved; he shall be president of the Council and preside at its meetings, and shall supervise all departments and report to the Council for its action all matters requiring attention in any department, and he shall perform such other duties and services as the Council may ordain, in addition to the duties prescribed in this Act, and not inconsistent therewith. The superintendent of the department of accounts and finance shall be vice president of the Council, and in case of vacancy in the office of Mayor, or the absence or inability of the Mayor, shall perform the duties of Mayor.

DEPARTMENTS OF CITY GOVERNMENT--SALARIES.

Sec. 11. The Council shall have and possess, and the Council and its member shall exercise all executive, legislative and judicial powers conferred upon cities, towns and villages by the general law of the state and by this Act.

The executive and administrative powers, authority and duties in said city shall be distributed into and among four departments as follows:

1. Department of public affairs and public safety.

2. Department of accounts and finance.

3. Department of streets, alleys, parks, public improvements and public property.

4. Department of water works and sewers.

The council shall determine the powers and duties to be performed by, and assign them to the appropriate department; shall prescribe the powers and duties of officers and employees, may assign particular officers and employees to one or more of the departments; may require an officer or employee to perform duties in two or more departments; and may make such other rules and regulations as may be necessary or proper for the efficient and economical conduct of the business of the city.

The council shall have power from time to time to create and discontinue offices and employments other than herein prescribed, according to their judgment of the needs of the city, and may, by resolution or otherwise, prescribe, limit or change the compensation of such officers or employees.

The mayor and councilmen, and every other officer or assistant, shall receive such salary or compensation as the council shall by ordinance provide, payable in equal quarterly installments. The salary or compensation of all other employees of said city shall be fixed by the council and shall be payable at such periods as the council may determine.

MEETINGS OF COUNCIL.

Sec. 12. Regular meetings of the council shall be held on the first Tuesday of July in each year, and thereafter at least twice each month. The council shall provide by ordinance for the time for holding regular meetings, and special meetings may be called from time to time by the mayor or two councilmen. All meetings of the council, whether regular or special, at which any person not a city officer is admitted, shall be open to the public.

IMPROVEMENT ORDINANCES AND FRANCHISES.

Sec. 13. Every ordinance or resolution appropriating money or ordering any street improvement or sewer, or making or authorizing the making of any contract, or granting any franchise or right to occupy or use the streets, highways, bridges, or public places in the city for any purpose, shall be complete in the form in which it finally passes, and remain on file with the City Clerk for public inspection at least one week before the final passage or adoption thereof. No franchise or right to occupy or use the streets, highways, bridges or public places in said city shall be granted for a period exceeding thirty years, and no amendment or addition thereto shall extend beyond the termination of the original franchise.

QUALIFICATION OF MAYOR AND COUNCILMEN.

Sec. 14. No person shall be mayor or councilmen who has not for two years next preceding his election, been a resident within the city of Keyser, and who has not been assessed with and paid taxes upon at least Five Hundred Dollars worth of real or personal property.

OATH OF OFFICERS.

Sec. 15. All officers, elective and appointive, shall make oath, before some one authorized to administer oaths, that they will support the constitution of this state, and will faithfully and impartially discharge the duties of their respective offices, to the best of their skill and judgment; that they will not administer their respective offices with the aim to benefit any political party; and, in the case of councilmen, they shall add in their oath that they will not during their term of office become pecuniarly interested, directly or indirectly, in any contract with the city, or the purchase of any supplies therefor. When the officer shall have made such oath in writing and filed the same with the City Clerk, and shall have given the bond required of

and accepted from him, he shall be considered as having qualified for the office to which he was elected or appointed; provided, that if any person elected to the office of mayor or councilman shall not qualify for said office as herein prescribed within ten days after he shall have been officially declared elected thereto, said office shall ipso facto become vacant, and said vacancy shall be filled in the manner provided for in this act.

GENERAL POWERS OF COUNCIL.

Sec. 16. In addition to the powers conferred upon the council of cities, towns and villages, by the general laws of the state and amendments thereto, and those herein elsewhere enumerated, the council of said city shall have plenary power and authority therein; to locate, vacate, lay off, close, open, alter, grade, straighten, widen or narrow, pave or repave, construct and keep in repair bridges, viaducts, under grade crossings, roads, streets, alleys, sidewalks, cross walks, drains and gutters for the use of the public, or any of the citizens thereof, and to improve and light the same, and keep them clean and free from obstruction on or over them; provided, the municipality shall not be liable for or respond in damages for injury to persons or property caused by or from a defect or obstruction in or on the plat of ground between the gutter or curb of any street and the paved or plank sidewalk extending there along, or between any such sidewalk and the property lying next adjacent thereto, unless such municipality had acutal notice of such defect or obstruction prior to the time of the injury complained of; to regulate the width of sidewalks and the streets, and the width and care of the public grounds or grass plots abutting thereon, and to order the sidewalks, footways, cross walks, drains and gutters to be curbed and paved, or repaved and kept in good order, free and clean, and to provide for the removal of snow and ice therefrom, and for sprinkling the same, by the owners or occupants of the real property next adjacent thereto; and to require that all pavements shall be of uniform material, between any two cross streets; to regulate traffic on, and the use and occupancy of the streets, alleys, roads and highways of said city, and to regulate the speed of travel thereon of all vehicles, and to prohibit or regulate the use thereon of traction engines or other vehicles or loads causing injury to or unusual wear of the same, and to regulate the speed of engines or trains and street cars within the corporate limits, and to provide for the safety and convenience of the public on streets, alleys, roads, highways and railroad crossings, and to prevent the blocking of such crossings by trains; to regulate the erection, construction and location of telephone, electric light and other poles or structures, or conduits used to carry wires, and to cause the removal thereof from the surface of the streets and to require the wires to be placed under ground; to regulate the making of division fences and party walls by the owners of adjoining and adjacent premises and lots, and to regulate or require the drainage by the owner of such lots or other real estate by the proper drains, ditches and sewers, and to fill or cause to be filled any lot below the

established elevation or grade; to lay off, open, close, vacate or maintain public grounds, parks and public places, and name and rename the same; to regulate the planting, trimming and preservation of shade trees, by persons and corporations, in streets, alleys, roads, public grounds and places, and to provide for the planting, removal, trimming and preservation of such trees and other ornamental shrubbery by the municipality; to establish, maintain and regulate free public libraries and reading rooms, and to purchase books, papers, maps and manuscripts therefor, and to receive donations and bequests of money or property for the same, in trust or otherwise, and to provide for the rent and compensation for the use of any existing free public libraries established and managed by private corporation or association organized for that purpose; to protect divine worship in and about the premises where held; to regulate or prohibit street carnivals or street fairs, or street parades, advertising exhibitions or other exhibitions thereon, or the exhibition of natural or artificial curiosities; to regulate or prohibit the ringing of bells, blowing of steam whistles or use of hand organs or other musical instruments of any annoying character or other music or itinerant performers in the streets, roads, parks, or public places of the municipality; to license, regulate or prohibit auctioneering; to license or prohibit the sale of goods, wares and merchandise or of live animals at auction in the streets or other public places within the municipality; to regulate, license or prohibit the sale of goods, wares, merchandise, drugs or medicine on the streets or other public places; to prevent the illegal sale of intoxicating drinks, liquors, drugs and intoxicating mixtures of all kinds; to impose a license tax on persons keeping for hire automobiles, carriages, hacks, buggies, or wagons, or for carrying for hire persons or baggage in such vehicles; to establish and regulate hack stands and stands for automobiles, coaches, cabs and omnibuses kept on the streets for hire; to regulate or prohibit runners at railroad depots and stations and other places or assemblage of people; to regulate and assess and collect a license fee for the use of the municipality on any thing or business on which a state license is required, subject to the exemptions as provided in Section Thirty-two of the Code; to establish, locate and keep in repair, market places and market houses, and regulate markets, prescribe the time for holding the same and to authorize the seizure thereat and destruction of any and all such goods and drink products as shall be found unwholesome, dangerous or offensive, and without recourse against the municipality for its cost or value; to regulate the sale of all food and drink products, milk, fresh meats, fish and vegetables, and provide for the inspection of the same; to appoint market masters and invest them with power to make arrests for the violations of the municipal ordinances or regulations in their view, and to prevent regarding or forestalling; to regulate and provide for the weighing of hay, coal and other articles for sale in the market; to prevent injury or annoyance to the public or individual from anything dangerous, offensive or unwholesome; to regulate the keeping, handling and transportation of explosives and dangerous combustibles within the municipality; to regulate or prohibit the erection or maintenance in what council deems an improper locality

within the municipality any blacksmith shop, livery stable, cow house, cattle pen, poultry house, pig pen, privy, bill board, sign boards, gas or other engines or the use of walls or walks for signs, and to abat by summary proceeding whatever in the opinion of the council is a nuisance; to regulate or prohibit the distribution of hand bills, circulars and other advertisements of like kind on the streets, roads, alleys and public places, or in private yards, buildings or other structures without first having procured the consent of the owner or occupier thereof; to prohibit within the municipality or within one mile of its corporate limits the erection or maintenance of any slaughter house, scap factory, glue factory, lamp black factory, tannery or other house, shop or factory of like kind or charucter; to establish, regulate and maintain public baths and bath houses, drinking fountains, water troughs and public toilet stations, and free public band concerts, and to regulate the time and place of bathing in pools, streams and public waters within the police jurisdiction of the municipal corporation; to prevent hogs, cattle, sheep, horses and other animals and fowls of all kinds from going at large in the municipality, and to establish and maintain places for their detention, make regulations respecting the same, and appoint a pound master and define his duties; to arrest, convict and punish any person for keeping an assignation house, house of ill fame, or for leasing or letting to another person any house or other building for the purpose of being used or kept as an assignation house or a house of ill fame, or for knowingly permitting any house owned by him or under his control to be used or kept as an assignation house or house of ill fame, or for loafing, boarding or loitering in a house of ill fame or frequenting the same; to arrest, convict and punish any person for importing, printing, publishing, selling or distributing any book, picture or device or other thing containing obscene language or picture or make an indecent representation; to restrain and punish vagrants, mendicants, beggars, tramps, common prostitutes, and their associates and drunken or disorderly persons within the municipality, and to provide for their arrest and manner of punishment; to establish a board of health and invest it with the necessary power to attain its object; to establish quarantine, to enforce compulsory vaccination or quarantine, and to erect and maintain pest houses and places of detention, within or without said city, and to make and enforce necessary orders for controlling or preventing the spread of infectious and contagious diseases and for abating pestilences; to prohibit and punish by fine the bringing into the corporate limits by railroads or other carriers, persons who are paupers, or persons afflicted with contagious diseases, or to punish by fine, or by fine and imprisonment, any person so bringing within the corporate limits such pauper or diseased person; to provide for the poor of the municipality, and to that end the municipality may contract with the county court of Mineral County for keeping of such poor persons, or any number of them, at the county poor house at a price and on such terms as may be agreed upon between the county court and the proper municipal authorities; to authorize the taking up and to provide for the safe keeping and education, for such periods of time as may be deemed expedient, of all

children who are destitute of proper parental or other care and who are growing up in mendicancy, ignorance, idleness or vice; to establish and maintain, either within or outside of its limits, a house of correction or a house of refuge and a work house, or either of them, and, in the discretion of the municipality to place the same under the management and control of such directors, superintendents and other officers as the council may, by ordinance, provide. All children under the age of sixteen years, who shall be convicted of any offense made punishable by imprisonment under any ordinance of the municipality, or who shall be liable to be committed to prison under any such ordinance may be confined in such house of refuge, and may be there kept or apprenticed out under such rules as the municipality may prescribe, until they arrive at the age of eighteen years, unless for good cause sooner discharged. Any person over the age of sixteen years convicted of the violation of any ordinance of the municipality, and liable to be punished therefor by imprisonment, may in lieu thereof be committed to the house of correction or to the work house, as may be provided by ordinance. The authorities of any house of refuge, established by such municipality, are authorized to appoint a committee of one or more of their number with power to execute and deliver on behalf of said authorities, deeds of apprenticeship for any inmate of said institution when they deem a proper person for an apprenticeship to a trade or occupation, to such person as said committee, or the authorities may approve, and said deed shall have like force and effect as other deeds of apprenticeship under the laws of this state; a copy of every such deed shall be filed and kept in said institution by the superintendent thereof, and it shall not be necessary to file the same in any other place or office. When any inmate of said institution shall have been apprenticed and prove untrustworthy and unreformed, he or she shall be recommitted to the said institution to be held in the same manner as before said apprenticeship. The county court of Mineral County shall have the power to use said house of refuge or work house for children or persons of the age hereinbefore mentioned who shall be convicted in said county, in any court thereof, of any offense not of the grade of felony under the laws of this state; provided, said county court shall maintain its just proportion of the expense of such house of refuge or work house, to be levied for and paid out of the county treasury; to authorize the establishment and maintenance of juvenile courts, and to provide for the proper conduct of the same; to arrest, convict and punish any person for cruelly, unnecessarily or needlessly beating, torturing, mutilating, killing, or overloading or over-driving, or wilfully, depriving of necessary sustenance, any horse or other domestic animal; to restrain fraudulent practices within the municipality; to arrest, convict and punish any person for gambling or keeping any gaming table, commonly called fare bank table and chips used in playing such game; crap table or chips used in playing such game; or roulette or the wheel or chips used in playing such game; or keno table or table of like kind or device used in playing the same; or table or like kind under any denomination, whether the game or games by played with cards, dice or otherwise, or any person who shall be a

partner, or concerned in interest in the keeping or exhibiting of such gaming table, fare bank table or chips, roulette table, or chips, crap table or chips, keno table or devices, or keeping or maintaining any gaming house or place, or betting or gambling for money or anything of value, and to destroy such gambling paraphernalia as may be found in use on any such premises; to restrain all felons and persons guilty of offenses against this state or the United States and deliver them over to the authority or court having jurisdiction of the offense whereof such person is accused; to apprehend and punish any person, who, without a state license therefor, is guilty of carrying about his person, within the municipality, any revolver or other pistol, dirk, bowie knife, sling shot, raxor, billy, metallic or other false knuckles, or any other dangerous or deadly weapons of like kind and character as provided by Chapter Fifty-one of the acts of the legislature of One Thousand Nine Hundred and Nine, and the punishment therefor, whether for the first or other offense, shall be that prescribed by said chapter for any such person guilty under the misdemeanor clause provided therein but the place of confinement of such guilty person may be in the jail or lockup of the municipality in lieu of the county jail; provided, that the police judge of the municipality or other person exercising the functions of his office, may, in his discretion, decline to inflict the punishment therein mentioned, and instead thereof may require or hold such guilty person to answer an indictment by the grand jury of Mineral County for the violation of said law; and it shall be the duty of the prosecuting attorney of such county when requested by the police judge of said municipality, to appear and prosecute such offending person before such police judge; provided, further, that regularly appointed police officers of the municipality whose services are rendered to and paid for by the municipality, shall not be required to give bond, or any bond, provided by said Chapter Fifty-one of the acts of the legislature of One Thousand Nine Hundred and Nine; to provide in or near the corporate limits of the municipality a cemetery or other place for the burial of the dead, and to regulate interments therein, and to guard and police the same, and to provide for the cremation and incineration of dead human bodies, when from the nature of the malady or pestilence from which death ensued, the municipal board of health may direct; to regulate the erection, construction, alteration and repair of dwelling houses, buildings and other structures within the municipality and to compel the numbering of the same by the owners or occupiers thereof; to regulate the hanging of doors and the construction of stairways, elevators and fire escapes in theatres, churches, school buildings, factories and other places where many persons are received at one time, and to require the construction of fire escapes in such buildings; to regulate, by license and otherwise, plumbers, electricians, sewer tappers and vault cleaners; to establish fire limits, and to regulate the construction of buildings and designate materials to be used in the construction of buildings within such limits; to regulate the building of fire walls, fire places, chimneys, boilers, smoke stacks and stove pipes; to take down and remove, or make safe and secure, any and all buildings hereafter erected, and the alteration and repair of any by the owners thereof,

that are or may become dangerous, or to require the owners, or their agents, to take down and remove them or put them in a safe and sound condition at their own expense; to regulate the heighth, construction and inspection of all new buildings hereafter erected, and the alteration and repair of any buildings now or hereafter erected in the municipality, and to require permits to be obtained of the municipality for such buildings and structures and the repair or alteration thereof, and that plans and specifications thereof be submitted to the council or some person designated by it; to regulate the limits within which it shall be lawful to erect any steps, porticos, bay windows, bow windows, show windows, awnings, signs, columns, piers or other projection or structural ornaments of any kind for the houses or buildings fronting on any street; to provide for the prevention and extinguishment of fires, and for this purpose to organize, equip and govern fire companies and hose companies, and to prescribe the powers and duties of such companies and department, and of the several officers therefor, and to impose on those who fail to obey any lawful command of the officer in charge of such company any penalty which the council is authorized to impose for violations of an ordinance, and to give authority to such fire officer to direct the pulling down of any building or the destruction of any fence, wall, building or other thing if such officer deem it necessary to prevent the spreading of the fire; to protect the persons and property within the corporate limits, and to preserve the peace and good order therein, and for this purpose to appoint, when necessary, a police force, and such other officers, as may be deemed necessary; to prescribe the powers and define the duties of the officers appointed under corporate authority, fix their terms of service and compensation, if not otherwise prescribed in this act, and to require and take from them bonds, when deemed necessary, payable to the City of Keyser, with the sureties and in such penalties as may be prescribed, conditioned for the faithful discharge of their duties; to erect, own or lease street cars and street railway plant, and to build, equip, maintain and operate street railways within the municipality and to any park, cemetery or public place belonging to the municipal corporation outside of the corporate limits, and to collect of persons riding thereon, or receiving service thereof, a reasonable fare or compensation therefor; to erect, authorize or prohibit the erection of power plants, heating plants, gas works, electric light works or waterworks in the municipality, and to erect, own or lease and maintain within or without the corporate limits of the municipality such gas works, electric light, power works, waterworks and reservoirs to supply the municipality or its inhabitants with water, light, heat or power, and to prevent injury to the same or the pollution of the water or to impair the healthfulness thereof; provided, that whenever said municipality shall operate an electric light plant, a gas plant, or other public utility, except waterworks, in or for the municipality, all the money derived from the operation of the same shall go to the credit of the fund covering the operation of such plant only, and shall not be diverted therefrom so long as there is any bonded or other debt against the same; and such fund shall be applied to the operating

expenses of the plant which that fund covers, and it may be used to repair, improve, enlarge or replenish such plant, or to discharge in whole or in part any bonded or other debt against the same; to grant, by ordinance or franchise, for periods not exceeding thirty years, the use of its streets, roads, alleys and public places, to lay pipes, conduits, manholes, drains, and other necessary fixtures and appliances, to be used for supplying the municipality and its inhabitants with steam or hot water, or both, for heat and power purposes, or both, or for illuminating purposes; and to grant by ordinance or franchise, for periods not exceeding thirty years, the use of its streets, roads, alleys, and public places for the construction of movable or rolling roads, for the conveying or moving of passengers, freight and other property, and those in charge of the same, upon such terms and conditions as are hereafter prescribed; to grant by ordinance or resolution permits for the temporary use of its streets, roads, alleys and public places for the construction of movable or rolling roads, for the conveying or moving of passengers, freight, vehicles, animals or other property, upon such conditions as are hereinafter prescribed; to provide a revenue for the city and appropriate the same to its expense; to this act and to cause to be assessed and collected in each year an ad valorem tax, not to exceed fifty cents on one hundred dollars assessed valuation on all property in said city, subject to state and county taxes, as valued and returned for such taxation by the county assessor; to erect, buy, sell and lease all buildings necessary for the use of the city government, or any of its departments, including a town hall or play house, and to provide for, and regulate the same and establish and maintain public hospitals, and to receive donations, gifts and bequests for the same, in trust or otherwise; to compel the attendance at public meetings of the members of council, citizens' committee, or any officer or employee of said city; to prevent corrupt practices at all primary and general elections of said city and to fix the maximum sum of money that may be expended by any candidate for nomination or election; to prescribe the purposes for which the same may be used and the penalty or forfeiture to be imposed for violation, which may include the forfeiture of nomination or office; to provide for the removal and abatement of nuisances and to carry out and to enforce sanitary regulations; to regulate the sale of cocaine, morphine, opium and all poisonous drugs within said city, and to prescribe punishment, including fine and imprisonment, for the violation of any such regulation, and to provide that one or more convictions for violating the same shall operate as a revocation of the license of any druggist or pharmacist holding a license under said city; to provide penalties for the offense and violations of laws mentioned herein, but which shall not exceed the penalties provided for like offenses in Chapters One Hundred and forty-eight, One Hundred forty-nine and One Hundred Fifty-one of the Code of West Virginia; and to punish violations of all ordinances even if the offenses under and against the same shall also constitute an offense under the laws of the State of West Virginia.

MUNICIPAL AUTHORITY.

Sec. 17. To carry into effect these enumerated powers, and all other powers conferred upon said city, expressly or by implication, in this and other acts of the legislature, the municipal authorities of said city shall have power in the manner hereinafter prescribed, to adopt and enforce all needful orders, by-laws and ordinances not contrary to the laws and constitution of this state, and to prescribe, impose and enforce reasonable fines and penalties, including imprisonment, and shall have the right to use the jail of said county for any purpose necessary to the administration of its affairs. Such fines, penalties and imprisonment shall be recovered and enforced under the judgment of the police judge of the city, or the person lawfully exercising his functions.

The proceedings before the police judge, or other person exercising his functions, for enforcing regulations and penalties for violation of ordinances, shall be by warrant of arrest in the corporate name of the city, directed to the chief of police, other policemen of the city, or to any constable of Mineral County, commanding the person to whom direct in the name of the State of West Virginia, to forthwith apprehend the offender or cause him to be apprehended and brought before such police judge, or person there sitting, to answer said charge and to be dealt with according to law.

The warrant of arrest shall be issued only on the information under oath of some reliable person. It shall describe the offense alleged to have been committed where the same is a felony, as heretofore required in such cases by law, and where a violation of a city ordinance, it shall describe the offense in such general terms of the ordinance violated as shall inform the accused of the nature of the charge or charges, and command the officer to forthwith apprehend the accused and bring him before the police judge, or person exercising his functions, to be dealt with according to law. The officer issuing such warrant may endorse thereon, or by subponea direct, the witnesses to be summoned, and may proceed against them for contempt if they fail or refuse to attend or to testify. All trials in the police court shall be by summary proceedings.

ASSIGNMENT AND COLLECTION OF TAXES.

Sec. 18. The levying and assessment and collection of taxes of said city, and the sale or real estate for such municipal taxes, forfeitures for non-payment and non-assessment thereof, transfer of title vested in the state, redemption of such forfeited real estate and deeds of conveyance therefor, shall, except as otherwise provided in this act, be made in the manner provided in, and subject to, the provisions of Chapters Nine of the Acts of the Legislature of Nineteen Hundred and Eight, extraordinary session, Twenty-Nine, Thirty, Thirty-One and One Hundred and Five of the Code.

BONDS.

Sec. 19. The council of the said city shall have the right to bond the said city for the purpose of paving the streets and alleys of said city and for constructing waterworks and a sewerage system for the same, and for the purpose of providing hose and other appliances for extinquishing fire, and for any and all public improvements, whenever the council thereof may deem improvements necessary, and to refund outstanding bonds at a lower rate of interest, and to issue new bonds for the purpose of increasing the length of the time on any such indebtedness, but the aggregate indebtedness of said city, for all purposes, shall not at any time exceed five per centum of the assessed valuation of the taxable property therein, based upon the valuation of the last assessment next preceding the date of incurring said indebtedness; and the said council shall by taxation, provide a fund for the payment of interest on any and all indebtedness incurred in the manner aforesaid within the period of thirty-four years; provided, that no debt shall be incurred hereunder until the question of a bond issue be submitted to a vote of the people and the issuance thereof authorized by a three-fifths votes. Such bonds shall not be sold for less than par, nor exchanged for the evidences of indebtedness of said city except dollar for dollar. The method of issuance and proceedings for conduct of election, shall, except as otherwise provided in this act, be in the manner and form provided by Chapter Forty-Seven-A of the Code.

LICENSES.

Sec. 20. Whenever anything for which a state license is required, is to be done within said city, or within two miles of the corporate limits thereof, the municipal authorities, as herein provided, may require a city license to be had for doing the same, and may, in any case require from any person licensed, a bond with sureties and in such penalty and with such conditions as it may deem proper, and the council on notice, may revoke such license at any time if the condition of the said bond be broken. And the municipal authorities may also impose a license and assess a tax thereon on all wheeled vehicles for public hire, all dogs kept within said corporate limits, all insurance, bonding, casualty and guaranty companies, all franchises heretofore granted by the Towns of Keyser and South Keyser or hereafter granted by the city, bill posting and distributing, and the making, erection and construction of signs and street advertisements, book agents, common criers, moving picture shows, drays, cabs, hacks, etc., eating houses, restaurants, and places where soft drinks are sold, express companies, hitting and striking machines, livery and feed stables, omnibuses, electric light and gas companies. The municipal authorities may prescribe, impose and enforce reasonable fines and penalties, including imprisonment, under the order of the police judge of said city, or the person lawfully exercising his functions, upon any person carrying or attempting to carry on any business for which the said license is required, without first obtaining

a city license therefor, and paying the city license tax assessed thereon. All licenses provided for in this act shall be paid to the treasurer. For the purpose of enforcing the provisions of this section the City shall have police jurisdiction for two miles beyond the corporation limits thereof.

FRANCHISES.

Sec. 21. Franchises may be granted by the council, under the regulations provided in Section Nine of this act, subject to veto by the mayor, allowing to persons and corporations, for a limited time, the occupancy of portions of the streets, alleys, roads and public grounds as may be necessary for works of public utility and service, such as steam railway tracks, street railway tracks, poles and trolley wires, telegraph and telephone poles and subways, electric light and other electric poles, waterworks, wires, and subways and gas and steam pipe lines. But no such franchise shall hereafter be granted except under the following restrictions and conditions, namely:

No ordinance granting any franchise for the use of the streets, roads, alleys or public grounds of the municipality, for any of the purposes of public utility above named, or for any other purpose of like nature, except as hereinafter provided, shall be passed unless it shall have been first proposed in the council; and notice of the object, nature and extent of such franchise shall be published at least thirty days by the applicant, at his expense, in some newspaper published in said municipality, before being acted upon, and shall have received the votes of at least a majority of all the members elected to the council and citizens appointed as provided in Section Nine, at a regular meeting or meetings, and after said publication. The votes thereon shall be taken by yeas and nays, and the same entered in the journal. Upon being passed by the council the ordinance granting said franchise shall be forthwith transmitted by the municipal clerk to the mayor for his approval or disapproval, and in case of his disapproval of same, it shall not be considered as passed unless it again receives the affirmative vote of a majority of the members elected to the council and citizens appointed as provided in Section Nine. If the franchise is amended, after having been vetoed by the mayor, it shall be subject to the veto of the mayor as in the first instance. After the ordinance granting such franchise has been passed, it shall be published in full, at the expense of the applicant, at least once within the period of ten days thereafter, in some newspaper of general circulation in the municipality and one copy of the same shall be filed with the municipal clerk, who shall preserve the same as a public record.

The council may grant a permit at any time in or upon any street, road, alley or public place; provided, that such permit may be revocable by the council at its pleasure, at any time, whether such right to revoke be expressly reserved in every such permit or not.

All franchises and privileges hereafter granted shall plainly specify on what particular street, road, alley or other public property the same shall apply, and no franchise or privilege shall hereafter be granted by the municipality in general terms, or to apply to the municipality generally. No exclusive franchise shall ever be granted, and no franchise shall be renewed before three years prior to its expiration.

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

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

No extension or enlargement of any franchise or grant of rights or powers previously granted to any corporation, person or association of persons, shall be made except in the manner and subject to all the conditions herein provided for the making of original grants of franchises.

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

No grant of a franchise for the extension of, or addition to, any line of such work, over any street or territory in said municipality, shall be made for a period extending beyond the time limited for the expiration of the franchise of the principal work of which it is an extension, and if the franchise of the principal company or work is one which was granted before this act goes into effect, the franchise granted for the extension or addition shall nevertheless be subject to the condition hereof, including a time limit herein specified.

If a franchise secured from the municipality by an individual or by an independent or new company, and the work constructed thereunder afterwards becomes a part of, or to be operated as a part of, a large work of the same kind, whose franchise was previously obtained and is limited to expire earlier, such later franchise shall, by reason of such annexation, merger or single operation, expire simultaneously with such earlier franchise of the old company or work. An annual

franchise tax of not less than fifty dollars shall be charged and collected on all franchises heretofore granted by the Towns of Keyser and South Keyser or hereafter granted by the City.

MANDAMUS.

Sec. 22. In all cases where any individual, association of individuals or corporation has obtained or shall obtain any right, privilege or franchise to operate a street car line, lines of cars in whole or in part upon the streets, roads or alleys of the municipality, or to furnish to such municipality or the inhabitants thereof water, gas or electricity, or to construct or operate a telephone or telegraph system in any such municipality, and the terms, conditions or manner of exercising such right, privileges or franchises are embodied in the ordinance or resolution of the municipality, or are otherwise, either voluntarily or by law, imposed or assumed by said individual, association of individuals or corporation, then and in each of such cases the Circuit Court of Mineral County shall have power by mandamus to compel such individual, association of individuals or corporation and their assigns, to use and exercise such right, privilege or franchise in accordance with the terms and conditions and in the manner prescribed in said ordinance or resolution or otherwise lawfully so defined or assumed, and to do and perform each and every obligation and duty attached to such right, privilege or franchise, whether or not such obligation and duty be voluntarily assumed or by law attached thereto or imposed thereby.

Such mandamus maybe awarded at the instance of the municipality in its corporate name, or at the instance of any taxpayer or taxpayers; and the foregoing remedy by mandamus shall not be construed to deprive such municipal corporation, or any inhabitant thereof, of any other remedy given by law to compel such individual, association of individuals or corporation to comply with the terms, conditions and agreements of such right, privilege, or franchise, or of the right to recover damages for their failure so to do, or to effect, remove or lessen the liability of such individual, association of individuals or corporation, to forfeiture of such right, privilege or franchise for failure so to use and exercise such right, privilege or franchise.

PAVEMENTS AND SIDEWALKS.

Sec. 23. The council shall have the right to establish the width of any sidewalk along any street, alley or public square, or portion thereof, and any owner, of ground fronting on such street, alley or public square, shall in such manner as the council shall reasonably prescribe, pave and curb the sidewalk adjacent to such property. In case of a failure or refusal of such owner to pave or curb the same, the council may cause the same to be properly curbed and paved by the city, and levy and collect from such owner, the whole cost of such curbing and paving adjacent to such property, with a penalty of five per centum added thereto, together with six per centum interest until

paid; and in like manner to require the owner of any property adjacent to any paved sidewalk heretofore or hereafter constructed, to keep the same in repair and in default of doing so, to cause the same to be repaired and to levy and collect from said owners the whole cost thereof with a penalty of five per centum added thereto together with six per centum interest per annum until paid. In all cases of such assessment, whether for the original or for the repairing of sidewalks, payment thereof, including penalties and interest, shall be made to the City Clerk within thirty days after the completion of the work, who shall have power to collect the same from the owner or owners of any such property, by distress and sale in the same manner in which taxes levied for the benefit of the city are authorized to be collected; and in addition, there shall be a lien upon such real estate, which lien may be enforced by appropriate suit in any court of record of Mineral County.

NUISANCES.

Sec. 24. The council of said city is hereby authorized to decide and adjudge what constitutes a nuisance within the municipality, or within two miles thereof, when not within the limits of another municipality and may require and compel the person committing or maintaining the same, or any owner, agent, assignee, occupant or tenant, of any lot, premises, property, building or structure, upon or in which any nuisance may be, to abate and remove the same upon order from such municipal body, or from the board of health, or health officer, or other officer of the municipality acting with authority in the premises; and the council may prescribe by ordinance a penalty for the punishment of any such person who may refuse, fail or neglect to abate or remove any such nuisance within the time specified in the notice therefor.

The council may also by its own officers, appointees and employees, abate and remove nuisances, after reasonable notice to the owner, occupant, tenant, agent or assignee to abate and remove such nuisance, and collect the expense thereof, with one per centum per month interest added from the date of said notice, from said owner, occupant, tenant, agent or assignee, by distress or sale in the same manner in which taxes levied upon real estate for the benefit of the municipality are authorized to be collected under this act; and the expense shall remain a lien upon said lot or part of lot the same as taxes levied upon real estate in the municipality, which lien is in addition to the remedy specified in this section and may be enforced as provided in Section Twenty-five of this act.

In case of nonresident owners of real estate, such notice may be served upon any tenant, occupant, assignee or rental agent of said premises, or on such nonresident owner or infant or insane owner by publication thereof for not less than two consecutive weeks in a newspaper published in the municipality. The abatement or removal of any such nuisance by the municipality, and at its expense, as herein

provided, shall be prima facie proof that the said notice to the owner, occupant, tenant, agent or assignee was given as herein required.

The council may require all owners, tenants and occupants of improved property, which may be located upon or near any street, road, alley, along which may extend any sewer or system of sewerage, which the municipality may construct, own or control, to connect with such sewer or system of sewerage, all drains, cesspools, sinks, privies or water closets, upon their respective properties, or premises, so that their contents may be made to empty into such sewer or system of sewerage.

And in all cases where any tenant, occupant or agent is required to abate and remove any nuisance, under the provisions of this section, or comply with the provisions of any such ordinance as is mentioned herein, the expense thereof may be deducted out of the accruing or accrued rent of said property, or amount due said owner or agent, and such tenant, occupant or agent may recover the amount so paid from the owner, unless otherwise especially agreed upon between them.

The council may by ordinance regulate the location, construction, repair, use, emptying, and cleaning of all water closets, privies, cesspools, sinks, plumbing, drains, yards, pens, stables and other places where offensive or dangerous substances or liquids are or may accumulate and may provide suitable penalties for the violation of such regulations which may be enforced against the owner, agents, assignees, occupant or tenant of any premises or structure where such violation may occur.

The council shall have authority and jurisdiction of and over the water reservoirs, pipe lines and property adjacent, and all other property of the city located in Mineral County, whether the same be within the corporate limits of said city or not, and for the protection and preservation of the same shall have authority to pass all necessary ordinances, rules and regulations and to provide penalties for the violation thereof; and the police judge, or officer exercising his functions, shall have jurisdiction to try offenders against such ordinances, and his warrant may be directed to any police officer of the city, or to any constable or the sheriff of Mineral County, and may be served and the offender arrested anywhere in said county.

LIEN FOR TAXES, ETC.

Sec. 25. There shall be a lien on real estate within said city for city taxes assessed thereon, and for all fines and penalties assessed to or imposed upon the owners thereof, by the authorities of such city, including expenses for making sidewalks and paving and curbing the same, and for furnishing water, electric lights or other public utilities when furnished by said city, from the time the same are assessed or imposed, which shall have priority over all other liens except taxes or

debts due the United States and the lien for taxes due the state, county or district; and such lien may be enforced by the council in the same manner provided by law for the enforcement of a lien for county taxes, and any time after six months after such lien attaches, the city may in its own corporate name proceed to the enforcement of said lien against the real estate chargeable therewith by a suit in equity. If any real estate within said city be returned delinquent for the nonpayment of city taxes due thereon, a copy of such delinquent list shall be certified by the council to the auditor of this state and the same may be sold for city taxes, interest and commissions thereon in the same manner, at the same time, and by the same officers as real estate is sold for state taxes; and a return of such sales made to and a deed executed therefor, if not redeemed, in the same manner and with like effect, as the return of sales of real estate for state taxes is made and deeds therefor executed to the purchasers.

Liens against real estate for the cost of abating or removing nuisances by the municipality, as provided in Section Twenty-four herein and the cost of constructing and repairing sidewalks, walkways and curbs by the municipality as provided in Section Twenty-three herein, may be enforced by suit in equity, before any court having jurisdiction, as other liens against real estate are enforced, and this remedy shall be in addition to the imposition of all other remedies and penalties in the premises under the provision of this act; provided, that in the case of laying or repairing sidewalks, and abating nuisances, there shall be first admitted to record in the Office of the Clerk of the County Court of Mineral County, an abstract or statement of the judgment of the council fixing the amount of the expense of laying or repairing such sidewalk or curb or abating or removing such nuisance, together with the penalty of one per centum per month on said amount from the time so fixed until paid, as provided in this act. Said abstract or statement may be certified by the City Clerk; and after the amount of the assessment and penalty is due by the terms of the ordinance or resolution laying the same, and a certificate of such levy and assessment, together with the name of the owner and occupier of said property, its location and description, has been filed in the Office of the Clerk of the County Court of Mineral County, and in satisfaction of the amount so due such municipality, and cost of the proceeding, the said real estate may be sold, and the proceeds applied to the payment of the amount so due.

Water, electric light, power and heating bills and other bills of like kind due the municipality, owning or operating such plant or plants, may be distrained for and collection enforced in the same manner in which the collection of taxes owing to the municipality may be enforced. The municipal authorities may also shut off the supply of such water, light, heat, power or other commodity from such delinquent person or company and refuse thereafter to furnish such service or commodity to said delinquent until all arrearages are paid.

HEALTH--HEALTH COMMISSIONER.

Sec. 26. The council shall have authority to ordain and enforce such regulation within said city, as shall be necessary or proper to preserve the health of the inhabitants of said city, and to secure them from disease; to require and compel the abatement and removal of all nuisances within said city, at the expense of the person or persons causing the same, or of the owner or owners of the ground whereon the same shall be; to prevent or regulate slaughter houses within said city; or the exercise of any offensive or unhealthy business, trade or employment therein; to prevent the keeping of any stale meats, fish, vegetables or other matter, or depositing the same, or dirt, rubbish, or offal, upon any lot, street, alley or square within the said city, or upon the banks of any streams within the limits thereof.

The mayor, by and with the consent of the council, shall in the month of July, One Thousand Nine Hundred and Thirteen, and in said month of every second year thereafter, appoint a suitable person, who shall be a practicing physician, as health commissioner, whose term of office shall be for two years, and until his successor is appointed and qualified. The members of the council, the mayor, city attorney and health commissioner shall comprise the board of health of said city. The health commissioner shall be charged with the duty of enforcing all quarantine regulations and of all regulations for keeping the streets, roads, alleys and sidewalks of the city, and all premises therein, in a sanitary condition. He shall be authorized to enter all houses, or other places, public or private, at all times, in the discharge of his duties, in improving and maintaining the sanitation of the city and the prevention and suppression of disease, and he shall have the power and be required to carry into effect all of the provisions of Section Twenty-four of this act relating to the abatement of nuisances, under such regulations as the council may by ordinance prescribe. He shall be authorized to do all acts and make all regulations that may be necessary or expedient for the promotion of health and the prevention and suppression of disease; he shall have the right to inspect all wells, cisterns and water supplies in said city and to prohibit the use thereof if necessary in his judgment to prevent or suppress disease; he shall have the right to inspect all milk, meat, fish, oysters, vegetables and all other food stuff displayed or offered for sale in said city and to make such rules and regulations touching the preparation, display, delivery and sale thereof, as he may deem prudent, necessary and proper for cleanliness and the prevention and suppression of disease, and he shall perform such other duties as may be prescribed by the council, and shall have and exercise all of the powers and duties conferred upon the county board of health. He shall give public notice, in such manner as he may deem necessary, of any rule or regulation promulgated by him under this act, and any person, firm or corporation who shall violate the same, after proclamation thereof, shall be guilty of a misdemeanor and upon conviction thereof shall be fined not less than ten nor more than one hundred dollars, and for a second offense may be confined in jail not

more than thirty days. Every practicing physician shall forthwith report to the health commissioner every infectious or contagious disease which he is called upon to treat within said city; and if any such physician shall fail to make such report within one day after he has discovered such infectious or contagious disease, he shall be guilty of a misdemeanor and upon conviction shall be fined not less than ten nor more than one hundred dollars. The City Clerk, in his capacity of police judge, shall have jurisdiction of all offenses hereunder.

The council shall have authority to provide, under the supervision of the health commissioner, proper vaccine serum, whenever an epidemic of smallpox is threatened, and the health commissioner shall vaccinate any applicant upon the payment to him of such fee as the council shall by ordinance prescribe, and he shall thereupon issue a certificate to the patient showing his vaccination. And the council may, in like manner, in any proper case, provide antitoxin lymph or serum for immunizing against or preventing the spread of diphtheria, typhoid fever, meningitis, or other infectious or contagious disease or epidemic, and may furnish the same free to indigent persons.

ORDINANCES--GENERAL PROVISIONS.

Sec. 27. The style of the ordinances of the city shall be: "Be it ordained by the council of the City of Keyser;" but the ordinances now in force shall remain in effect until amended or repealed, except where the same are in conflict or inconsistent with this act.

Sec. 28. All ordinances shall be presented in writing, and no ordinance shall be so amended in its passage as to change its general purpose. No ordinance shall be considered for final passage at the meeting at which it is introduced, unless by unanimous consent entered of record. No ordinance shall contain more than one subject, which shall be clearly expressed in its title; nor shall any ordinance be passed by the council unless a majority of all the members elected to the council shall concur therein by yeas and nays when the question is put upon its passage.

Sec. 29. All ordinances passed by the council, and vetoes of the mayor, shall be spread at large upon the journal, and at the next regular meeting such ordinances and vetoes shall be read in open council, and the mayor shall sign said minutes, when found correct or corrected, in the presence of the council. The council shall provide a well bound book in which shall be copied all ordinances in the order in which they are passed, which ordinances so copied shall be compared with the originals by the mayor and shall be signed by him when found correct. Such book shall be indexed so as to show in brief form the substance of the ordinance. All copies thereof certified, under the hand of the City Clerk and the seal of the City, shall be received by all courts and justices in this state as evidence. But the

council may adopt, by ordinance, properly designating and describing it, a code of laws and ordinances, which when adopted shall be printed in book form, or it may be adopted as a whole after it is printed, and the said code shall be and become the laws and ordinances of said City, and shall be received as such in all courts of this state, and the printed volumes published under the order of the council shall be so received as evidence of what is printed therein until errors or omissions be affirmatively shown therein.

DUTIES OF THE CITY CLERK.

Sec. 30. The City Clerk shall serve for a term of two years, unless sooner removed for cause. He shall, before entering upon the discharge of his duties as such clerk, take and subscribe to the oath of office prescribed in Section Fifteen of this act, and shall execute such bond as shall be fixed by council which bond shall be approved by council and filed with the treasurer.

In addition to all the other duties prescribed in this act, the City Clerk shall keep the records of the council, and he, or his deputy, shall be present at all regular and special meetings of that body. It shall be his duty to properly record in a well bound book all the proceedings of council as well as a complete record of all ordinances, franchises, bonds, permits and resolutions adopted or passed by council, and to properly index the same, for the convenience and inspection of the council, or any city official or taxpayer.

Before any business at any regular meeting of the council is undertaken it shall be the duty of the clerk to read publicly to the council the minutes of all regular or special meeting of that body, not theretofore read or approved, and upon approval of same by council, the signatures of the mayor and clerk shall forthwith be affixed. All records of council so approved and signed, or duly authenticated copy thereof, signed by the clerk and under the seal of the city, shall be admitted as evidence in any proper case in any court in this state.

The City Clerk, except as may be otherwise herein provided, shall be the custodian of the records and papers of the city and the seal of the city, which shall be kept by him at his office, and the records and papers shall be open to public inspection at all proper hours. He shall, acting under existing laws, in so far as they are not in conflict with this act, perform such duties relating to all city elections held under this act, as the clerks of the circuit or county courts perform, under state laws, in relation to the holding of general or special elections; and he shall likewise be the custodian of all registration books, ballots, tally sheets, etc., pertaining to all municipal elections.

The City Clerk shall have power within the municipality to administer oaths and take acknowledgements of deeds and other instruments required by law to be acknowledged, in the same manner

and with like effect and under the same penalties as notaries public, justices of the peace and other officers of the state are authorized to administer oaths, or take acknowledgements, under state laws.

It shall be the duty of the City Clerk, who shall be the assessor, to make an assessment of the property within the city subject to taxation, substantially in the manner and form in which assessments are made by the assessor of the county, and return the same to the council on or before the first day of August in each year, and for the purpose he shall have all powers conferred by law on county assessors. He shall list the number of dogs in the city and the names of the persons owning the same, which list shall be returned to the council. In order to aid the said council in ascertaining the property and tithables subject to taxation by said city, the City Clerk (who shall act as assessor) of said city, shall have access to all books and public records of Mineral County without expense to said city or assessor, and he shall also have the same power and be subject to the same penalties in ascertaining and assessing the property and subjects of taxation in said city as are granted and imposed upon the county assessors throughout the state by the general state law, and the council shall also have authority to prescribe by ordinance such other rules and regulations as may be necessary to enable and require such assessor to ascertain and properly assess all property and tithables liable to be taxed by said city so that such assessment and taxation shall be uniform, and to enforce such ordinances by reasonable fines and penalties. And the said city assessor, making the valuation for assessment, shall make the same assessment for both real and personal property as the assessor of said county for the assessment year assessed by the county assessor. The City Clerk shall have an office in the city hall, council chamber or such other place as the council may designate and provide. He shall keep his office open at least three consecutive hours in the forenoon and afternoon of each day.

In addition to the duties hereinbefore set out and otherwise provided in this act, the City Clerk shall by virtue of his office be the police judge of the city, and his oath of office and the conditions of his bond shall extend to and cover his duties and obligations as police judge. The City Clerk shall, as such police judge, be ex officio a justice of the peace with authority to issue warrants or other process for all offenses within the police jurisdiction of the city, of which a justice of the peace has jurisdiction under state laws, and for all violations of any city ordinance. In order to preserve the peace and good order of the city and protect the persons and property therein, riotous and disorderly persons in the city may be arrested and detained before issuing any warrant therefor. He shall hold daily sessions of his said court, Sundays excepted. He shall have and exercise all of the civil jurisdiction conferred by law upon justices of the peace, but before proceeding to act in such capacity, he shall file with the Clerk of the County Court of Mineral County, a certificate from the mayor of said city showing his appointment and qualification as City Clerk, and shall thereupon take the oath and execute the bond required to be taken and executed by justices of the peace.

The police judge may commit persons charged with felony or misdemeanor to jail or take bond for their appearance before the grand jury, but he shall receive no fees or other compensation for such services; he shall have power to issue executions for all fines, penalties and costs imposed by him, and he may require the immediate payment thereof, and in default of such payment may commit the person so in default to jail, until the fine and penalty and costs shall be paid or satisfied, and any one so committed may be required to work during imprisonment, as required by council.

If any person is sentenced to imprisonment, or any person or corporation is assessed with a fine of ten dollars or more, such person or corporation shall be allowed an appeal from said decision of the police judge to the Circuit Court of Mineral county, upon the execution of an appeal bond with surety deemed sufficient and approved by the police judge in a penalty double such fine and costs conditioned that the person or corporation proposing to appeal will perform and satisfy any judgment which may be rendered against him or it by said court on such appeal; and in no case shall a fine of less than ten dollars be given by the police judge, if the defendant, his agent or attorney request that the fine be made as much as ten dollars.

If the appeal be taken, the warrant of arrest, the transcript of the judgment, the appeal bond and other papers of the case shall be forthwith delivered by the police judge to the Clerk of the Court to which such appeal is taken, and said court shall proceed to try the case as upon indictment or presentment and render such judgment, including that of costs, as the law and evidence may demand.

The police judge shall be authorized to suspend sentence or parole any juvenile offender under the age of sixteen years, who may be brought before him for the violation of any ordinance of the city or charged with any misdemeanor under the laws of the state; he shall prescribe the conditions of such parole and enter them in his docket and may commit the offender to the care and custody of any proper person, with a view to the correction and reformation of such offender, and may take from such person such bond or security, conditioned as he shall prescribe. The chief of police, or a policeman designated by him, shall attend all sessions of the police court and perform such duties as may be required by ordinance or requested by the police judge.

The police judge shall keep in a well bound book a complete record of all cases heard and considered by him, and he shall account for and pay over the amount of all fines, as well as the fees of himself and other officers, under salary, collected by him, weekly, to the treasurer of the city, and shall make monthly reports thereof, and of all other matters pertaining to his office to the council of the city. In the absence of the police judge the mayor of the city shall sit as such police judge with the same power and authority.

The police judge, if an attorney, shall not practice in said police court as an attorney or counselor or in any case appealed or removed therefrom, but shall have the right to practice law as an attorney in other courts and cases.

In addition to the other duties to be performed by the City Clerk, he shall also be the city collector, charged with the duty of collecting all taxes, levies, assessments, water rents and all other funds due the city, except licenses; and as such collector shall have and exercise all of the rights, authority and powers conferred upon town sergeants by the general law of the state with reference to the collection of taxes and funds of cities, towns and villages, and upon sheriffs with reference to the collection of state and county taxes and funds. He shall at least once in each week, or oftener if the council so require, account for and pay over to the city treasurer all moneys received by him as such collector; he shall before entering upon the duties of his office give the bond hereinbefore required, payable to the City of Keyser in the penalty of not less than five thousand dollars, conditioned for the faithful performance of the duties of the office of City Clerk, collector and police judge and to account for and pay over, as required by law, all moneys which may come into his hands by virtue of any and all of said offices, and shall be chargeable with all of the city taxes, levies, assessments and water rents, from the time the bills therefor are required to be made up and collected, and with all moneys of the city, including fines, fees and penalties, that may come into his hands. He shall receive no fees or commissions for his services, but shall account to the city for all fees received by him, except those received by him when acting in civil suits, taking depositions or acknowledgements. He shall at the first stated meeting of the council in each month make his report to the council of all moneys and credits coming to his hands as City Clerk, police judge and collector, accompanied by a receipt or receipts from the treasurer showing that said moneys have been paid to him, and he shall publish once in every six months a detailed itemized statement of all receipts and expenses of the city for the proceding six months.

The City Clerk may appoint such deputies and assistants, with the approval of the council, as the duties of his office render necessary. The deputies shall take the oath required of the City Clerk and shall give such bond as he may require, but such deputies or assistants shall not perform any judicial duty of the police judge.

The salary fixed for the City Clerk, which shall not be increased or diminished during his term of office, shall be deemed to include all the services of all deputies, clerks and agents employed by him, and no additional allowance shall be made for, or on account of, any such services so rendered by the City Clerk.

DUTIES OF THE TREASURER.

Sec. 31. The Treasurer shall receive and account for all moneys from all sources of municipal revenue. All license taxes and fees shall be paid him direct by the person to whom such license is issued, and no license shall be valid without the receipt of the treasurer for such tax and fees endorsed thereon. All officers and agents of the city, authorized to receive money for the city, or revenues thereof, from any source whatsoever, shall pay over to the Treasurer such moneys and revenues within one week after the receipt thereof, or sooner if required by the council.

He shall keep the funds of the city in some bank or banks within the city, which shall pay to the city two per centum or more per annum interest on such deposits, payable quarterly, based on the average daily balance on such funds in all accounts. If no bank within the city is willing at any time to receive deposits of the Treasurer, and to pay such interest thereon, the Treasurer shall report this fact to council, which shall thereupon designate a bank or banks in which he shall deposit such funds for the time being, and until some bank in the city will receive deposits at the rate of interest so fixed.

Said bank or banks shall give bond in the penalty prescribed by council, and with sureties to be approved by council, conditioned for the prompt payment, whenever lawfully required, of all public moneys, or parts thereof, which may be deposited with them.

The salary fixed for the Treasurer, which shall not be increased or diminished during his term of office, shall be deemed to include all the services of all deputies, clerks and agents employed by him, and no additional allowance shall be made for or on account of any such service so rendered by the Treasurer. He shall give bond or bonds in an amount to be fixed by council, which bond shall be approved by council, before entering upon the discharge of any of the duties of his office, and file same with the clerk. The Treasurer shall pay all warrants or other proper orders legally drawn and presented, out of any moneys at the time in the fund on which such warrant or order is drawn, but no money shall be paid by him except as the same shall have been appropriated by the council and upon an order signed by the mayor and city clerk. If no money is in the fund with which to pay such warrant or order, the Treasurer shall endorse on the back thereof the words. "no funds," and affix the date of such endorsement, and shall preserve a record of such endorsement in his office. The Treasurer shall perform any other duties which council may from time to time prescribe and which are not inconsistent with the general scope of his duties.

DUTIES OF CITY ATTORNEY.

Sec. 32. The city attorney shall be the legal advisor of the city and all its officers in all matters arising and in which legal proceedings may be taken; he shall prosecute all suits, actions and proceedings instituted on behalf of said city and defend all suits and actions against said city, and, when requested in writing, shall give his written opinion to the mayor, council, or any standing committee thereof, upon such legal questions as may be referred to him affecting the city's interests; he shall perform such other duties as may be required. It shall be his duty to attend sessions of the police court, when requested by the mayor or police judge, and prosecute all trials therein and all appeals that are taken from such court; and for his services he shall receive such compensation as the council shall provide.

POLICE DEPARTMENT.

Sec. 33. The council shall by ordinance establish a police department, of which department the chief of police shall be in command. He shall be charged with the duty of preserving peace and good order in the city and of protecting the persons and property of the citizens. He shall have the right to stop, suppress or prevent any immoral, obscene or improper shows, theatrical performances or moving picture exhibitions. Policemen may be suspended, removed and discharged at any time by the mayor, upon his own motion or that of the chief of police, for good cause, in which event the mayor shall report such suspension, removal or discharge, together with the reason therefor, to the council at its next meeting. The council shall consider such suspension, removal or discharge and may make such order in reference thereto as it may deem wise. The council shall have the power to suspend, without pay, the chief of police, or any policemen against whom charges are preferred.

Whenever any notice is required to be given, or any summons, warrant or other process is required to be served or otherwise executed, under the provisions of this act, it shall be sufficient if such notice, summons, warrant, or other process be executed by an officer of the police department of said city in the same way or manner in which the laws of the state prescribe for executing summonses and subpoenas by state officers, unless otherwise provided by this act. The chief of police may also execute within this city any civil writ or process issued by the police judge, or any justice of the peace or court in Mineral County, and shall have all the powers conferred by law upon constables and sheriffs, but he shall not act in such capacity until he shall have first qualified before the County Court of Mineral County and given the bond required of constables.

DUTIES OF THE STREET COMMISSIONER.

Sec. 34. The street commissioner shall perform such duties as are now, or which may hereafter be imposed upon him by any ordinance of said city, and shall receive such compensation as may be fixed by council.

POWER TO CONDEMN.

Sec. 35. The council shall have the right to institute proceedings, in the name of the city, for the condemnation of real estate for streets, alleys, avenues, sewers, drains, market grounds, city hall, reservoirs, electric light plant, pipe lines, or for any other ground, within or without the city, necessary for public improvements and which the council is authorized to acquire or maintain under this act; such proceedings shall conform to the provisions of Chapter Forty-two of the Code of West Virginia, and the costs thereof shall be borne by the city, except that in contests involving a hearing in the Circuit Court, costs shall be recovered by the prevailing party.

RECALL.

Sec. 36. The holder of any electives office may be removed at any time by the electors qualified to vote for a successor of such incumbent. The procedure to effect the removal of an incumbent of an elective office shall be as follows: A petition signed by electors entitled to vote for a successor to the incumbent sought to be removed, equal in number to at least twenty per centum of the entire vote for all candidates for the office of mayor cast at the last preceding general municipal election, demanding an election of a successor of the person sought to be removed, shall be filed with the city clerk, which petition shall contain a general statement of the grounds for which the removal is sought. The signatures to the petition need not all be appended to one paper, but each signer shall add to his signature his place of residence, giving the street and number. One of the signers of each such paper shall make oath before an officer competent to administer oaths, that the statements therein made are true as he believes, and that each signature to the paper appended is the genuine signature of the person whose name it purports to be. Within ten days from the date of filing such petition, the city clerk shall examine and from the voter's register ascertain whether or not said petition is signed by the requisite number of qualified electors, and if necessary, the council shall allow him extra help for that purpose, and he shall attach to said petition his certificate showing the result of said examination. If, by the clerk's certificate, the petition is shown to be insufficient, it may be amended within ten days from the date of said certificate. The clerk shall, within ten days after such amendment, make like examination of the amended petition and if his certificate shall show the same to be insufficient, it shall be returned to the person filing the same, without prejudice, however, to the filing of a new petition to the same effect.

If the petition shall be deemed to be sufficient, the clerk shall submit the same to the council without delay. If the petition shall be found to be sufficient, the council shall order and fix a date for holding said election, not less than thirty days nor more than forty days from the date of the clerk's certificate to the council that a sufficient petition is filed.

The council shall make, or cause to be made, publication of notice and all arrangements for holding such election, and the same shall be conducted, returned and the result thereof declared in all respects as are other city elections. So far as applicable, except as otherwise herein provided, nominations hereunder shall be made without the intervention of a primary election by filing with the clerk at least ten (10) days prior to said special election, a statement of candidacy accompanied by a petition signed by electors entitled to vote at said special election, equal in number to at least ten per centum of the entire vote for all candidates for the office of mayor at the last preceding general municipal election, which said statement of candidacy and petition shall be substantially in the form set out in Section Six of this act, so far as the same is applicable, substituting the word "special" for the word "primary" in such statement and petition and stating therein that such person is a candidate for election instead of nomination.

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

OFFICIAL BALLOT.

Special election for the balance of the unexpires term of _____ as _____.
For _____.

(Vote for one only)
(Names of candidates)

[ ] _____
[ ] _____
(Name of present incumbent.)

Official ballot, attest:
(Signature)_____
City Clerk.

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

fail to qualify within ten days after receiving notification of election, the office shall be deemed vacant. If the incumbent received the highest number of votes, he shall continue in office, and those electors who signed the petition demanding such special election shall, unless it be otherwise ordered by the council, pay the costs of such election, which said costs shall be a lien against the property of all of such petitioners, collectable and enforceable in like manner and to the same extent as taxes due to the city are collected. The said method of removal shall be cumulative and additional to the methods heretofore provided by law.

INITIATIVE.

Sec. 37. Any proposed ordinance may be submitted to the council by petition signed by electors of the city equal in number to the percentage hereinafter required. The signatures, verification, authentication, inspection, certification, amendment and submission of such petition shall be the same as provided for petition under Section Thirty-six hereof.

If the petition accompanying the proposed ordinance be signed by electors equal in number to twenty per centum of the votes cast for all candidates for mayor at the last preceding general election, and contains a request that the said ordinance be submitted to a vote of the people, if not passed by the council, such council shall either:

(a) Pass such ordinance without alteration within twenty days after attachment of the clerk's certificate to the accompanying petition or,

(b) Forthwith, after the clerk shall attach to the petition accompanying such ordinance his certificate of sufficiency, the council shall call a special election, unless the general municipal election is fixed within ninety days thereafter, and at such special or general municipal election, if one is so fixed, such ordinance shall be submitted without alteration to the vote of the electors of said city. But if the petition is signed by not less than ten per centum of the electors, as above defined, then the council shall within twenty days, pass said ordinance without change, or submit the same at the next general city election occurring not more than ninety nor less than thirty days after the clerk's certificate of sufficiency is attached to said petition.

The ballot used when voting upon said ordinance, shall contain these words: "for the ordinance," and "against the ordinance," (stating the nature of the proposed ordinance.) If a majority of the qualified electors voting on the proposed ordinance shall vote in favor thereof, such ordinance shall thereupon become a valid and binding ordinance of the city; and any ordinance proposed by petition, or which shall be adopted by a vote of the people, cannot be repealed or amended except by a vote of the people. Any number of proposed

ordinances may be voted upon at the same election in accordance with the provisions of this section; but there shall not be more than one special election in any period of six months for such purpose.

The council may submit a proposition for the repeal of any such ordinance or for amendments thereto, to be voted upon at any succeeding general city election; and should such proposition so submitted receive a majority of the votes cast thereon at such election, such ordinance shall thereby be repealed or amended accordingly. Whenever any ordinance or proposition is required by this act to be submitted to the voters of the city at any election, the city clerk shall cause such ordinance or proposition to be published once in each of the newspapers published in said city; such publication to be not more than twenty nor less than five days before the submission of such proposition or ordinance to be voted on.

REFERENDUM.

Sec. 38. No ordinance or franchise passed by the council, except when otherwise required by the general laws of the state or by the provisions of this act, except an ordinance for the immediate preservation of the public peace, health or safety, which shall contain a statement of its urgency, shall go into effect before ten days from the time of its final passage, and not then unless within two days after passage, Sundays and holidays excepted, the same shall have been published in full in some newspaper published and generally circulated in said city. And if during said ten days a petition signed by electors of the city, equal in number to at least twenty per centum of the entire vote cast for all candidates for mayor at the last preceding general municipal election at which a mayor was elected, protesting against the passage of such ordinance, or franchise, be presented to the council, the said ordinance or franchise shall thereupon be suspended from going into operation, and it shall be the duty of the council to reconsider such ordinance, or franchise, and if the same is not entirely repealed, the council shall submit the ordinance, or franchise, as is provided by Sub-section (b) of Section Thirty-seven of this act, to the vote of the electors of the city, either at the general election or at a special municipal election to be called for that purpose, and such ordinance or franchise shall not go into effect or become operative unless a majority of the qualified electors voting on the same shall vote in favor thereof. Said petition shall be in all respects in accordance with the provisions of said Section Thirty-seven, except as to the percentage of signers, and be examined and certified to by the clerk in all respects as therein provided.

PETITIONS.

Sec. 39. Petitions provided for in this act shall be signed by none but legal voters of the city. Each petition shall contain, in addition to the names of the petitioners, the street and house number in which the petitioner resides, his age and length of residence in the

city. It shall also be accompanied by the affidavit of one or more legal voters of the city, stating that the signers thereof were, at the time of signing, legal voters of said city, and the number of signers at the time the affidavit was made.

ELECTION TO ADOPT OR REJECT CHARTER.

Sec. 40. But this act shall not be effective unless the same shall be first submitted to the voters within the territory embraced and described in Section Two hereof, at a special election called for the purpose and adopted by the majority of the votes cast at such election. Said special election shall be held on the first Tuesday in May, in the year One Thousand Nine Hundred and Thirteen, unless this act shall not have taken effect on that day, in which case such election shall be held on the first Tuesday after the day on which this act would go into effect but for this section. The council of the Towns of Keyser and South Keyser shall provide for circulation of printed copies of this act or publication thereof in such manner as said council deems best. The election shall be held in the election precincts at which the first primary and general election is to be held under this act, as provided in Section Three hereof, and the election officers shall be appointed for such special election and the result thereof ascertained, in the manner provided by Section Six of this act. The ballot shall be prepared under the direction of the council of the Town of Keyser and shall be headed: "Special election for ratification or rejection of a new charter for Keyser," and underneath said head shall be the words, in separate lines, "for new charter," and "against new charter." Any voter desiring to vote for adoption of this act shall strike out the words "against new charter," and any voter desiring to vote for rejection of this act, shall strike out the words "for new charter." And in the event that this act shall not be in effect on the second Tuesday preceding the first Tuesday after the first Monday in June, One Thousand Nine Hundred and Thirteen, the first primary election hereunder shall be held on the second Tuesday of June, and the first general election shall be held on the fourth Tuesday of June, One Thousand Nine Hundred and Thirteen.

ACTS REPEALED.

Sec. 41. All acts in conflict or inconsistent with this act, are to the extent of any such conflict, hereby repealed, but this act shall not be construed to repeal, change or modify any previous acts not inconsistent with this act, or to take away any powers heretofore conferred upon the City of Keyser, or upon the mayor or council, or any other of the officers thereof, conferred by general law, except so far as the same may be inconsistent with the powers hereby conferred.

property or institution to make proper arrangements for meeting of such assessments when due and payable.

(i). All acts or parts of acts, whether special or general, which are in conflict with the provisions of this act, so far as they may apply to the city of Parkersburg, are to that extent repealed, except that said city may continue to lay sidewalks as heretofore authorized, and nothing herein contained shall in anywise affect or impair the right of the city to enforce the collection of any and all paving, sewering or sidewalk bills or assessments heretofore issued, laid or levied by said city by virtue of any authority heretofore had by it.

(Senate Bill No. 45.)

CHAPTER 89.

AN ACT to incorporate the city of Keyser in the county of Mineral, West Virginia, defining the powers thereof and describing the limits of said city, and to repeal all acts and parts of acts inconsistent with the provisions of this act.

(Passed February 3, 1913. In effect from passage. Approved by the Governor February 20, 1913.)

SEC.
1. The city of Keyser; powers defined.
2. Corporate limits.
3. Election precincts.
4. Qualification of voters.
5. Registration of voters.
6. Municipal authorities; primary and general election.
7. Contested elections.
8. Council.
9. Citizens' committee.
10. The mayor.
11. Departments of city government; salaries.
12. Meetings of council.
13. Improvements, ordinances and franchises.
14. Qualification of mayor and councilmen.
15. Oath of officers.
16. General powers of council.
17. Municipal authority.
18. Assessment and collection of taxes.
19. Bonds.
20. Licenses.
21. Franchises.
22. Mandamus.
23. Pavements and sidewalks.
24. Nuisances.
25. Lien for taxes, etc.
26. Health, health commissioner.
27. Ordinance, general provision.
28. Ordinance to be in writing and not changed, when.
29. Ordinances and vetoes shall be recorded, etc.
30. Duties of city clerk.
31. Duties of the treasurer.
32. Duties of city attorney.
33. Police department.
34. Duties of the street commissioner.
35. Power to condemn.
36. Recall.
37. Initiative.
38. Referendum.
39. Petitions.
40. Election to adopt or reject charter.
41. Acts repealed.

Be it enacted by the Legislature of West Virginia:

The City of Keyser.

SEC. 1. That the inhabitants of so much of the county of Mineral as is within the boundaries prescribed by section two of this act,

and their successors, shall be and remain, and they are hereby made a body politic and corporate, by the name and style of "the city of Keyser," and as such, and by that name may contract and be contracted with, sue and be sued, plead and be impleaded, answer and be answered unto, and may purchase, take, receive, hold and use goods and chattels, lands and tenements, and choses in action, or any interest, right or estate therein, either for the proper use of said city, or in trust for the benefit of any person or corporation therein; and the same may grant, sell, convey, transfer, let, lease and assign, pledge, mortgage, charge and encumber in any case, and in any manner, in which it would be lawful for a private individual so to do, subject to the limitations and provisions of the constitution of the state; and may have and use a common seal and alter and renew the same at pleasure; and generally shall have all the rights, franchises, capacities and powers appertaining to like corporations in this state, and shall have and succeed to all powers, franchises and immunities, rights and privileges which were conferred upon or belonged or appertained to the town of Keyser by virtue of any act or acts of the legislature of this state heretofore passed; and shall have all the rights, privileges, capacities and powers provided by chapter forty-seven of the code of West Virginia, as contained in the edition of the year one thousand nine hundred and six, and amendments thereto, and for which provision is not herein otherwise expressly made. All general and special laws of the state of West Virginia, governing cities, towns and villages, and now applicable and not inconsistent with the provisions of this act, shall apply to and govern the city of Keyser. All by-laws, ordinances and resolutions lawfully passed and in force in the town of Keyser, as heretofore constituted, and not inconsistent herewith, shall remain in force until altered or repealed by the council elected under the provisions of this act, and shall extend to and over the whole of the city of Keyser as embraced in section two of this act, and all valid ordinances enacted and now in force in the town of South Keyser, as heretofore constituted, shall remain in full force and effect therein, until the mayor and council shall have been elected and qualified under the first election provided by this act, at which time all of said ordinances shall *ipso facto* be repealed. All rights and property heretofore vested in said towns of Keyser and South Keyser are continued and preserved, and no right or liability, either in favor of or against

either of them, existing at the time, and no suit or prosecution of any kind, shall be affected by such change, unless otherwise provided for in this act, and the said city of Keyser shall succeed to all the rights and liabilities of the towns of Keyser and South Keyser, and it shall be liable for all the debts and obligations of said towns in the same manner and to the same effect as if such indebtedness had been created by the said city of Keyser.

Corporate Limits.

SEC. 2. The corporation limits and boundaries of said city shall be as follows, to-wit: Beginning at a large double poplar on the northwest side of, and at the mouth of White's run where it empties into the North branch of the Potomac river, standing north 35° 45′ E. 236 feet from the north end of the Baltimore and Ohio railroad culvert over said run, and running thence up the river with and near the state line of West Virginia and Maryland, north 12° W. 462 feet to a sugar at a bend of the river; north 46° 37′ W. 600 feet to a large black oak; north 36° W. 225 feet to a large black oak, with double ash pointers; north 61° 15′ W. 241.5 feet to a large maple, with sassafras and water birch pointers on the bank of the main branch of the river; south 86° 23′ W. 589 feet to a double elm; thence leaving the river, south 36° 43′ W. 516 feet passing main tracks of Baltimore and Ohio railroad, at 266 feet, their inspector's house at 406 feet, the Piedmont road at 466 feet, leaving said railroad company's lands to a stone on a hillside on the W. A. Liller lands; thence along said hillside, south 8° E. 1,186 feet to a stone in a hollow in Liller's orchard near a spring, standing south 50° 30′ W. 64 feet from a pointer marked ash tree, and 140 feet from and at right angles to the southerly side of Piedmont street; thence, parallel to said street, south 51° E. 1,355 feet to a stone standing in the line of said Liller and Randall Harrison, 140 feet southerly from said street; thence leaving Liller and crossing Harrison and F. M. Reynolds vineyard tract, south 5° 20′ W. 1,060 feet to the corner of Reynolds and Hetzel's addition to Keyser, in the old T. B. Davis, or Sheetz and McCarty line; thence along it crossing White's run, and the road leading up the mountain to Elk Garden, south 31° 45′ E. 1,363 feet to a stone in this line by a large post on a hill, corner of Babb, Smith and Trout heirs land; thence leaving said line and with the division line of Babb and Smith, south 36° 33′ W. 1,265 feet to a large post, formerly corner of the T. B. Davis and

T. R. Carskadon lands; thence along their line, now Babb and others, south 50° 42′ E. 1,267 feet passing a set stone, corner of the Davis and Carskadon lands at 1,021 feet, to a stone in the westerly line of an alley at the rear of the lots fronting on Mineral street; thence with said line of said alley, south 48° W. 1,273 feet leaving the same at 1,060 feet crossing a street and running on the Carskadon lands, to a stone on the southerly side of Carskadon run; thence down and along said run with the southerly side of Carskadon lane crossing New creek pike at 1,152 feet, New creek at 1,214 feet, south 48° 56′ E. 2,094 feet to two chestnuts and a stone on the mountain, on the Carskadon lands; thence along the mountain leaving said lands at 1,435 feet crossing J. R. Carskadon and Taylor land, north 50° 30′ E. 4,375 feet to two maples, a locust and stone on the Joseph Arnold land, at the northeast end of a bench of the mountain; thence along the side of the mountain passing H. Vernon's corner at 930 feet, south 69° 12′ E. 1,400 feet to a set stone on a hillside with two chestnut oak pointers, south of Arza Furbee's house; thence north 77° 30′ E. 857 feet crossing the Headsville road and the Twin mountain and Potomac railroad at the end of this line to a black walnut stump at the west edge of Limestone run; thence down along the run, north 7° 55′ W. 123 feet; north 8° 50′ E. 277.5 feet to a point at the edge of the water; thence down and with the same passing under the county road bridge and the Baltimore and Ohio railroad, through a culvert, north 37° 07′ W. 256 feet to the mouth of said run where it empties into the north branch of the Potomac river at the upper side of "lovers leap," at the state line of West Virginia and Maryland; thence up and with said state line, the direct lines being, south 70° 10′ W. 380 feet; north 58° W. 486 feet; north 30° W. 293 feet crossing the mouth of New creek at 148 feet; north 32° 56′ W. 250 feet; north 34° 30′ W. 650 feet; north 6° W. 708 feet; north 38° 17′ W. 196 feet; north 60° 23′ W. 169.2 feet passing the Western Maryland railroad bridge at 26 feet to the center of the south end of the Keyser and McCoole highway bridge; north 59° 30′ W. 1,188.6 feet; north 73° W. 800 feet to a three pronged willow at the edge of the water; north 68° 10′ W. 686 feet to a large sycamore tree; north 63° W. 1,837 feet to a large poplar; thence north 43° 45′ W. 666 feet to the beginning.

Election Precincts.

Sec. 3. The territory of said city shall be divided into such

number of election precincts to include such territory as the council shall by ordinance adopt and fix, but for the purposes of the first primary and general election to be held under this act the several election precincts heretofore established in the town of Keyser and the town of South Keyser shall constitute the election precincts for holding said first primary and election.

Qualification of Voters.

Sec. 4. Every registered voter qualified by law to vote for a member of the legislature of the state, and who shall have been a resident of said city for six months preceding the day of election, and is a *bona fide* resident of the election precinct in which he offers to vote, shall be entitled to vote at all elections held in said city by or under the corporate authorities thereof. For the first primary and election hereunder those qualified voters resident in election precincts wherein elections were held for a member of the legislature in the year one thousand nine hundred and twelve, and at which no municipal election is held under this act, shall be regarded as residents of the municipal election precinct nearest to their actual residence.

Registration of Voters.

Sec. 5. The registration of voters provided for under the general laws of the state shall be adopted in the city of Keyser, so far as applicable, and the council shall appoint registrars who shall have authority to register such persons who have moved into the municipality at least six months preceding an election and who are otherwise qualified to vote. Registration books shall be prepared under the direction of the city clerk and furnished to the judges of the election, and all the provisions of the general law relating to the registration of voters shall apply in said city so far as applicable.

Municipal Authorities—Primary and General Election.

Sec. 6. For said city, there shall be elected at the regular municipal election to be held on the Tuesday after the first Monday in June, one thousand nine hundred and thirteen, a mayor and three councilmen who shall hold their office for two years and until their successors are elected and qualified, except that the two councilmen elected, who shall receive the lowest number of votes, shall hold their office for one year, and on the Tuesday after the first Monday in June, one thousand nine hundred and fourteen, there shall be held

an election for the purpose of electing two councilmen as their successors, who shall hold their office for two years and until their successors are elected and qualified, and thereafter, on the Tuesday after the first Monday in June in the succeeding year, a mayor and one councilman shall be elected and in the next succeeding year, on the Tuesday after the first Monday in June, two councilmen shall be elected, and in like manner thereafter, who shall hold their office for two years and until their successors are elected and qualified.

If any vacancy occurs in any such office, the remaining members of said council shall appoint a person to fill such vacancy during the balance of the unexpired term.

Said officers shall be nominated and elected at large, and they shall qualify and their terms of office shall be two years and until their successors are elected and qualified, and shall begin on the first day of July after the election. The terms of office of the mayor, councilmen and recorder in the town of Keyser and the town of South Keyser, in office at the beginning of the terms of office of the mayor and councilmen first elected under the provisions of this act, shall then cease and determine, and the terms of office of all other elective or appointive officers in force in such towns, except as hereinafter provided, shall cease and determine as soon as the council shall by resolution declare.

Candidates to be voted for at all general municipal elections at which a mayor and one councilman, or at which two councilmen are to be elected, under the provisions of this act, shall be nominated by a primary election, and no other name shall be printed upon the general ballot except those elected in the manner hereinafter prescribed. The primary election for such nominations shall be held on the second Tuesday preceding the general municipal election. The judges of election shall be appointed by the council for the general municipal election, who shall be the judges of the primary election, and it shall be held at the same place, so far as possible, and the polls shall be opened and closed at the same hours, with the same clerks as are required for said general municipal election. The council of the town of Keyser, as constituted at the passage of this act, shall appoint the judges for the first primary and general elections to be held hereunder, but the council of South Keyser, as constituted at the passage of this act, shall have the right to nominate the judges for the first primary and general elections to be held

hereunder for the election precinct embraced within the territory of South Keyser.

Any person desiring to become a candidate for mayor or councilman shall, at least ten days prior to said primary election, file with the city clerk a statement of such candidacy, in substantially the following form:

State of West Virginia, Mineral county, ss:

I, ..., being first duly sworn, say that I reside at.....street, city of Keyser, county of Mineral, state of West Virginia; that I am a qualified voter therein; that I am a candidate for nomination to the office of (mayor or councilman) to be voted upon at the primary election to be held on the.....Tuesday of May, 19.., and I hereby request that my name be printed upon the official primary ballot for nomination by such primary election for such office.

(Signed).....

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

(Signed).....

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

Petition Accompanying Nominating Statement.

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

Names of Qualified Electors.	Number.	Street.

Immediately upon the expiration of the time of filing the statements and petitions for candidates, the said city clerk shall cause to be published in the newspapers published in the city, in proper form, the names of the persons as they are to appear upon the primary

ballot; and shall cause copies of said list of names, as published, to be forthwith posted in at least ten conspicuous places in said city; and the said clerk shall thereupon cause the primary ballots to be printed, authenticated with a facsimile of his signature. Upon the said ballot the names of the candidates for mayor, arranged alphabetically, shall first be placed, with a square at the left of each name and immediately below, the words "vote for one." Following these names, likewise arranged in alphabetical order, shall appear the names of the candidates for councilmen, with a square at the left of each name, and below the names of such candidates shall appear the words "vote for one." The ballot shall be printed upon plain, substantial white paper, and shall be headed:

"Candidates for nomination for mayor and councilmen of the city of Keyser, at the primary election," but shall have no party designation or mark whatever. The ballots shall be in substantially the following form:

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

OFFICIAL PRIMARY BALLOT.

Candidates for nomination for mayor and councilmen of the city of Keyser at the primary election.

For Mayor.

[ ] (Name of candidate.)

(Vote for one.)

For Councilman.

[ ] (Name of candidate.)

(Vote for one.)

Official ballot, attest:

Signature....., City Clerk.

At the first primary the direction shall be printed below the names of the candidates for councilmen, "vote for three," and in those years in which only two councilmen are to be elected, the ballot shall be headed:

"Candidates for nomination for councilmen of the city of Keyser at the primary election," and below the names of the candidates for councilmen shall be the direction "vote for two."

Having caused said ballot to be printed, the said city clerk shall cause to be delivered at each polling place a number of said ballots equal to twice the number of votes cast in such polling precinct at

the last general municipal election for mayor. The persons who are qualified to vote at the general municipal election shall be qualified to vote at such primary election, and challenges can be made by not more than two persons, to be appointed at the time of opening the polls by the judges of election; and the law applicable to challenges at a general municipal election shall be applicable to challenges made at such primary election.

All candidates before the primary may meet at least two days preceding the primary election and a majority thereof may select two challengers for each precinct whom they shall certify to the judge of election and the judge shall in such case appoint such persons certified as the challengers. Judges of election shall, immediately upon the closing of the polls, count the ballots and ascertain the number of votes cast in such precinct for each of the candidates, and make return thereof to the city clerk before nine o'clock A. M. of the following day. On the day following the said primary election the council shall canvass said returns so received from all the polling precincts, and shall make and publish in all the newspapers of said city at least once, the result thereof. Said canvass shall be publicly made. In those years in which a mayor and one councilman are to be elected, the two candidates receiving the highest number of votes for mayor shall be the candidates and the only candidates whose names shall be placed upon the ballot for mayor at the next succeeding general municipal election, and the two candidates receiving the highest number of votes for councilmen, or if such candidate if less than two, shall be the candidates and the only candidates whose names shall be placed upon the ballot for councilmen at such municipal election; and in those years in which two councilmen are to be elected, the four candidates receiving the highest number of votes for councilmen, or all such candidates if less than four, shall be the candidates and the only candidates whose names shall be placed upon the ballot for councilmen at such municipal election. At the first election under this act, the six candidates receiving the highest number of votes for councilmen shall be placed upon the ballot for councilmen at such election. In the event of the death or resignation of a nominee before the election, the candidate receiving the next highest number of votes at the primary shall be placed on the ticket in his stead.

The ballot at such general municipal election shall be in the same general form as for such primary election, so far as applicable. All

elections, of whatsoever kind, held under this act, shall be conducted, returned and the result thereof ascertained and declared in the manner prescribed by the laws of the state relating to elections in so far as they are not in conflict or inconsistent with the provisions of this act.

For the first primary and general election held under this act, the duties herein required of the council of the city of Keyser shall be performed by the council of the town of Keyser, and the duties herein required to be performed by the city clerk, shall be performed by the recorder of the town of Keyser, and contests in such case shall be heard and determined by the council of the town of Keyser.

Contested Elections.

Sec. 7. All contested elections shall be heard and decided by the council, and the contest shall be made and conducted in the same manner as provided for in such contests for county and district offices; and the council shall conduct its proceedings in such cases as nearly as practicable in conformity with the proceedings of the county court in such cases.

Council.

Sec. 8. Said city shall be governed by a council, consisting of the mayor and three councilmen chosen as provided in this act. Each of said councilmen shall have the right to vote on all questions coming before the council, but the mayor shall have no such right. The three members of the council, or the mayor and two members of the council, shall constitute a quorum, and the affirmative vote of two members shall be necessary to adopt any motion, resolution or ordinance or pass any measure. Upon every vote the yeas and nays shall be called and recorded, and every resolution or ordinance shall be reduced to writing and read before the vote is taken thereon.

Citizens' Committee.

Sec. 9. Whenever moneys are to be raised and procured for public improvements by the issuance and sale of bonds, or whenever application is made to the city for a public franchise, the mayor shall, before any action is taken relating to the issuance of such bonds, or the granting or refusing of such franchise, by and with the consent and approval of the council, appoint seven citizens of said city who shall have been actual residents therein for five years next preceding their appointment and who have been assessed with and paid taxes on at

least one thousand dollars worth of property therein for the year preceding their appointment, to act in conjunction with the council, and as a part thereof, in the consideration and determination of all matters and questions pertaining to the issuance of such bonds, or the granting or refusing of such franchises. Each of said citizens shall have a vote in the council upon all questions relating to or arising out of the matters for which they were appointed, including the awarding of contracts, expenditure of the money and auditing and approving the accounts therefor. The said citizens shall receive such compensation as the council may prescribe, take the same oath prescribed for councilmen and shall serve until all of the work for which such money was raised and procured, is fully completed, and the accounts of expenditures thereof finally audited and approved; or until such franchise has been granted or refused.

The Mayor.

Sec. 10. The mayor shall preside at all meetings of the council; he shall have power to veto any resolution or ordinance, passed by the council, and every resolution or ordinance so passed must be signed by him, or by the three councilmen, and be recorded before the same shall be in force. After the passage of any ordinance or resolution by the council, the ordinance or resolution shall be presented to the mayor for his approval or disapproval, and at the next regular meeting of the council, he shall return the same with his approval endorsed thereon, or accompanied by his veto and his reasons therefor reduced to writing and if he endorses his approval thereon, or fails to return the same as herein provided, such ordinance shall have full force and effect, but if accompanied by his veto and his reasons in writing the same shall have no force or effect but shall stand as reconsidered in the council. The objection of the mayor shall be entered at large upon the journal of its proceedings, and the council shall proceed to consider the question which shall be in form: "Shall the ordinance or resolution pass, the objection of the mayor thereto notwithstanding?" The vote on the question shall be taken by yeas and nays and shall require the affirmative vote of all three members of the council to pass such resolution or ordinance over the veto of the mayor. Should such ordinance or resolution fail to receive the affirmative votes of all three members of the council, when returned accompanied by the veto and objections of the mayor thereto, it shall be null and void, but if it receive the affirmative vote of the three members of the council, it shall thereupon

become and be in full force and effect to the same extent as if it had received the approval of the mayor.

The mayor shall be superintendent of the department of public affairs and public safety, and he shall, at the first regular meeting of the council, by and with the consent and approval of the council, designate one councilman to be superintendent of the department of accounts and finance, one to be superintendent of the department of streets, alleys, parks, public improvements and public property, and one to be superintendent of the department of water works and sewers; but such designation, including that of the mayor as superintendent of the department of public affairs and public safety, shall be changed whenever it appears to the council that such change is necessary or advisable.

The mayor shall at said first meeting nominate, and by and with the consent of the council, shall appoint a city clerk, street commissioner, chief of police, city attorney, treasurer and such other officers and assistants, including regular policemen, as shall be provided for by ordinance and necessary to the proper and efficient conduct of the affairs of the city; all of said officers shall hold office during the term of the mayor by whom they are appointed and until their successors are appointed and qualified, unless sooner removed by the council. Any officer, assistant or employe, elected, appointed or employed may be removed at any time by a vote of a majority of the members of the council, under such regulations as the council may prescribe. Should the mayor fail or refuse to transmit to the council nominations for any or all appointive offices for two successive meetings of the council, after he shall have qualified, or for two successive meetings after the council has refused to confirm any nomination made by him, the council shall fill such office or offices.

The mayor shall be the chief executive officer of the city, and he shall, except as otherwise herein provided, see that the laws and ordinances of the city are enforced; that the peace and good order of the city are preserved; he shall be president of the council and preside at its meetings, and shall supervise all departments and report to the council for its action all matters requiring attention in any department, and he shall perform such other duties and services as the council may ordain, in addition to the duties prescribed in this act, and not inconsistent therewith. The superintendent of the department of accounts and finance shall be vice president of the council, and in case of vacancy in the office of mayor, or the absence or inability of the mayor, shall perform the duties of mayor.

Departments of City Government—Salaries.

SEC. 11. The council shall have and possess, and the council and its members shall exercise all executive, legislative and judicial powers conferred upon cities, towns and villages by the general law of the state and by this act.

The executive and administrative powers, authority and duties in said city shall be distributed into and among four departments as follows:

1. Department of public affairs and public safety.
2. Department of accounts and finance.
3. Department of streets, alleys, parks, public improvements and public property.
4. Department of water works and sewers.

The council shall determine the powers and duties to be performed by, and assign them to the appropriate department; shall prescribe the powers and duties of officers and employes, may assign particular officers and employes to one or more of the departments; may require an officer or employe to perform duties in two or more departments; and may make such other rules and regulations as may be necessary or proper for the efficient and economical conduct of the business of the city.

The council shall have power from time to time to create and discontinue offices and employments other than herein prescribed, according to their judgment of the needs of the city, and may, by resolution or otherwise, prescribe, limit or change the compensation of such officers or employes.

The mayor and councilmen, and every other officer or assistant, shall receive such salary or compensation as the council shall by ordinance provide, payable in equal quarterly installments. The salary or compensation of all other employes of said city shall be fixed by the council and shall be payable at such periods as the council may determine.

Meetings of Council.

SEC. 12. Regular meetings of the council shall be held on the first Tuesday of July in each year, and thereafter at least twice each month. The council shall provide by ordinance for the time for holding regular meetings, and special meetings may be called from time to time by the mayor or two councilmen. All meetings of the council, whether regular or special, at which any person not a city officer is admitted, shall be open to the public.

Improvement Ordinances and Franchises.

SEC. 13. Every ordinance or resolution appropriating money or ordering any street improvement or sewer, or making or authorizing the making of any contract, or granting any franchise or right to occupy or use the streets, highways, bridges, or public places in the city for any purpose, shall be complete in the form in which it finally passes, and remain on file with the city clerk for public inspection at least one week before the final passage or adoption thereof. No franchise or right to occupy or use the streets, highways, bridges or public places in said city shall be granted, renewed or extended, except by ordinance. No franchise shall be granted for a period exceeding thirty years, and no amendment or addition thereto shall extend beyond the termination of the original franchise.

Qualification of Mayor and Councilmen.

SEC. 14. No person shall be mayor or councilman who has not for two years next preceding his election, been a resident within the city of Keyser, and who has not been assessed with and paid taxes upon at least five hundred dollars worth of real or personal property.

Oath of Officers.

SEC. 15. All officers, elective and appointive, shall make oath, before some one authorized to administer oaths, that they will support the constitution of this state, and will faithfully and impartially discharge the duties of their respective offices, to the best of their skill and judgment; that they will not administer their respective offices with the aim to benefit any political party; and, in the case of councilmen, they shall add in their oath that they will not during their term of office become pecuniarily interested, directly or indirectly, in any contract with the city, or the purchase of any supplies therefor. When the officer shall have made such oath in writing and filed the same with the city clerk, and shall have given the bond required of and accepted from him, he shall be considered as having qualified for the office to which he was elected or appointed; *provided*, that if any person elected to the office of mayor or councilman shall not qualify for said office as herein prescribed within ten days after he shall have been officially declared elected thereto, said office shall *ipso facto* become vacant, and said vacancy shall be filled in the manner provided for in this act.

General Powers of Council.

SEC. 16. In addition to the powers conferred upon the council of

cities, towns and villages, by the general laws of the state and amendments thereto, and those herein elsewhere enumerated, the council of said city shall have plenary power and authority therein; to locate, vacate, lay off, close, open, alter, grade, straighten, widen or narrow, pave or repave, construct and keep in repair bridges, viaducts, under grade crossings, roads, streets, alleys, sidewalks, cross-walks, drains and gutters for the use of the public, or any of the citizens thereof, and to improve and light the same, and keep them clean and free from obstruction on or over them; *provided*, the municipality shall not be liable for or respond in damages for injury to persons or property caused by or from a defect or obstruction in or on the plat of ground between the gutter or curb of any street and the paved or plank sidewalk extending there along, or between any such sidewalk and the property lying next adjacent thereto, unless such municipality had actual notice of such defect or obstruction prior to the time of the injury complained of; to regulate the width of sidewalks and the streets, and the width and care of the public grounds or grass plots abutting thereon, and to order the sidewalks, footways, cross-walks, drains and gutters to be curbed and paved, or repaved and kept in good order, free and clean, and to provide for the removal of snow and ice therefrom, and for sprinkling the same, by the owners or occupants of the real property next adjacent thereto; and to require that all pavements shall be of uniform material, between any two cross streets; to regulate traffic on, and the use and occupancy of the streets, alleys, roads and highways of said city, and to regulate the speed of travel thereon of all vehicles, and to prohibit or regulate the use thereon of traction engines or other vehicles or loads causing injury to or unusual wear of the same, and to regulate the speed of engines or trains and street cars within the corporate limits, and to provide for the safety and convenience of the public on streets, alleys, roads, highways and railroad crossings, and to prevent the blocking of such crossings by trains; to regulate the erection, construction and location of telephone, electric light and other poles or structures, or conduits used to carry wires, and to cause the removal thereof from the surface of the streets and to require the wires to be placed under ground; to regulate the making of division fences and party walls by the owners of adjoining and adjacent premises and lots, and to regulate or require the drainage by the owner of such lots or other real estate by the proper drains, ditches and sewers, and to fill or cause to be filled any lot below the established ele-

vation or grade; to lay off, open, close, vacate or maintain public grounds, parks and public places, and name and re-name the same; to regulate the planting, trimming and preservation of shade trees, by persons and corporations, in streets, alleys, roads, public grounds and places, and to provide for the planting, removal, trimming and preservation of such trees and other ornamental shrubbery by the municipality; to establish, maintain and regulate free public libraries and reading rooms, and to purchase books, papers, maps and manuscripts therefor, and to receive donations and bequests of money or property for the same, in trust or otherwise, and to provide for the rent and compensation for the use of any existing free public libraries established and managed by private corporation or association organized for that purpose; to protect divine worship in and about the premises where held; to regulate or prohibit street carnivals or street fairs, or street parades, advertising exhibitions or other exhibitions thereon, or the exhibition of natural or artificial curiosities; to regulate or prohibit the ringing of bells, blowing of steam whistles or use of hand organs or other musical instruments of an annoying character or other music of itinerant performers in the streets, roads, parks, or public places of the municipality; to license, regulate or prohibit auctioneering; to license or prohibit the sale of goods, wares and merchandise or of live animals at auction in the streets or other public places within the municipality; to regulate, license or prohibit the sale of goods, wares, merchandise, drugs or medicine on the streets or other public places; to prevent the illegal sale of intoxicating drinks, liquors, drugs and intoxicating mixtures of all kinds; to impose a license tax on persons keeping for hire automobiles, carriages, hacks, buggies, or wagons, or for carrying for hire persons or baggage in such vehicles; to establish and regulate hack stands and stands for automobiles, coaches, cabs and omnibuses kept on the streets for hire; to regulate or prohibit runners at railroad depots and stations and other places of assemblage of people; to regulate and assess and collect a license fee for the use of the municipality on any thing or business on which a state license is required, subject to the exemptions as provided in section thirty-two of the code; to establish, locate and keep in repair, market places and market houses, and regulate markets, prescribe the time for holding the same and to authorize the seizure thereat and destruction of any and all such goods and drink products as shall be found unwholesome, dangerous or offensive,

and without recourse against the municipality for its cost or value; to regulate the sale of all food and drink products, milk, fresh meats, fish and vegetables, and provide for the inspection of the same; to appoint market masters and invest them with power to make arrests for the violations of the municipal ordinances or regulations in their view, and to prevent regrating or forestalling; to regulate and provide for the weighing of hay, coal and other articles for sale in the market; to prevent injury or annoyance to the public or individuals from anything dangerous, offensive or unwholesome; to regulate the keeping, handling and transportation of explosives and dangerous combustibles within the municipality; to regulate or prohibit the erection or maintenance in what council deems an improper locality within the municipality any blacksmith shop, livery stable, cow house, cattle pen, poultry house, pig pen, privy, bill board, sign boards, gas or other engines, or the use of walls or walks for signs, and to abate by summary proceeding whatever in the opinion of council is a nuisance; to regulate or prohibit the distribution of hand bills, circulars and other advertisements of like kind on the streets, roads, alleys and public places, or in private yards, buildings or other structures without first having procured the consent of the owner or occupier thereof; to prohibit within the municipality or within one mile of its corporate limits the erection or maintenance of any slaughter house, soap factory, glue factory, lamp black factory, tannery or other house, shop or factory of like kind or character; to establish, regulate and maintain public baths and bath houses, drinking fountains, water troughs and public toilet stations, and free public band concerts, and to regulate the time and place of bathing in pools, streams and public waters within the police jurisdiction of the municipal corporation; to prevent hogs, cattle, sheep, horses and other animals and fowls of all kinds from going at large in the municipality, and to establish and maintain places for their detention, make regulations respecting the same, and appoint a pound master and define his duties; to arrest, convict and punish any person for keeping an assignation house, house of ill fame, or for leasing or letting to another person any house or other building for the purpose of being used or kept as an assignation house or a house of ill fame, or for knowingly permitting any house owned by him or under his control to be used or kept as an assignation house or house of ill fame, or for loafing, boarding or loitering in a house of ill fame or frequenting the same; to arrest, convict and punish any person for importing, printing, pub-

lishing, selling or distributing any book, picture or device or other thing containing obscene language or picture or make an indecent representation; to restrain and punish vagrants, mendicants, beggars, tramps, common prostitutes, and their associates and drunken or disorderly persons within the municipality, and to provide for their arrest and manner of punishment; to establish a board of health and invest it with the necessary power to attain its object; to establish quarantine, to enforce compulsory vaccination or quarantine, and to erect and maintain pest houses and places of detention, within or without said city, and to make and enforce necessary orders for controlling or preventing the spread of infectious and contagious diseases and for abating pestilences; to prohibit and punish by fine the bringing into the corporate limits by railroads or other carriers, persons who are paupers, or persons afflicted with contagious diseases, or to punish by fine, or by fine and imprisonment, any person so bringing within the corporate limits such pauper or diseased person; to provide for the poor of the municipality, and to that end the municipality may contract with the county court of Mineral county for keeping of such poor persons, or any number of them, at the county poor house at a price and on such terms as may be agreed upon between the county court and the proper municipal authorities; to authorize the taking up and to provide for the safe keeping and education, for such periods of time as may be deemed expedient, of all children who are destitute of proper parental or other care and who are growing up in mendicancy, ignorance, idleness or vice; to establish and maintain, either within or outside of its limits, a house of correction or a house of refuge and a work house, or either of them, and, in the discretion of the municipality to place the same under the management and control of such directors, superintendents and other officers as the council may, by ordinance, provide. All children under the age of sixteen years, who shall be convicted of any offense made punishable by imprisonment under any ordinance of the municipality, or who shall be liable to be committed to prison under any such ordinance may be confined in such house of refuge, and may be there kept or apprenticed out under such rules as the municipality may prescribe, until they arrive at the age of eighteen years, unless for good cause sooner discharged. Any person over the age of sixteen years convicted of the violation of any ordinance of the municipality, and liable to be punished therefor by imprisonment, may in lieu thereof be committed to the house of correction or to the

work house, as may be provided by ordinance. The authorities of any house of refuge, established by such municipality, are authorized to appoint a committee of one or more of their number with power to execute and deliver on behalf of said authorities, deeds of apprenticeship for any inmate of said institution whom they deem a proper person for an apprenticeship to a trade or occupation, to such person as said committee, or the authorities may approve, and said deed shall have like force and effect as other deeds of apprenticeship under the laws of this state; a copy of every such deed shall be filed and kept in said institution by the superintendent thereof, and it shall not be necessary to file the same in any other place or office. When any inmate of said institution shall have been apprenticed and prove untrustworthy and unreformed, he or she shall be recommitted to the said institution to be held in the same manner as before said apprenticeship. The county court of Mineral county shall have the power to use said house of refuge or work house for children or persons of the age hereinbefore mentioned who shall be convicted in said county, in any court thereof, of any offense not of the grade of felony under the laws of this state; *provided*, said county court shall maintain its just proportion of the expense of such house of refuge or work house, to be levied for and paid out of the county treasury; to authorize the establishment and maintenance of juvenile courts, and to provide for the proper conduct of the same; to arrest, convict and punish any person for cruelly, unnecessarily or needlessly beating, torturing, mutilating, killing, or overloading or over-driving, or wilfully depriving of necessary sustenance, any horse or other domestic animal; to restrain fraudulent practices within the municipality; to arrest, convict and punish any person for gambling or keeping any gaming table, commonly called faro bank table and chips used in playing such game; crap table or chips used in playing such game; or roulette or the wheel or chips used in playing such game; or keno table or table of like kind or device used in playing the same; or table of like kind under any denomination, whether the game or games be played with cards, dice or otherwise, or any person who shall be a partner, or concerned in interest in the keeping or exhibiting of such gaming table, faro bank table or chips, roulette table, or chips, crap table or chips, keno table or devices, or keeping or maintaining any gaming house or place, or betting or gambling for money or anything of value, and to destroy such gambling paraphernalia as may be found in use on any such premises; to restrain all felons and persons guilty of offenses against this state or the United

States and deliver them over to the authority or court having jurisdiction of the offense whereof such person is accused; to apprehend and punish any person, who, without a state license therefor, is guilty of carrying about his person, within the municipality, any revolver or other pistol, dirk, bowie knife, slung shot, razor, billy, metallic or other false knuckles, or any other dangerous or deadly weapons of like kind and character as provided by chapter fifty-one of the acts of the legislature of one thousand nine hundred and nine, and the punishment therefor, whether for the first or other offense, shall be that prescribed by said chapter for any such person guilty under the misdemeanor clause provided therein, but the place of confinement of such guilty person may be in the jail or lockup of the municipality in lieu of the county jail; *provided*, that the police judge of the municipality or other person exercising the functions of his office, may, in his discretion, decline to inflict the punishment herein mentioned, and instead thereof may require or hold such guilty person to answer an indictment by the grand jury of Mineral county for the violation of said law; and it shall be the duty of the prosecuting attorney of such county when requested by the police judge of said municipality, to appear and prosecute such offending person before such police judge; *provided, further*, that regularly appointed police officers of the municipality whose services are rendered to and paid for by the municipality, shall not be required to give bond, or any bond, provided by said chapter fifty-one of the acts of the legislature of one thousand nine hundred and nine;-to provide in or near the corporate limits of the municipality a cemetery or other place for the burial of the dead, and to regulate interments therein, and to guard and police the same, and to provide for the cremation and incineration of dead human bodies, when from the nature of the malady or pestilence from which death ensued, the municipal board of health may direct; to regulate the erection, construction, alteration and repair of dwelling houses, buildings and other structures within the municipality and to compel the numbering of the same by the owners or occupiers thereof; to regulate the hanging of doors and the construction of stairways, elevators and fire escapes in theatres, churches, school buildings, factories and other places where many persons are received at one time, and to require the construction of fire escapes in such buildings; to regulate, by license and otherwise, plumbers, electricians, sewer tappers and vault cleaners; to establish fire limits, and to regulate the construction of buildings and designate materials to be

used in the construction of buildings within such limits; to regulate the building of fire walls, fire places, chimneys, boilers, smoke stacks and stove pipes; to take down and remove, or make safe and secure, any and all buildings hereafter erected, and the alteration and repair of any by the owners thereof, that are or may become dangerous, or to require the owners, or their agents, to take down and remove them or put them in a safe and sound condition at their own expense; to regulate the heighth, construction and inspection of all new buildings hereafter erected, and the alteration and repair of any buildings now or hereafter erected in the municipality, and to require permits to be obtained of the municipality for such buildings and structures and the repair or alteration thereof, and that plans and specifications thereof be submitted to the council or some person designated by it; to regulate the limits within which it shall be lawful to erect any steps, porticos, bay windows, bow windows, show windows, awnings, signs, columns, piers or other projection or structural ornaments of any kind for the houses or buildings fronting on any street; to provide for the prevention and extinguishment of fires, and for this purpose to organize, equip and govern fire companies and hose companies, and to prescribe the powers and duties of such companies and department, and of the several officers therefor, and to impose on those who fail to obey any lawful command of the officer in charge of such company any penalty which the council is authorized to impose for violations of an ordinance, and to give authority to such fire officer to direct the pulling down of any building or the destruction of any fence, wall, building or other thing if such officer deem it necessary to prevent the spreading of the fire; to protect the persons and property within the corporate limits, and to preserve the peace and good order therein, and for this purpose to appoint, when necessary, a police force, and such other officers, as may be deemed necessary; to prescribe the powers and define the duties of the officers appointed under corporate authority, fix their terms of service and compensation, if not otherwise prescribed in this act, and to require and take from them bonds, when deemed necessary, payable to the city of Keyser, with the sureties and in such penalties as may be prescribed, conditioned for the faithful discharge of their duties; to erect, own or lease street cars and street railway plant, and to build, equip, maintain and operate street railways within the municipality and to any park, cemetery or public place belonging to the municipal corporation outside of the corporate limits, and to collect of persons riding thereon, or receiving service thereof, a reasonable

fare or compensation therefor; to erect, authorize or prohibit the erection of power plants, heating plants, gas works, electric light works or water-works in the municipality, and to erect, own or lease and maintain within or without the corporate limits of the municipality such gas works, electric light, power works, water works and reservoirs to supply the municipality or its inhabitants with water, light, heat or power, and to prevent injury to the same or the pollution of the water or to impair the healthfulness thereof; *provided*, that whenever said municipality shall operate an electric light plant, a gas plant, or other public utility, except water works, in or for the municipality, all the money derived from the operation of the same shall go to the credit of the fund covering the operation of such plant only, and shall not be diverted therefrom so long as there is any bonded or other debt against the same; and such fund shall be applied to the operating expenses of the plant which that fund covers, and it may be used to repair, improve, enlarge or replenish such plant, or to discharge in whole or in part any bonded or other debt against the same; to grant, by ordinance or franchise, for periods not exceeding thirty years, the use of its streets, roads, alleys and public places, to lay pipes, conduits, manholes, drains, and other necessary fixtures and appliances, to be used for supplying the municipality and its inhabitants with steam or hot water, or both, for heat and power purposes, or both, or for illuminating purposes; and to grant by ordinance or franchise, for periods not exceeding thirty years, the use of its streets, roads, alleys, and public places for the construction of movable or rolling roads, for the conveying or moving of passengers, freight and other property, and those in charge of the same, upon such terms and conditions as are hereafter prescribed; to grant by ordinance or resolution permits for the temporary use of its streets, roads, alleys and public places for the construction of movable or rolling roads, for the conveying or moving of passengers, freight, vehicles, animals or other property, upon such conditions as are hereinafter prescribed; to provide a revenue for the city and appropriate the same to its expense; to this end to cause to be assessed and collected in each year an *ad valorum* tax, not to exceed fifty cents on each one hundred dollars assessed valuation on all property in said city, subject to state and county taxes, as valued and returned for such taxation by the county assessor; to erect, buy, sell and lease all buildings necessary for the use of the city government, or any of its departments, including a town hall or play house, and to provide for, and

regulate the same and establish and maintain public hospitals, and to receive donations, gifts and bequests for the same, in trust or otherwise; to compel the attendance at public meetings of the members of the council, citizens' committee, or any officer or employe of said city; to prevent corrupt practices at all primary and general elections of said city and to fix the maximum sum of money that may be expended by any candidate for nomination or election; to prescribe the purposes for which the same may be used and the penalty or forfeiture to be imposed for violation, which may include the forfeiture of nomination or office; to provide for the removal and abatement of nuisances and to carry out and to enforce sanitary regulations; to regulate the sale of cocaine, morphine, opium and all poisonous drugs within said city, and to prescribe punishment, including fine and imprisonment, for the violation of any such regulation, and to provide that one or more convictions for violating the same shall operate as a revocation of the license of any druggist or pharmacist holding a license under said city; to provide penalties for the offenses and violations of laws mentioned herein, but which shall not exceed the penalties provided for like offenses in chapters one hundred and forty-eight, one hundred and forty-nine and one hundred and fifty-one of the code of West Virginia; and to punish violations of all ordinances even if the offenses under and against the same shall also constitute an offense under the laws of the state of West Virginia.

Municipal Authority.

Sec. 17. To carry into effect these enumerated powers, and all other powers conferred upon said city, expressly or by implication, in this and other acts of the legislature, the municipal authorities of said city shall have power in the manner hereinafter prescribed, to adopt and enforce all needful orders, by-laws and ordinances not contrary to the laws and constitution of this state, and to prescribe, impose and enforce reasonable fines and penalties, including imprisonment, and shall have the right to use the jail of said county for any purpose necessary to the administration of its affairs. Such fines, penalties and imprisonment shall be recovered and enforced under the judgment of the police judge of the city, or the person lawfully exercising his functions.

The proceedings before the police judge, or other person exercising his functions, for enforcing regulations and penalties for violation of ordinances, shall be by warrant of arrest in the corporate name of the city, directed to the chief of police, other policemen of the city, or

to any constable of Mineral county, commanding the person to whom directed, in the name of the state of West Virginia, to forthwith apprehend the offender or cause him to be apprehended and brought before such police judge, or person there sitting, to answer said charge and to be dealt with according to law.

The warrant of arrest shall be issued only on the information under oath of some reliable person. It shall describe the offense alleged to have been committed where the same is a felony, as heretofore required in such cases by law, and where a violation of a city ordinance, it shall describe the offense in such general terms of the ordinance violated as shall inform the accused of the nature of the charge or charges, and command the officer to forthwith apprehend the accused and bring him before the police judge, or person exercising his functions, to be dealt with according to law. The officer issuing such warrant may endorse thereon, or by subpoena direct, the witnesses to be summoned, and may proceed against them for contempt if they fail or refuse to attend or to testify. All trials in the police court shall be by summary proceedings.

Assessment and Collection of Taxes.

Sec. 18. The levying and assessment and collection of taxes of said city, and the sale of real estate for such municipal taxes, forfeitures for non-payment and non-assessment thereof, transfer of title vested in the state, redemption of such forfeited real estate and deeds of conveyance therefor, shall, except as otherwise provided in this act, be made in the manner provided in, and subject to, the provisions of chapters nine of the acts of the legislature of nineteen hundred and eight, extraordinary session, twenty-nine, thirty, thirty-one and one hundred and five of the code.

Bonds.

Sec. 19. The council of the said city shall have the right to bond the said city for the purpose of paving the streets and alleys of said city and for constructing water works and a sewerage system for the same, and for the purpose of providing hose and other appliances for extinguishing fire, and for any and all public improvements, whenever the council thereof may deem improvements necessary, and to refund outstanding bonds at a lower rate of interest, and to issue new bonds for the purpose of increasing the length of the time on any such indebtedness, but the aggregate indebtedness of said city, for all purposes, shall not at any time exceed five per centum of the assessed valuation of the taxable property therein, based upon the valuation of the last assessment next preceding the date of incurring said indebtedness; and the said council shall by taxation, provide a fund for the payment of interest on any and all indebtedness incurred in the manner aforesaid within the period of thirty-four years; *provided*, that no debt shall be incurred hereunder until the question of a bond issue be submitted to a vote of the people and the issuance thereof authorized by a three-fifths vote. Such bonds shall not be sold for less than par, nor exchanged for the evidences of indebtedness of said city except dollar for dollar. The method of issuance and proceedings for conduct of election, shall, except as otherwise provided in this act, be in the manner and form provided by chapter forty-seven-a of the code.

Licenses.

Sec. 20. Whenever anything for which a state license is required, is to be done within said city, or within two miles of the corporate limits thereof, the municipal authorities, as herein provided, may require a city license to be had for doing the same, and may, in any case require from any person licensed, a bond with sureties and in such penalty and with such conditions as it may deem proper, and the council, on notice, may revoke such license at any time if the condition of the said bond be broken. And the municipal authorities may also impose a license and assess a tax thereon on all wheeled vehicles for public hire, all dogs kept within said corporate limits, all insurance, bonding, casualty and guaranty companies, all franchises heretofore granted by the towns of Keyser and South Keyser or hereafter granted by the city, bill posting and distributing, and the making, erection and construction of signs and street advertisements, book agents, common criers, moving picture shows, drays, cabs, hacks, etc., eating houses, restaurants, and places where soft drinks are sold, express companies, hitting and striking machines, livery and feed stables, omnibuses, street venders, transient merchants, telegraph and telephone companies, electric light and gas companies. The municipal authorities may prescribe, impose and enforce reasonable fines and penalties, including imprisonment, under the order of the police judge of said city, or the person lawfully exercising his functions, upon any person carrying or attempting to carry on any business for which the said license is required, without first obtaining a city license therefor, and paying the city license tax assessed thereon. All licenses provided for in this act shall be paid to the treasurer. For

the purpose of enforcing the provisions of this section the city shall have police jurisdiction for two miles beyond the corporation limits thereof.

Franchises.

SEC. 21. Franchises may be granted by the council, under the regulations provided in section nine of this act, subject to veto by the mayor, allowing to persons and corporations, for a limited time, the occupancy of portions of the streets, alleys, roads and public grounds as may be necessary for works of public utility and service, such as steam railway tracks, street railway tracks, poles and trolley wires, telegraph and telephone poles and subways, electric light and other electric poles, water works, wires, and subways and gas and steam pipe lines. But no such franchise shall hereafter be granted except under the following restrictions and conditions, namely:

No ordinance granting any franchise for the use of the streets, roads, alleys or public grounds of the municipality, for any of the purposes of public utility above named, or for any other purpose of like nature, except as hereinafter provided, shall be passed unless it shall have been first proposed in the council; and notice of the object, nature and extent of such franchise shall be published at least thirty days by the applicant, at his expense, in some newspaper published in said municipality, before being acted upon, and shall have received the votes of at least a majority of all the members elected to the council and citizens appointed as provided in section nine, at a regular meeting or meetings, and after said publication. The votes thereon shall be taken by yeas and nays, and the same entered in the journal. Upon being passed by the council the ordinance granting said franchise shall be forthwith transmitted by the municipal clerk to the mayor for his approval or disapproval, and in case of his disapproval of same, it shall not be considered as passed unless it again receive the affirmative vote of a majority of the members elected to the council and citizens appointed as provided in section nine. If the franchise is amended, after having been vetoed by the mayor, it shall be subject to the veto of the mayor as in the first instance. After the ordinance granting such franchise has been passed, it shall be published in full, at the expense of the applicant, at least once within the period of ten days thereafter, in some newspaper of general circulation in the municipality, and one copy of the same shall be filed with the municipal clerk, who shall preserve the same as a public record.

The council may grant a permit at any time in or upon any street, road, alley or public place; *provided*, that such permit may be revocable by the council at its pleasure, at any time, whether such right to revoke be expressly reserved in every such permit or not.

All franchises and privileges hereafter granted shall plainly specify on what particular street, road, alley or other public property the same shall apply, and no franchise or privilege shall hereafter be granted by the municipality in general terms, or to apply to the municipality generally. No exclusive franchise shall ever be granted, and no franchise shall be renewed before three years prior to its expiration.

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

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

No extension or enlargement of any franchise or grant of rights or powers previously granted to any corporation, person or association of persons, shall be made except in the manner and subject to all the conditions herein provided for the making of original grants of franchises.

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

No grant of a franchise for the extension of, or addition to, any line of such work, over any street or territory in said municipality, shall be made for a period extending beyond the time limited for the expiration of the franchise of the principal work of which it is an extension, and if the franchise of the principal company or work is one which was granted before this act goes into effect, the franchise granted for the extension or addition shall nevertheless be subject to the condition hereof, including a time limit herein specified.

If a franchise secured from the municipality by an individual or

by an independent or new company, and the work constructed thereunder afterwards becomes a part of, or to be operated as a part of, a large work of the same kind, whose franchise was previously obtained and is limited to expire earlier, such later franchise shall, by reason of such annexation, merger or single operation, expire simultaneously with such earlier franchise of the old company or work. An annual franchise tax of not less than fifty dollars shall be charged and collected on all franchises heretofore granted by the towns of Keyser and South Keyser or hereafter granted by the city.

Mandamus.

SEC. 22. In all cases where any individual, association of individuals or corporation has obtained or shall obtain any right, privilege or franchise to operate a street car line, lines of cars in whole or in part upon the streets, roads or alleys of the municipality, or to furnish to such municipality or the inhabitants thereof water, gas or electricity, or to construct or operate a telephone or telegraph system in any such municipality, and the terms, conditions or manner of exercising such right, privileges or franchises are embodied in the ordinance or resolution of the municipality, or are otherwise, either voluntarily or by law, imposed or assumed by said individual, association of individuals or corporation, then and in each of such cases the circuit court of Mineral county shall have power by mandamus to compel such individual, association of individuals or corporation and their assigns, to use and exercise such right, privilege or franchise in accordance with the terms and conditions and in the manner prescribed in said ordinance or resolution or otherwise lawfully so defined or assumed, and to do and perform each and every obligation and duty attached to such right, privilege or franchise, whether or not such obligation and duty be voluntarily assumed or by law attached thereto or imposed thereby.

Such mandamus may be awarded at the instance of the municipality in its corporate name, or at the instance of any taxpayer or taxpayers; and the foregoing remedy by mandamus shall not be construed to deprive such municipal corporation, or any inhabitant thereof, of any other remedy given by law to compel such individual, association of individuals or corporation to comply with the terms, conditions and agreements of such right, privilege, or franchise, or of the right to recover damages for their failure so to do, or to effect, remove or lessen the liability of such individual, association of

individuals or corporation, to forfeiture of such right, privilege or franchise for failure so to use and exercise such right, privilege or franchise.

Pavements and Sidewalks.

SEC. 23. The council shall have the right to establish the width of any sidewalk along any street, alley or public square, or portion thereof, and any owner, of ground fronting on such street, alley or public square, shall in such manner as the council shall reasonably prescribe, pave and curb the sidewalk adjacent to such property. In case of a failure or refusal of such owner to pave or curb the same, the council may cause the same to be properly curbed and paved by the city, and levy and collect from such owner, the whole cost of such curbing and paving adjacent to such property, with a penalty of five per centum added thereto, together with six per centum interest until paid; and in like manner to require the owner of any property adjacent to any paved sidewalk heretofore or hereafter constructed, to keep the same in repair and in default of doing so, to cause the same to be repaired and to levy and collect from said owners the whole cost thereof with a penalty of five per centum added thereto together with six per centum interest per annum until paid. In all cases of such assessment, whether for the original or for the repairing of sidewalks, payment thereof, including penalties and interest, shall be made to the city clerk within thirty days after the completion of the work, who shall have power to collect the same from the owner or owners of any such property, by distress and sale in the same manner in which taxes levied for the benefit of the city are authorized to be collected; and in addition, there shall be a lien upon such real estate, which lien may be enforced by appropriate suit in any court of record of Mineral county.

Nuisances.

SEC. 24. The council of said city is hereby authorized to decide and adjudge what constitutes a nuisance within the municipality, or within two miles thereof, when not within the limits of another municipality, and may require and compel the person committing or maintaining the same, or any owner, agent, assignee, occupant or tenant, of any lot, premises, property, building or structure, upon or in which any nuisance may be, to abate and remove the same upon order from such municipal body, or from the board of health, or health officer, or other officer of the municipality acting with authority in the premises; and

the council may prescribe by ordinance a penalty for the punishment of any such person who may refuse, fail or neglect to abate or remove any such nuisance within the time specified in the notice therefor.

The council may also by its own officers, appointees and employes, abate and remove nuisances, after reasonable notice to the owner, occupant, tenant, agent or assignee to abate and remove such nuisance, and collect the expense thereof, with one per centum per month interest added from the date of said notice, from said owner, occupant, tenant, agent or assignee, by distress or sale in the same manner in which taxes levied upon real estate for the benefit of the municipality are authorized to be collected under this act; and the expense shall remain a lien upon said lot or part of lot the same as taxes levied upon real estate in the municipality, which lien is in addition to the remedy specified in this section and may be enforced as provided in section twenty-five of this act.

In case of non-resident owners of real estate, such notice may be served upon any tenant, occupant, assignee or rental agent of said premises, or on such non-resident owner or infant or insane owner by publication thereof for not less than two consecutive weeks in a newspaper published in the municipality. The abatement or removal of any such nuisance by the municipality, and at its expense, as herein provided, shall be *prima facie* proof that the said notice to the owner, occupant, tenant, agent or assignee was given as herein required.

The council may require all owners, tenants and occupants of improved property, which may be located upon or near any street, road or alley, along which may extend any sewer or system of sewerage, which the municipality may construct, own or control, to connect with such sewer or system of sewerage, all drains, cesspools, sinks, privies or water closets, upon their respective properties, or premises, so that their contents may be made to empty into such sewer or system of sewerage.

And in all cases where any tenant, occupant or agent is required to abate and remove any nuisance, under the provisions of this section, or comply with the provisions of any such ordinance as is mentioned herein, the expense thereof may be deducted out of the accruing or accrued rent of said property, or amount due said owner or agent, and such tenant, occupant or agent may recover the amount so paid from the owner, unless otherwise especially agreed upon between them.

The council may by ordinance regulate the location, construction, repair, use, emptying, and cleaning of all water closets, privies, cesspools, sinks, plumbing, drains, yards, pens, stables and other places where offensive or dangerous substances or liquids are or may accumulate, and may provide suitable penalties for the violation of such regulations, which may be enforced against the owner, agents, assignees, occupant or tenant of any premises or structure where such violation may occur.

The council shall have authority and jurisdiction of and over the water reservoirs, pipe lines and property adjacent, and all other property of the city located in Mineral county, whether the same be within the corporate limits of said city or not, and for the protection and preservation of the same shall have authority to pass all necessary ordinances, rules and regulations and to provide penalties for the violation thereof; and the police judge, or officer exercising his functions, shall have jurisdiction to try offenders against such ordinances, and his warrant may be directed to any police officer of the city, or to any constable or the sheriff of Mineral county, and may be served and the offender arrested anywhere in said county.

Lien for Taxes, Etc.

SEC. 25. There shall be a lien on real estate within said city for city taxes assessed thereon, and for all fines and penalties assessed to or imposed upon the owners thereof, by the authorities of such city, including expenses for making sidewalks and paving and curbing the same, and for furnishing water, electric lights or other public utilities when furnished by said city, from the time the same are so assessed or imposed, which shall have priority over all other liens except taxes or debts due the United States and the lien for taxes due the state, county or district; and such lien may be enforced by the council in the same manner provided by law for the enforcement of a lien for county taxes, and any time after six months after such lien attaches, the city may in its own corporate name proceed to the enforcement of said lien against the real estate chargeable therewith by a suit in equity. If any real estate within said city be returned delinquent for the non-payment of city taxes due thereon, a copy of such delinquent list shall be certified by the council to the auditor of this state and the same may be sold for city taxes, interest and commissions thereon in the same manner, at the same time, and by the same officers as real estate is sold for state taxes; and a return of such sales made to and a deed executed therefor, if

not redeemed, in the same manner and with like effect, as the return of sales of real estate sold for state taxes is made and deeds therefor executed to the purchasers.

Liens against real estate for the cost of abating or removing nuisances by the municipality, as provided in section twenty-four herein, and the cost of constructing and repairing sidewalks, walkways and curbs by the municipality as provided in section twenty-three herein, may be enforced by suit in equity, before any court having jurisdiction, as other liens against real estate are enforced, and this remedy shall be in addition to the imposition of all other remedies and penalties in the premises under the provision of this act; *provided*, that in the case of laying or repairing sidewalks, and abating nuisances, there shall be first admitted to record in the office of the clerk of the county court of Mineral county, an abstract or statement of the judgment of the council fixing the amount of the expense of laying or repairing such sidewalk or curb or abating or removing such nuisance, together with the penalty of one per centum per month on said amount from the time so fixed until paid, as provided in this act. Said abstract or statement may be certified by the city clerk; and after the amount of the assessment and penalty is due by the terms of the ordinance or resolution laying the same, and a certificate of such levy and assessment, together with the name of the owner and occupier of said property, its location and description, has been filed in the office of the clerk of the county court of Mineral county, and in satisfaction of the amount so due such municipality, and cost of the proceeding, the said real estate may be sold, and the proceeds applied to the payment of the amount so due.

Water, electric light, power and heating bills and other bills of like kind due the municipality, owning or operating such plant or plants, for the service or commodity of such public service plants, may be distrained for and collection enforced in the same manner in which the collection of taxes owing to the municipality may be enforced. The municipal authorities may also shut off the supply of such water, light, heat, power or other commodity from such delinquent person or company and refuse thereafter to furnish such service or commodity to said delinquent until all arrearages are paid.

Health—Health Commissioner.

Sec. 26. The council shall have authority to ordain and enforce

such regulation within said city, as shall be necessary or proper to preserve the health of the inhabitants of said city, and to secure them from disease; to require and compel the abatement and removal of all nuisances within said city, at the expense of the person or persons causing the same, or of the owner or owners of the ground whereon the same shall be; to prevent or regulate slaughter houses within said city; or the exercise of any offensive or unhealthy business, trade or employment therein; to prevent the keeping of any stale meats, fish, vegetables or other matter, or depositing the same, or dirt, rubbish or offal, upon any lot, street, alley or square within the said city, or upon the banks of any streams within the limits thereof.

The mayor, by and with the consent of the council, shall in the month of July, one thousand nine hundred and thirteen, and in said month of every second year thereafter, appoint a suitable person, who shall be a practicing physician, as health commissioner, whose term of office shall be for two years, and until his successor is appointed and qualified. The members of the council, the mayor, city attorney and health commissioner shall comprise the board of health of said city. The health commissioner shall be charged with the duty of enforcing all quarantine regulations and of all regulations for keeping the streets, roads, alleys and sidewalks of the city, and all premises therein, in a sanitary condition. He shall be authorized to enter all houses, or other places, public or private, at all times, in the discharge of his duties, in improving and maintaining the sanitation of the city and the prevention and suppression of disease, and he shall have the power and be required to carry into effect all of the provisions of section twenty-four of this act relating to the abatement of nuisances, under such regulations as the council may by ordinance prescribe. He shall be authorized to do all acts and make all regulations that may be necessary or expedient for the promotion of health and the prevention and suppression of disease; he shall have the right to inspect all wells, cisterns and water supplies in said city and to prohibit the use thereof if necessary in his judgment to prevent or suppress disease; he shall have the right to inspect all milk, meat, fish, oysters, vegetables and all other food stuff displayed or offered for sale in said city and to make such rules and regulations touching the preparation, display, delivery and sale thereof, as he may deem prudent, necessary and proper for cleanliness and the prevention and suppression of disease, and he

shall perform such other duties as may be prescribed by the council, and shall have and exercise all of the powers and duties conferred upon the county board of health. He shall give public notice, in such manner as he may deem necessary, of any rule or regulation promulgated by him under this act, and any person, firm or corporation who shall violate the same, after proclamation thereof, shall be guilty of a misdemeanor and upon conviction thereof shall be fined not less than ten nor more than one hundred dollars, and for a second offense may be confined in jail not more than thirty days. Every practicing physician shall forthwith report to the health commissioner every infectious or contagious disease which he is called upon to treat within said city; and if any such physician shall fail to make such report within one day after he has discovered such infectious or contagious disease, he shall be guilty of a misdemeanor and upon conviction shall be fined not less than ten nor more than one hundred dollars. The city clerk, in his capacity of police judge, shall have jurisdiction of all offenses hereunder.

The council shall have authority to provide, under the supervision of the health commissioner, proper vaccine serum, whenever an epidemic of smallpox is threatened, and the health commissioner shall vaccinate any applicant upon the payment to him of such fee as the council shall by ordinance prescribe, and he shall thereupon issue a certificate to the patient showing his vaccination. And the council may, in like manner, in any proper case, provide antitoxin lymph or serum for immunizing against or preventing the spread of diphtheria, typhoid fever, meningitis, or other infectious or contagious disease or epidemic, and may furnish the same free to indigent persons.

Ordinances—General Provisions.

Sec. 27. The style of the ordinances of the city shall be: "Be it ordained by the council of the city of Keyser;" but the ordinances now in force shall remain in effect until amended or repealed, except where the same are in conflict or inconsistent with this act.

Sec. 28. All ordinances shall be presented in writing, and no ordinance shall be so amended in its passage as to change its general purpose. No ordinance shall be considered for final passage at the meeting at which it is introduced, unless by unanimous consent entered of record. No ordinance shall contain more than one subject, which shall be clearly expressed in its title; nor shall any

ordinance be passed by the council unless a majority of all the members elected to the council shall concur therein by yeas and nays when the question is put upon its passage.

Sec. 29. All ordinances passed by the council, and vetoes of the mayor, shall be spread at large upon the journal, and at the next regular meeting such ordinances and vetoes shall be read in open council, and the mayor shall sign said minutes, when found correct or corrected, in the presence of the council. The council shall provide a well bound book in which shall be copied all ordinances in the order in which they are passed, which ordinances so copied shall be compared with the originals by the mayor and shall be signed by him when found correct. Such book shall be indexed so as to show in brief form the substance of the ordinance. All copies thereof certified, under the hand of the city clerk and the seal of the city, shall be received by all courts and justices in this state as evidence. But the council may adopt, by ordinance, properly designating and describing it, a code of laws and ordinances, which when adopted shall be printed in book form, or it may be adopted as a whole after it is printed, and the said code shall be and become the laws and ordinances of said city, and shall be received as such in all courts of this state, and the printed volumes published under the order of the council shall be so received as evidence of what is printed therein till errors or omissions be affirmatively shown therein.

Duties of the City Clerk.

Sec. 30. The city clerk shall serve for a term of two years, unless sooner removed for cause. He shall, before entering upon the discharge of his duties as such clerk, take and subscribe to the oath of office prescribed in section fifteen of this act, and shall execute such bond as shall be fixed by council which bond shall be approved by council and filed with the treasurer.

In addition to all the other duties prescribed in this act, the city clerk shall keep the records of the council, and he, or his deputy, shall be present at all regular and special meetings of that body. It shall be his duty to properly record in a well bound book all the proceedings of council as well as a complete record of all ordinances, franchises, bonds, permits and resolutions adopted or passed by council, and to properly index the same, for the convenience and inspection of the council, or any city official or taxpayer.

Before any business at any regular meeting of the council is under-

taken it shall be the duty of the clerk to read publicly to the council the minutes of all regular or special meetings of that body, not theretofore read or approved, and upon approval of same by council, the signatures of the mayor and clerk shall forthwith be affixed. All records of council so approved and signed, or duly authenticated copy thereof, signed by the clerk and under the seal of the city, shall be admitted as evidence in any proper case in any court in this state.

The city clerk, except as may be otherwise herein provided, shall be the custodian of the records and papers of the city and the seal of the city, which shall be kept by him at his office, and the records and papers shall be open to public inspection at all proper hours. He shall, acting under existing laws, in so far as they are not in conflict with this act, perform such duties relating to all city elections held under this act, as the clerks of the circuit or county courts perform, under state laws, in relation to the holding of general or special elections; and he shall likewise be the custodian of all registration books, ballot boxes, ballots, tally sheets, etc., pertaining to all municipal elections.

The city clerk shall have power within the municipality to administer oaths and take acknowledgments of deeds and other instruments required by law to be acknowledged, in the same manner and with like effect and under the same penalties as notaries public, justices of the peace and other officers of the state are authorized to administer oaths, or take acknowledgments, under state laws.

It shall be the duty of the city clerk, who shall be the assessor, to make an assessment of the property within the city subject to taxation, substantially in the manner and form in which assessments are made by the assessor of the county, and return the same to the council on or before the first day of August in each year, and for the purpose he shall have all powers conferred by law on county assessors. He shall list the number of dogs in the city and the names of the persons owning the same, which list shall be returned to the council. In order to aid the said council in ascertaining the property and tithables subject to taxation by said city, the city clerk (who shall act as assessor) of said city, shall have access to all books and public records of Mineral county without expense to said city or assessor, and he shall also have the same power and be subject to the same penalties in ascertaining and assessing the property and subjects of

taxation in said city as are granted and imposed upon the county assessors throughout the state by the general state law, and the council shall also have authority to prescribe by ordinance such other rules and regulations as may be necessary to enable and require such assessor to ascertain and properly assess all property and tithables liable to be taxed by said city so that such assessment and taxation shall be uniform, and to enforce such ordinances by reasonable fines and penalties. And the said city assessor, making the valuation for assessment, shall make the same assessment for both real and personal property as the assessor of said county for the assessment year assessed by the county assessor. The city clerk shall have an office in the city hall, council chamber or such other place as the council may designate and provide. He shall keep his office open for at least three consecutive hours in the forenoon and afternoon of each day.

In addition to the duties hereinbefore set out and otherwise provided in this act, the city clerk shall by virtue of his office be the police judge of the city, and his oath of office and the conditions of his bond shall extend to and cover his duties and obligations as police judge. The city clerk shall, as such police judge, be *ex officio* a justice of the peace with authority to issue warrants or other process for all offenses within the police jurisdiction of the city, of which a justice of the peace has jurisdiction under state laws, and for all violations of any city ordinance. In order to preserve the peace and good order of the city and protect the persons and property therein, riotous and disorderly persons in the city may be arrested and detained before issuing any warrant therefor. He shall hold daily sessions of his said court, Sundays excepted. He shall have and exercise all of the civil jurisdiction conferred by law upon justices of the peace, but before proceeding to act in such capacity, he shall file with the clerk of the county court of Mineral county, a certificate from the mayor of said city showing his appointment and qualification as city clerk, and shall thereupon take the oath and execute the bond required to be taken and executed by justices of the peace.

The police judge may commit persons charged with felony or misdemeanor to jail or take bond for their appearance before the grand jury, but he shall receive no fees or other compensation for such services; he shall have power to issue executions for all fines,

penalties and costs imposed by him, and he may require the immediate payment thereof, and in default of such payment may commit the person so in default to jail, until the fine and penalty and costs shall be paid or satisfied, and any one so committed may be required to work during imprisonment, as required by council.

If any person is sentenced to imprisonment, or any person or corporation is assessed with a fine of ten dollars or more, such person or corporation shall be allowed an appeal from said decision of the police judge to the circuit court of Mineral county, upon the execution of an appeal bond with surety deemed sufficient and approved by the police judge in a penalty double such fine and costs conditioned that the person or corporation proposing to appeal will perform and satisfy any judgment which may be rendered against him or it by said court on such appeal; and in no case shall a fine of less than ten dollars be given by the police judge, if the defendant, his agent or attorney request that the fine be made as much as ten dollars.

If the appeal be taken, the warrant of arrest, the transcript of the judgment, the appeal bond and other papers of the case shall be forthwith delivered by the police judge to the clerk of the court to which such appeal is taken, and said court shall proceed to try the case as upon indictment or presentment and render such judgment, including that of costs, as the law and evidence may demand.

The police judge shall be authorized to suspend sentence or parole any juvenile offender under the age of sixteen years, who may be brought before him for the violation of any ordinance of the city or charged with any misdemeanor under the laws of the state; he shall prescribe the conditions of such parole and enter them in his docket and may commit the offender to the care and custody of any proper person, with a view to the correction and reformation of such offender, and may take from such person such bond or security, conditioned as he shall prescribe. The chief of police, or a policeman designated by him, shall attend all sessions of the police court and perform such duties as may be required by ordinance or requested by the police judge.

The police judge shall keep in a well bound book a complete record of all cases heard and considered by him, and he shall account for and pay over the amount of all fines, as well as the fees of himself and other officers, under salary, collected by him, weekly, to the

treasurer of the city, and shall make monthly reports thereof, and of all other matters pertaining to his office to the council of the city. In the absence of the police judge the mayor of the city shall sit as such police judge with the same power and authority.

The police judge, if an attorney, shall not practice in said police court as an attorney or counselor or in any case appealed or removed therefrom, but shall have the right to practice law as an attorney in other courts and cases.

In addition to the other duties to be performed by the city clerk, he shall also be the city collector, charged with the duty of collecting all taxes, levies, assessments, water rents and all other funds due the city, except licenses; and as such collector shall have and exercise all of the rights, authority and powers conferred upon town sergeants by the general law of the state with reference to the collection of taxes and funds of cities, towns and villages, and upon sheriffs with reference to the collection of state and county taxes and funds. He shall at least once in each week, or oftener if the council so require, account for and pay over to the city treasurer all moneys received by him as such collector; he shall before entering upon the duties of his office give the bond hereinbefore required, payable to the city of Keyser in the penalty of not less than five thousand dollars, conditioned for the faithful performance of the duties of the office of city clerk, collector and police judge and to account for and pay over, as required by law, all moneys which may come into his hands by virtue of any and all of said offices, and shall be chargeable with all of the city taxes, levies, assessments and water rents, from the time the bills therefor are required to be made up and collected, and with all moneys of the city, including fines, fees and penalties, that may come into his hands. He shall receive no fees or commissions for his services, but shall account to the city for all fees received by him, except those received by him when acting in civil suits, taking depositions or acknowledgments. He shall at the first stated meeting of the council in each month make his report to the council of all moneys and credits coming to his hands as city clerk, police judge and collector, accompanied by a receipt or receipts from the treasurer showing that said moneys have been paid to him, and he shall publish once in every six months a detailed itemized statement of all receipts and expenses of the city for the preceding six months.

The city clerk may appoint such deputies and assistants, with the approval of the council, as the duties of his office render necessary. The deputies shall take the oath required of the city clerk and shall give such bond as he may require, but such deputies or assistants shall not perform any judicial duty of the police judge.

The salary fixed for the city clerk, which shall not be increased or diminished during his term of office, shall be deemed to include all the services of all deputies, clerks and agents employed by him, and no additional allowance shall be made for, or on account of, any such services so rendered by the city clerk.

Duties of the Treasurer.

SEC. 31. The treasurer shall receive and account for all moneys from all sources of municipal revenue. All license taxes and fees shall be paid to him direct by the person to whom such license is issued, and no license shall be valid without the receipt of the treasurer for such tax and fees endorsed thereon. All officers and agents of the city, authorized to receive money for the city, or revenues thereof, from any source whatsoever, shall pay over to the treasurer such moneys and revenues within one week after the receipt thereof, or sooner if required by the council.

He shall keep the funds of the city in some bank or banks within the city, which shall pay to the city two per centum or more per annum interest on such deposits, payable quarterly, based on the average daily balance on such funds in all accounts. If no bank within the city is willing at any time to receive deposits of the treasurer, and to pay such interest thereon, the treasurer shall report this fact to council, which shall thereupon designate a bank or banks in which he shall deposit such funds for the time being, and until some bank in the city will receive deposits at the rate of interest so fixed.

Said bank or banks shall give bond in the penalty prescribed by council, and with sureties to be approved by council, conditioned for the prompt payment, whenever lawfully required, of all public moneys, or parts thereof, which may be deposited with them.

The salary fixed for the treasurer, which shall not be increased or diminished during his term of office, shall be deemed to include all the services of all deputies, clerks and agents employed by him, and no additional allowance shall be made for or on account of any such services so rendered by the treasurer. He shall give bond

or bonds in an amount to be fixed by council, which bond shall be approved by council, before entering upon the discharge of any of the duties of his office, and file same with the clerk. The treasurer shall pay all warrants or other proper orders legally drawn and presented, out of any moneys at the time in the fund on which such warrant or order is drawn, but no money shall be paid by him except as the same shall have been appropriated by the council and upon an order signed by the mayor and city clerk. If no money is in the fund with which to pay such warrant or order, the treasurer shall endorse on the back thereof the words, "no funds," and affix the date of such endorsement, and shall preserve a record of such endorsement in his office. The treasurer shall perform any other duties which council may from time to time prescribe and which are not inconsistent with the general scope of his duties.

Duties of City Attorney.

SEC. 32. The city attorney shall be the legal adviser of the city and all its officers in all matters arising and in which legal proceedings may be taken; he shall prosecute all suits, actions and proceedings instituted on behalf of said city and defend all suits and actions against said city, and, when requested in writing, shall give his written opinion to the mayor, council, or any standing committee thereof, upon such legal questions as may be referred to him affecting the city's interests; he shall perform such other duties as may be required. It shall be his duty to attend sessions of the police court, when requested by the mayor or police judge, and prosecute all trials therein and all appeals that are taken from such court; and for his services he shall receive such compensation as the council shall provide.

Police Department.

SEC. 33. The council shall by ordinance establish a police department, of which department the chief of police shall be in command. He shall be charged with the duty of preserving peace and good order in the city and of protecting the persons and property of the citizens. He shall have the right to stop, suppress or prevent any immoral, obscene or improper shows, theatrical performances or moving picture exhibitions. Policemen may be suspended, removed and discharged at any time by the mayor, upon his own motion or that of the chief of police, for good cause, in which event the

mayor shall report such suspension, removal or discharge, together with the reason therefor, to the council at its next meeting. The council shall consider such suspension, removal or discharge and may make such order in reference thereto as it may deem wise. The council shall have the power to suspend, without pay, the chief of police, or any policemen against whom charges are preferred.

Whenever any notice is required to be given, or any summons, warrant or other process is required to be served or otherwise executed, under the provisions of this act, it shall be sufficient if such notice, summons, warrant, or other process be executed by an officer of the police department of said city in the same way or manner in which the laws of the state prescribe for executing summonses and subpoenas by state officers, unless otherwise provided by this act. The chief of police may also execute within this city any civil writ or process issued by the police judge, or any justice of the peace or court in Mineral county, and shall have all the powers conferred by law upon constables and sheriffs, but he shall not act in such capacity until he shall have first qualified before the county court of Mineral county and given the bond required of constables.

Duties of the Street Commissioner.

Sec. 34. The street commissioner shall perform such duties as are now, or which may hereafter be imposed upon him by any ordinance of said city, and shall receive such compensation as may be fixed by council.

Power to Condemn.

Sec. 35. The council shall have the right to institute proceedings, in the name of the city, for the condemnation of real estate for streets, alleys, avenues, sewers, drains, market grounds, city hall, reservoirs, electric light plant, pipe lines, or for any other ground, within or without the city, necessary for public improvements and which the council is authorized to acquire or maintain under this act; such proceedings shall conform to the provisions of chapter forty-two of the code of West Virginia, and the costs thereof shall be borne by the city, except that in contests involving a hearing in the circuit court, costs shall be recovered by the prevailing party.

Recall.

Sec. 36. The holder of any electives office may be removed at any time by the electors qualified to vote for a successor of such incumbent. The procedure to effect the removal of an incumbent of an elective office shall be as follows: A petition signed by electors entitled to vote for a successor to the incumbent sought to be removed, equal in number to at least twenty per centum of the entire vote for all candidates for the office of mayor cast at the last preceding general municipal election, demanding an election of a successor of the person sought to be removed, shall be filed with the city clerk, which petition shall contain a general statement of the grounds for which the removal is sought. The signatures to the petition need not all be appended to one paper, but each signer shall add to his signature his place of residence, giving the street and number. One of the signers of each such paper shall make oath before an officer competent to administer oaths, that the statements therein made are true as he believes, and that each signature to the paper appended is the genuine signature of the person whose name it purports to be. Within ten days from the date of filing such petition, the city clerk shall examine and from the voter's register ascertain whether or not said petition is signed by the requisite number of qualified electors, and if necessary, the council shall allow him extra help for that purpose, and he shall attach to said petition his certificate showing the result of said examination. If, by the clerk's certificate, the petition is shown to be insufficient, it may be amended within ten days from the date of said certificate. The clerk shall, within ten days after such amendment, make like examination of the amended petition and if his certificate shall show the same to be insufficient, it shall be returned to the person filing the same, without prejudice, however, to the filing of a new petition to the same effect. If the petition shall be deemed to be sufficient, the clerk shall submit the same to the council without delay. If the petition shall be found to be sufficient, the council shall order and fix a date for holding said election, not less than thirty days nor more than forty days from the date of the clerk's certificate to the council that a sufficient petition is filed.

The council shall make, or cause to be made, publication of notice and all arrangements for holding such election, and the same shall be conducted, returned and the result thereof declared in all respects as are other city elections. So far as applicable, except as otherwise herein provided, nominations hereunder shall be made without the intervention of a primary election by filing with the clerk at

least ten (10) days prior to said special election, a statement of candidacy accompanied by a petition signed by electors entitled to vote at said special election, equal in number to at least ten per centum of the entire vote for all candidates for the office of mayor at the last preceding general municipal election, which said statement of candidacy and petition shall be substantially in the form set out in section six of this act, so far as the same is applicable, substituting the word "special" for the word "primary" in such statement and petition and stating therein that such person is a candidate for election instead of nomination.

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

OFFICIAL BALLOT.

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

For.....

(Vote for one only)

(Names of candidates)

[ ].....

[ ].....

(Name of present incumbent.)

Official ballot, attest:

(Signature).....

City Clerk.

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

which said costs shall be a lien against the property of all of such petitioners, collectable and enforceable in like manner and to the same extent as taxes due to the city are collected. The said method of removal shall be cumulative and additional to the methods heretofore provided by law.

Initiative.

Sec. 37. Any proposed ordinance may be submitted to the council by petition signed by electors of the city equal in number to the percentage hereinafter required. The signatures, verification, authentication, inspection, certification, amendment and submission of such petition shall be the same as provided for petition under section thirty-six hereof.

If the petition accompanying the proposed ordinance be signed by electors equal in number to twenty per centum of the votes cast for all candidates for mayor at the last preceding general election, and contains a request that the said ordinance be submitted to a vote of the people, if not passed by the council, such council shall either:

(a). Pass such ordinance without alteration within twenty days after attachment of the clerk's certificate to the accompanying petition; or,

(b). Forthwith, after the clerk shall attach to the petition accompanying such ordinance his certificate of sufficiency, the council shall call a special election, unless the general municipal election is fixed within ninety days thereafter, and at such special or general municipal election, if one is so fixed, such ordinance shall be submitted without alteration to the vote of the electors of said city. But if the petition is signed by not less than ten per centum of the electors, as above defined, then the council shall within twenty days, pass said ordinance without change, or submit the same at the next general city election occurring not more than ninety nor less than thirty days after the clerk's certificate of sufficiency is attached to said petition.

The ballot used when voting upon said ordinance, shall contain these words: "for the ordinance," and "against the ordinance." (stating the nature of the proposed ordinance.) If a majority of the qualified electors voting on the proposed ordinance shall vote in favor thereof, such ordinance shall thereupon become a valid and binding ordinance of the city; and any ordinance proposed by petition, or which shall be adopted by a vote of the people, cannot be repealed

or amended except by a vote of the people. Any number of proposed ordinances may be voted upon at the same election in accordance with the provisions of this section; but there shall not be more than one special election in any period of six months for such purpose.

The council may submit a proposition for the repeal of any such ordinance or for amendments thereto, to be voted upon at any succeeding general city election; and should such proposition so submitted receive a majority of the votes cast thereon at such election, such ordinance shall thereby be repealed or amended accordingly. Whenever any ordinance or proposition is required by this act to be submitted to the voters of the city at any election, the city clerk shall cause such ordinance or proposition to be published once in each of the newspapers published in said city; such publication to be not more than twenty nor less than five days before the submission of such proposition or ordinance to be voted on.

Referendum.

Sec. 38. No ordinance or franchise passed by the council, except when otherwise required by the general laws of the state or by the provisions of this act, except an ordinance for the immediate preservation of the public peace, health or safety, which shall contain a statement of its urgency, shall go into effect before ten days from the time of its final passage, and not then unless within two days after passage, Sundays and holidays excepted, the same shall have been published in full in some newspaper published and generally circulated in said city. And if during said ten days a petition signed by electors of the city, equal in number to at least twenty per centum of the entire vote cast for all candidates for mayor at the last preceding general municipal election at which a mayor was elected, protesting against the passage of such ordinance, or franchise, be presented to the council, the said ordinance or franchise shall thereupon be suspended from going into operation, and it shall be the duty of the council to reconsider such ordinance, or franchise, and if the same is not entirely repealed, the council shall submit the ordinance, or franchise, as is provided by sub-section (b) of section thirty-seven of this act, to the vote of the electors of the city, either at the general election or at a special municipal election to be called for that purpose, and such ordinance or franchise shall not go into effect or become operative unless a majority of the qualified electors voting on the same shall vote in favor thereof. Said petition shall

be in all respects in accordance with the provisions of said section thirty-seven, except as to the percentage of signers, and be examined and certified to by the clerk in all respects as therein provided.

Petitions.

Sec. 39. Petitions provided for in this act shall be signed by none but legal voters of the city. Each petition shall contain, in addition to the names of the petitioners, the street and house number in which the petitioner resides, his age and length of residence in the city. It shall also be accompanied by the affidavit of one or more legal voters of the city, stating that the signers thereof were, at the time of signing, legal voters of said city, and the number of signers at the time the affidavit was made.

Election to Adopt or Reject Charter.

Sec. 40. But this act shall not be effective unless the same shall be first submitted to the voters within the territory embraced and described in section two hereof, at a special election called for the purpose and adopted by the majority of the votes cast at such election. Said special election shall be held on the first Tuesday in May, in the year one thousand nine hundred and thirteen, unless this act shall not have taken effect on that day, in which case such election shall be held on the first Tuesday after the day on which this act would go into effect but for this section. The council of the towns of Keyser and South Keyser shall provide for circulation of printed copies of this act or publication thereof in such manner as said council deem best. The election shall be held in the election precincts at which the first primary and general election is to be held under this act, as provided in section three hereof, and the election officers shall be appointed for such special election and the result thereof ascertained, in the manner provided by section six of this act. The ballot shall be prepared under the direction of the council of the town of Keyser and shall be headed: "Special election for ratification or rejection of a new charter for Keyser," and underneath said head shall be the words, in separate lines, "for new charter," and "against new charter." Any voter desiring to vote for adoption of this act shall strike out the words "against new charter," and any voter desiring to vote for rejection of this act, shall strike out the words "for new charter." And in the event that this act shall not be in effect on the second Tuesday

preceding the first Tuesday after the first Monday in June, one thousand nine hundred and thirteen, the first primary election hereunder shall be held on the second Tuesday of June, and the first general election shall be held on the fourth Tuesday of June, one thousand nine hundred and thirteen.

Acts Repealed.

SEC. 41. All acts in conflict or inconsistent with this act, are to the extent of any such conflict, hereby repealed, but this act shall not be construed to repeal, change or modify any previous acts not inconsistent with this act, or to take away any powers heretofore conferred upon the city of Keyser, or upon the mayor or council, or any other of the officers thereof, conferred by general law, except so far as the same may be inconsistent with the powers hereby conferred.

(Senate Bill No. 56.)

CHAPTER 90.

AN ACT to amend and re-enact chapter ten of the acts of the legislature of West Virginia, of the year one thousand nine hundred and nine, entitled, "an act to incorporate the city of Weston, in the county of Lewis, defining the powers thereof and describing the limits of said city, and to repeal all acts and parts of acts inconsistent with the provisions of this act," as amended and re-enacted by chapter seventy-seven of the acts of the legislature of said state, of the year one thousand nine hundred and eleven, entitled, "an act to amend and re-enact section thirty-three of chapter ten of the acts of the legislature of West Virginia, of one thousand nine hundred and nine, in relation to the city of Weston, so as to enable the city of Weston to grant franchises for street railways for a period not to exceed fifty years," so as to consolidate said two acts as by this act amended; to enable the council of said city to change and enlarge the boundaries of the wards of said city when by reason of the acquisition of new territory by said city, such changes and enlargements may be necessary; to establish one voting place for said city, instead of the four heretofore provided for; to provide for the appointment of a person to act as mayor of said city in the event of the ab-

Oath of Office

I, ***Randall "Randy" W. Amtower*** do hereby solemnly swear that I will support the Constitution of the State of West Virginia, and will faithfully and impartially discharge the duties of ***"mayor"*** of the City of Keyser, to the best of my skill and judgment. That I will not administer my said position with the aim to benefit any political party and neither will I during my term of employment, become pecuniarily interested directly or indirectly in any contract with the City, or the purchase of supplies thereof. SO HELP ME GOD.

Randall W. Amtower

Taken, subscribed and sworn to before me this 30th day of June, 2011.

Deborah Pamepinto
City Administrator

Oath Of Office

I, Carol Kiggins, do hereby solemnly swear that I will support the Constitution of the State of West Virginia, and will faithfully and impartially discharge the duties of Recorder of the City of Keyser, to the best of my skill and judgement. That I will not administer my said position with the aim to benefit any political party and neither will I during my term of employment, become pecuniarily interested directed or indirectly in any contract with the City, or the purchase of supplies thereof.

SO HELP ME GOD.

Taken. subscribed and sworn to before me this 27th day of February, 2013.

Carol L. Kiggins

OATH OF OFFICE

I, **Terry Liller** do hereby solemnly swear that I will support the Constitution of the State of West Virginia, and will faithfully and impartially discharge the duties of **Councilman** of the City of Keyser, to the best of my skill and judgment. That I will not administer mu said position with the aim to benefit any political party and neither will I during my term of employment, become peculiarly interest directly or indirectly in any contract with the City, or the purchase of supplies thereof. SO HELP ME GOD.

Terry Liller

Taken, subscribed and sworn before me this 5th day of July, 2012.

Randy Amtower
Mayor of Keyser

OATH OF OFFICE

I, **Clinton Faulk** do hereby solemnly swear that I will support the Constitution of the State of West Virginia, and will faithfully and impartially discharge the duties of **Councilman** of the City of Keyser, to the best of my skill and judgment. That I will not administer mu said position with the aim to benefit any political party and neither will I during my term of employment, become peculiarly interest directly or indirectly in any contract with the City, or the purchase of supplies thereof. SO HELP ME GOD.

Clinton Faulk

Taken, subscribed and sworn before me this 5th day of July, 2012.

Randy Amtower
Mayor of Keyser

OATH OF OFFICE

I, **Ed Miller** do hereby solemnly swear that I will support the Constitution of the State of West Virginia, and will faithfully and impartially discharge the duties of **Councilman** of the City of Keyser, to the best of my skill and judgment. That I will not administer mu said position with the aim to benefit any political party and neither will I during my term of employment, become peculiarly interest directly or indirectly in any contract with the City, or the purchase of supplies thereof. SO HELP ME GOD.

Ed Miller

Taken, subscribed and sworn before me this 5th day of July, 2012.

Randy Amtower
Mayor of Keyser

Oath of Office

I, ***Herman Judy*** do hereby solemnly swear that I will support the

Constitution of the State of West Virginia, and will faithfully and impartially discharge

the duties of ***"councilman"*** of the City of Keyser, to the best of my skill and judgment.

That I will not administer my said position with the aim to benefit any political party

and neither will I during my term of employment, become pecuniarily interested

directly or indirectly in any contract with the City, or the purchase of supplies thereof.

SO HELP ME GOD.

Herman R Judy SR
Herman Judy

Taken, subscribed and sworn to before me this 30th day of June, 2011.

Deborah Pamepinto
Deborah Pamepinto
City Administrator

Oath of Office

I, ***Isaac "Sonny" Alt*** do hereby solemnly swear that I will support the Constitution of the State of West Virginia, and will faithfully and impartially discharge the duties of ***"councilman"*** of the City of Keyser, to the best of my skill and judgment.

That I will not administer my said position with the aim to benefit any political party and neither will I during my term of employment, become pecuniarily interested directly or indirectly in any contract with the City, or the purchase of supplies thereof.

SO HELP ME GOD.

Isaac "Sonny" Alt

Taken, subscribed and sworn to before me this 30th day of June, 2011.

Deborah Pamepinto
City Administrator

CITY OF KEYSER, WEST VIRGINIA

ORDINANCE NO. 286

INTRODUCED IN COUNCIL	PASSED BY COUNCIL
April 25, 2012	May 23, 2012
MOTION BY	**SECONDED BY**
Ed Miller	Clinton Faulk
VOTE - YEA	**VOTE - NAY**
3	1
VOTE - ABSTAINED	**ORDINANCE EFFECTIVE**
0	May 25 2012

AN ORDINANCE ESTABLISHING INCREASED RATES, CHARGES AND FEES FOR FURNISHING WATER SERVICES OF THE MUNICIPALLY OWNED AND OPERATED WATER UTILITY OF THE CITY OF KEYSER, WEST VIRGINIA, TO ALL CUSTOMERS SERVED BY SAID MUNICIPALLY OPERATED PUBLIC UTILITY.

WHEREAS, the City of Keyser ("City") owns, and through the Water Board of the City of Keyser (the "Water Board"), operates a municipal water public utility (the "Water System") for the protection of the public health, safety and welfare of the City's customers; and

WHEREAS, the City Council of the City of Keyser has, upon review of a Rule 42 Exhibit based on the Fiscal Year Ended June 30, 2011, prepared by Griffith & Associates, PLLC, and current planning information of the Water Board related to the needs of the Water System, determined that the current rates, charges and fees for water service provided to all domestic, commercial, industrial and resale users and customers of the Water System are not adequate to cover the cost of operations and debt service of the Water System, and a rate increase for the Water System is necessary to meet the obligations of the Water System; and

WHEREAS, the City Council of the City of Keyser deems it necessary that the current rates, charges and fees for water service be increased in order for the City to generate sufficient annual revenues necessary to pay the operation and maintenance expenses of the Water System, to pay the debt service of the Water System, and to provide for reasonable routine capital improvements for the Water System; and

WHEREAS, in order to protect the public health, safety and welfare, the City Council of the City of Keyser has determined that it is necessary for the City to complete a two phase project of betterments and improvements to the existing Water System (the "Project"); and

Ordinance Amended by Recommended Decision dated May 1, 2012 in Case No. 12-0817-W-MA of the PSC.

WHEREAS, the City Council of the City of Keyser finds that the following rates, charges, and fees are just and equitable for the services provided to its users and customers through the use of the Water System, and that such rates, charges, and fees will be sufficient to meet its going-level expenses associated with the maintenance and operation of the System, and the payment of the debt service of the System, including the Project's additions and debt service, and such rates, charges, and fees should supersede the current rates, charges, and fees.

NOW, THEREFORE, BE IT ORDAINED AND ENACTED by the City Council of the City of Keyser, Mineral County, West Virginia to establish the rates, charges, and fees for furnishing water service which shall be as follows:

ARTICLE ONE
PURPOSE AND SCOPE

There shall be established and maintained just and equitable rates, charges, and fees for the use and supply of water and the services rendered by the Water Board to be paid by every user of the Water System. Such rates, charges, and fees shall be sufficient in each year for the payment of proper and reasonable expenses of operation, maintenance, repair, and replacement of the Water System, and for the payment of the amounts required by any and all bond covenants contained in the City's bond ordinances related to the Water System. No such rates, charges, or fees shall be established until after a public hearing at which all of the users of the Water System have had an opportunity to be heard concerning the proposed rates, charges, and fees.

The Water Board shall cause all rates, charges, and fees to be billed and collected on a just and equitable basis. The Water Board shall cause to be maintained a record of all charges and disbursements in accordance with the West Virginia Code, Rules of the Public Service Commission of West Virginia, and generally accepted accounting practices. The Water Board shall cause an annual audit to be made of the financial condition of the Water System and shall report the same to the City Council of the City of Keyser.

ARTICLE TWO
RATE INCREASES

If the existing rates, charges, and fees of the Water System are not sufficient to meet the obligations of the Water Board, the Water Board shall provide the City Council with a request for an increase in the rates, charges, and fees. The request shall include a written report describing factors necessitating a rate increase and the impact on all classes of customers of the proposed increase. The rate increase shall be considered in accordance with the West Virginia Code and Rules of the Public Service Commission of West Virginia.

ARTICLE THREE
COST OF SERVICE

The Water Board is authorized to enter into agreements to provide water service pursuant to a rate or charge not established in this Ordinance. Such agreements may include, but are not limited to, inter-governmental agreements, agreements with industrial users, or agreements to provide emergency aid for other utilities. Any such agreement shall not violate any provision of the City's bond ordinances related to the Water System, shall not result in a subsidy of the party

by the other users of the Water System, and shall not adversely affect the provision of water service to any other user.

ARTICLE FOUR
RATES, CHARGES, AND FEES
RULES AND REGULATIONS

That the present rates, charges, and fees of the municipally operated water public utility of the City of Keyser, Mineral County, West Virginia, charged for providing water services to its customers, be and hereby are increased by providing for rates, charges, and fees under the following schedules for furnishing water services:

PHASE 1

[Effective 45 Days From Passage of Ordinance]

APPLICABILITY
Applicable within the entire territory served.

AVAILABILITY
Available for general domestic, commercial, industrial and resale water service.

RATES (Customers with metered water supply)

First	2,000 gallons used per month	$ 7.60 per 1,000 gallons
Next	5,000 gallons used per month	$ 6.60 per 1,000 gallons
Next	50,000 gallons used per month	$ 5.85 per 1,000 gallons
Next	50,000 gallons used per month	$ 4.50 per 1,000 gallons
All Over	107,000 gallons used per month	$ 3.50 per 1,000 gallons

MINIMUM BILL
No bill will be rendered for less than the following amount per month, according to the meter size:

5/8	inch meter	$ 15.20 per month
3/4	inch meter	$ 22.80 per month
1	inch meter	$ 38.00 per month
1 - 1/4	inch meter	$ 55.48 per month
1 - 1/2	inch meter	$ 76.00 per month
2	inch meter	$ 121.60 per month
3	inch meter	$ 243.20 per month
4	inch meter	$ 380.00 per month
6	inch meter	$ 760.00 per month
8	inch meter	$ 1,216.00 per month

FLAT-RATE CHARGE (Customers with non-metered water supply)
Each customer with a non-metered water supply shall pay a minimum charge of $31.70 per month (equivalent to 4,500 gallons of water usage).

SALE FOR RESALE
To be used when the City is selling water to another water utility for resale.

RATE - $2.660 per 1,000 gallons per month.

RETURNED CHECK CHARGE
A service charge equal to the actual bank fee assessed to the City or a maximum of $25.00 will be imposed upon any customer whose check for payment of charges is returned by their bank for any reason.

DELAYED PAYMENT PENALTY
The above schedule is net. On all accounts not paid in full when due, a ten percent (10%) penalty will be added to the net current amount unpaid. This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

DISCONNECTION FEE
Whenever water service has been disconnected for violation of rules, non-payment of bills, or fraudulent use of water, a disconnection fee of $35.00 shall be charged.

Water service will not be restored until all past due water bills and all accrued penalties have been paid in full, and the disconnection charge of $35.00 has been paid.

EFT, ACH, CREDIT CARD AND DROP BOX PAYMENTS
A service charge will be imposed on EFT, ACH, Credit Card or Drop Box payments. The amount shall be equal to the actual charges to the City from the financial institution for processing payment.

SECURITY DEPOSIT
A deposit of $50.00, or two-twelfths (2/12) of the average annual usage of the applicant's specific customer class, whichever is greater, shall be required from all new customers and from all existing customers that are disconnected for nonpayment. In the event that a customer is disconnected for non-payment, the deposit shall be applied to the account, and the deposit must be repaid by the customer prior to restoration of service. The required deposit amount may be changed by applicable statutory provisions.

TAP FEE
The following charges are to be made whenever the City installs a new tap to serve an applicant:

A tap fee of $100.00 will be charged to customers applying for service before construction is completed adjacent to the customer's premises in connection with a certificate proceeding before the Public Service Commission. This pre-construction tap fee will be invalid after the completion of construction adjacent to an applicant's premises that is associated with a certificate proceeding.

A tap fee of $450.00 will be charged to all customers who apply for service outside of a certificate proceeding before the Public Service Commission for each new tap to the system.

LEAK ADJUSTMENT
$.40 per 1,000 gallons. To be charged for all water billed in excess of the customer's historical usage when the bill reflects unusual consumption which can be attributed to eligible leakage on the customer's side of the meter.

PRIVATE FIRE PROTECTION SERVICE
Where connections, hydrants, sprinklers, etc., on private property are maintained by the customer.

RATE - $158.00 per month

PHASE 2

[Effective upon substantial completion of the Water System Project]

APPLICABILITY
Applicable within the entire territory served.

AVAILABILITY
Available for general domestic, commercial, industrial and resale water service.

RATES (Customers with metered water supply)

First	2,000 gallons used per month	$10.00 per 1,000 gallons
Next	5,000 gallons used per month	$ 8.50 per 1,000 gallons
Next	50,000 gallons used per month	$ 7.50 per 1,000 gallons
Next	50,000 gallons used per month	$ 5.75 per 1,000 gallons
All Over	107,000 gallons used per month	$ 4.50 per 1,000 gallons

MINIMUM BILL
No bill will be rendered for less than the following amount per month, according to the meter size:

5/8	inch meter	$ 20.00 per month
3/4	inch meter	$ 30.00 per month
1	inch meter	$ 50.00 per month
1 - 1/4	inch meter	$ 73.00 per month
1 - 1/2	inch meter	$ 100.00 per month
2	inch meter	$ 160.00 per month
3	inch meter	$ 320.00 per month
4	inch meter	$ 500.00 per month
6	inch meter	$ 1,000.00 per month
8	inch meter	$ 1,600.00 per month

FLAT-RATE CHARGE (Customers with non-metered water supply)
Each customer with a non-metered water supply shall pay a minimum charge of $41.25 per month (equivalent to 4,500 gallons of water usage).

SALE FOR RESALE
To be used when the City is selling water to another water utility for resale.

RATE - $3.350 per 1,000 gallons per month.

RETURNED CHECK CHARGE
A service charge equal to the actual bank fee assessed to the City or a maximum of $25.00 will be imposed upon any customer whose check for payment of charges is returned by their bank for any reason.

DELAYED PAYMENT PENALTY
The above schedule is net. On all accounts not paid in full when due, a ten percent (10%) penalty will be added to the net current amount unpaid. This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

DISCONNECTION FEE
Whenever water service has been disconnected for violation of rules, non-payment of bills, or fraudulent use of water, a disconnection fee of $35.00 shall be charged.

Water service will not be restored until all past due water bills and all accrued penalties have been paid in full, and the disconnection charge of $35.00 has been paid.

EFT, ACH, CREDIT CARD AND DROP BOX PAYMENTS
A service charge will be imposed on EFT, ACH, Credit Card or Drop Box payments. The amount shall be equal to the actual charges to the City from the financial institution for processing payment.

SECURITY DEPOSIT
A deposit of $50.00, or two-twelfths (2/12) of the average annual usage of the applicant's specific customer class, whichever is greater, shall be required from all new customers and from all existing customers that are disconnected for nonpayment. In the event that a customer is disconnected for non-payment, the deposit shall be applied to the account, and the deposit must be repaid by the customer prior to restoration of service. The required deposit amount may be changed by applicable statutory provisions.

TAP FEE
The following charges are to be made whenever the City installs a new tap to serve an applicant:

A tap fee of $100.00 will be charged to customers applying for service before construction is completed adjacent to the customer's premises in connection with a certificate proceeding before the Public Service Commission. This pre-construction tap fee will be invalid after the completion of construction adjacent to an applicant's premises that is associated with a certificate proceeding.

A tap fee of $450.00 will be charged to all customers who apply for service outside of a certificate proceeding before the Public Service Commission for each new tap to the system.

LEAK ADJUSTMENT
$.40 per 1,000 gallons. To be charged for all water billed in excess of the customer's historical usage when the bill reflects unusual consumption which can be attributed to eligible leakage on the customer's side of the meter.

PRIVATE FIRE PROTECTION SERVICE
Where connections, hydrants, sprinklers, etc., on private property are maintained by the customer.

RATE - $185.00 per month

ARTICLE FIVE
MISCELLANEOUS PROVISIONS

SERVICE TO TRAILER COURTS - House trailer courts shall be provided with a master meter. No bill shall be rendered for less than (i) the minimum bill herein established for a five-eight by three-quarter (5/8 x 3/4) inch meter, multiplied by the number of units situated on the trailer court site at the time the meter is read, (ii) the minimum bill for the size meter installed, or (iii) the actual charge for water used, whichever is greater. House trailers as used herein shall include both mobile and immobile units. House trailers, either mobile or immobile, located on sites other than a park or court, shall be billed in the same manner as any other family or business unit.

MULTIPLE OCCUPANCY - Where multiple service is rendered through one meter or service connection, bills will be rendered based on each family or business unit located therein, and no bill shall be rendered for less than (i) the minimum bill herein established for a five-eight by three-quarter (5/8 x 3/4) inch meter, (ii) the minimum bill for the size meter installed, or (iii) the actual charge for water used, whichever is greater. Motels, hotels, and dormitories shall pay according to the size meter installed.

ARTICLE SIX
SEVERABILITY CLAUSE

If any provision of this Ordinance is invalidated by any court of competent jurisdiction, the remaining provisions shall not be affected and shall continue in full force and effect.

ARTICLE SEVEN
PENALTY

Whoever shall violate any provision of this ordinance herein, for which no other penalty is provided, shall be fined not less than $100.00 nor more than $1,000.00, or imprisoned for not more than thirty (30) days, or both fined and imprisoned.

ARTICLE EIGHT
EFFECTIVE DATE
ADOPTION AND PUBLICATION REQUIREMENTS

SECTION 1. That in accordance with the provisions of Chapter 24, Article 2, Section 4(b) of the Code of West Virginia, 1931, as amended, the rules and regulations and the rates, charges, and fees provided for herein shall be effective no sooner than 45 days from the date of adoption.

SECTION 2. That, in accordance with the requirements of Chapter 8, Article 11, Section 4 of the Code of West Virginia, 1931, as amended, the City shall cause the proposed Ordinance to be read by title (or in full, if so demanded by a member of the governing body) at two meetings of the governing body with at least one week intervening between each meeting. The City shall cause notice of the proposed adoption of this Ordinance to be published as a Class I-0 legal advertisement, with the publication being made at least five days before the meeting at which this Ordinance is to be finally adopted, and with said notice meeting the other requirements set forth in Code §§ 59-3-1 *et seq.*

SECTION 3. That, in accordance with the Public Service Commission's *Rules for the Construction and Filing of Tariffs*, 150 CSR 2, notice of this Ordinance shall be provided by (a) causing to be published the Commission's Tariff Form No. 12 as a Class II legal advertisement, with the first publication occurring within five days after the adoption of this Ordinance, in a qualified newspaper of general circulation in the area of Keyser, and (b) requesting to be published a press release that contains the substance of Tariff Form No. 12, in a qualified newspaper of general circulation in the area of Keyser, (c) posting a notice that conforms with Tariff Form No. 12 in a conspicuous place at the Water System's business premises beginning the day after the City Council Meeting at which this Ordinance is adopted and continuing for 30 days, and (d) filing with the Public Service Commission, within 5 days after the adoption of this Ordinance, a copy of this Ordinance along with other information as required by Section 22.1.f of the *Tariff Rules*.

SECTION 4. All prior ordinances or parts of ordinances, inconsistent with this Ordinance are hereby repealed to the extent of such inconsistency.

SECTION 5. This Ordinance shall be effective immediately upon adoption.

PASSED AND APPROVED at the first reading of the said adopted ordinance on the 25th day of April, 2012, and at a second reading of said adopted ordinance on the 23rd day of May, 2012.

Mayor

ATTEST:

Councilman Isaac "Sonny" Alt

CERTIFICATE

I, Randy Ann Vance Mayor of the City of Keyser, Mineral County, West Virginia, hereby certify that the foregoing is an exact and true copy of the ordinance of the City of Keyser read for the first reading at a regular meeting of the City Council held on the 25th day of April, 2012, and adopted at a regular meeting held on the 23rd day of May, 2012, all duly and legally called and quorum present and voting.

Given under my hand and official seal of the City of Keyser, this 25 day of May, 2012.

Mayor

(SEAL)

3597376

Pre

I, as an officer of the News-Tribune, a daily newspaper published at Keyser, Mineral County, West Virginia, hereby certify that the Spilman Thomas & Battle in the case of Public Hearing: City of Keyser Water Rate vs. Ordinance

a copy whereof is hereto annexed has been published for 2 consecutive times in said NEWS TRIBUNE, the first publication being on the 8th day of, May 2012.

NEWS-Tribune: 5-8
MT. Echo: 5-12

Given under my hand at Keyser this 16th day of May, 2012.

Publisher

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
SANDRA K CANFIELD
H C 72 Box 3682, Keyser, WV 26726
My Commission Expires April 19, 2021

Sandra K. Canfield
My Commission expired
4-19-21

Publisher's Fee
$ 53.68

130 Legal Notices

NOTICE OF PUBLIC HEARING ON THE CITY OF KEYSER WATER RATE ORDINANCE

Notice is hereby given that the City of Keyser, West Virginia, a municipal corporation, at a regular meeting of the Council of the City of Keyser (the "City Council") to be held on May 23, 2012, at six o'clock (6:00) p.m. in the Keyser City Hall, 111 N. Davis Street, will hold a public hearing before the final vote on a proposed ordinance, the principal object of which is the increase of water rates for the customers of the City of Keyser's water utility. The title of such ordinance is "An Ordinance Establishing Increased Rates, Charges and Fees for Furnishing Water Services of the Municipally Owned and Operated Water Utility of the City of Keyser, West Virginia, to All Customers Served by Said Municipally Operated Public Utility." The final vote on adoption of said proposed ordinance shall be taken following the public hearing on May 23, 2012, at six o'clock (6:00) p.m. in the Keyser City Hall. Interested persons may appear and be heard by the City Council with respect to the passage of the proposed ordinance. Following the public hearing, the City Council shall take such actions as it shall deem proper upon the Ordinance. Copies of the proposed ordinance are available at the Keyser City Hall, 111 N. Davis Street, Keyser, West Virginia.

post

Tariff Form No. 12
(Tariff Rule 44)

PUBLIC NOTICE OF CHANGE IN RATES BY MUNICIPALTIES

Notice is hereby given that the City of Keyser has adopted by ordinance on May 23, 2012, a tariff of the Water Utility of the City of Keyser containing increased rates and charges for furnishing water service to approximately 2705 customers in and around the City of Keyser in the County of Mineral

The City has proposed a two-phase increase in water rates and charges. Phase 1 will become effective on July 7, 2012, unless otherwise ordered by the Public Service Commission and will produce approximately $217,000.00 annually in additional revenue, an approximate increase of 18.9%. With the Phase I increase, the average monthly bill for the various classes of customers will be changed as follows:

	($)INCREASE	INCREASE %
Residential (3,141 gal. avg.)	$3.80	20.0%
Commercial (13,044 gal. avg.)	$14.00	18.9%
Industrial (20,835 gal. avg.)	$21.71	18.9%
Public Authority (43,337 gal. avg)	$43.98	18.9%
Resale (per 1,000 gallons)		
Allegany County	$0.69	18.6%
New Creek PSD	$0.69	18.6%

Phase 2 will become effective upon substantial completion of the proposed Water System Project, unless otherwise ordered by the Public Service Commission and will produce approximately $379,300.00 annually in additional revenue, an approximate increase of 28.6% from the Phase I rates. With the Phase 2 increase, the average monthly bill for the various classes of customers will be changed as follows:

	($)INCREASE	INCREASE (%)
Residential (3,141 gal. avg.)	$6.96	30.6%
Commercial (13,044 gal. avg.)	$24.27	29.00%
Industrial (20,835 gal. avg.)	$37.12	28.7%
Public Authority (43,337 gal. avg.)	$74.26	28.7%
Resale (per 1,000 gallons)		
Allegany County	$1.09	25.9%
New Creek PSD	$0.417	18.6%

The City of Keyser Water Utility's resale customers are New Creek Water Association and the Board of Commissioners of Allegany County, Maryland.

The increases shown are based on averages of all customers in the indicated class. Individual customers may receive increases that are greater or less than average. Furthermore, the requested rates and charges are only a proposal and are subject to change (increases or decreases) by the Public Service Commission in its review of this filing. The Commission shall review and approve or modify the increased rates only upon the filing of a petition within thirty (30) days of the adoption of the ordinance changing said rates or charges, by:

(1) Any customer aggrieved by the changed rates or charges who presents to the Commission a petition signed by not less than twenty-five percent of the customers served by such municipally operated public utility; or

(2) Any customer who is served by a municipally operated public utility and who resides outside the corporate limits and who is affected by the change in said rates or charges and who presents to the Commission a petition alleging discrimination between customers within and without the municipal boundaries. Said petition shall be accompanied by evidence of discrimination; or

(3) Any customer or group of customers who are affected by said change in rates who reside within the municipal boundaries and who present a petition to the Commission alleging discrimination between said customer or group of customers and other customers of the municipal utility. Said petition shall be accompanied by evidence of discrimination.

All petitions should be addressed to the Executive Secretary, Public Service Commission of West Virginia, 201 Brooks Street, P.O. Box 812, Charleston, West Virginia 25323.

A complete copy of the proposed rates, as well as a representative of the City of Keyser to provide any information requested concerning it, it available to all customers, prospective customers or their agents at the following office: Keyser City Hall, 111 N. Davis Street, Keyser, West Virginia.

A copy of the proposed rates is available for public inspection at the Office of the Secretary of the Public Service Commission at 201 Brooks Street, P.O. Box 812, Charleston, West Virginia, 25323.

I, as an officer of the News-Tribune, a daily newspaper published at Keyser, Mineral County, West Virginia, hereby certify that the Spilman Thomas & Battle, PLLC

in the case of City of Keyser Water Rate Changes

vs.

a copy whereof is hereto annexed has been published for 2 consecutive WEEKS

in said NEWS TRIBUNE, the first publication being on the 30th day of, May 2012.

Given under my hand at Keyser this 14th day of June, 2012.

Publisher

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
SANDRA K CANFIELD
H C 72 Box 380, Keyser, WV 26726
My Commission Expires April 19, 2021

Sandra K. Canfield
My commission expired
4-19-21

Publisher's Fee
$ 284.64

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

FINAL

5/21/2013

Entered: May 1, 2013

CASE NO. 12-0817-W-MA

CITY OF KEYSER,
a municipal utility,
Investigation and suspension of increase in water rates and charges as a result of petitions filed in accordance with W.Va. Code §24-2-4b.

CASE NO. 12-1679-W-CN

CITY OF KEYSER,
a municipal utility,
Application for a certificate of convenience and necessity to construct the Phase I and Phase II Water System Improvements Project, Mineral County

RECOMMENDED DECISION

This Order grants the certificate and adopts the Staff-recommended rates for the City of Keyser.

On May 23, 2012, the City of Keyser (Utility) adopted an ordinance increasing its rates to its water customers.

On June 15, 2012, the Commission received a protest petition which alleged discrimination and appeared to be signed by not less than 25% of the Utility's water customers.

On June 18, 2012, the Commission invoked its jurisdiction and made the Utility a respondent to the proceeding. The matter was designated Case No. 12-0817-W-MA.

On June 21, 2012, the New Creek Water Association (NCWA) protested the ordinance and alleged discrimination.

By Procedural Order issued June 26, 2012, NCWA was made a party to the proceeding.

By Procedural Order issued August 1, 2012, Gerald D. Icks was made a party to the proceeding.

On August 24, 2012, the Utility moved for emergency interim rates.

By Commission Order issued October 5, 2012, the Commission granted interim rate relief.

On December 27, 2012, the Utility filed an application for a certificate of convenience and necessity to construct certain improvements to its water system. The matter was designated as Case No. 12-1679-W-CN.

On January 8, 2013, the Commission referred the matter requiring a decision on or before May 13, 2013, in the case of no substantial protest and June 25, 2013, if there was a substantial protest.

On January 22, 2013, the Utility moved to consolidate Case Nos. 12-0817-W-MA and 12-1679-W-CN, to toll the statutory deadline and extend the decision due deadline in the municipal appeal so that these deadlines coincided with the deadlines in the certificate case.

On January 30, 2013, the Commission consolidated the cases. It also tolled the statutory deadline in Case No. 12-0817-W-MA and extended the decision due deadline to May 13, 2013.

By Procedural Order issued February 1, 2013, the matter was set for hearing on April 9, 2013, and the Utility was ordered to publish notice of the hearing.[1]

The hearing was held as scheduled. Susan J. Riggs, Esquire, appeared on behalf of the Utility. Hoy G. Shingleton, Jr., Esquire, appeared on behalf of NCWA. Gerald Ickes appeared on his own behalf. John Auville, Esquire, appeared on behalf of Staff. A briefing schedule was established and all parties filed briefs.

PUBLIC COMMENT

Karol Ashenfelter is concerned with an increase in rates. Ms. Ashenfelter indicated that the average income of Keyser residents was $33,000 a year. Ms. Ashenfelter's mother makes $642 a month and cannot afford a significant increase in her water rates. She is also concerned with young families with children whose parents make minimum wage. (Tr. 11, 12).

EVIDENCE

Randy Amtower, the mayor of Keyser, participates in the Utility's board meetings. (Tr. 14). The proposed project includes refurbishing water storage tanks, additional booster stations, and 4.5 miles of line replacement. (Tr. 16, 17). The A Street Tank was built in 1984 and needs a

[1] The Utility properly published notice of the hearing. (See affidavit filed April 3, 2013).

major refurbishing. It has suffered from six leaks at high elevations in the tank. (Tr. 17). A private inspection firm from Montana called Liquid Engineering inspected the tank and recommended refurbishing as opposed to replacement. (Tr. 17, 18). The Waxler Tank has a ten-day turnover which is excessive under the Department of Health regulations. The tank can be more useful with the addition of certain boosting capabilities. The project includes a new 200,000-gallon tank on Chestnut Street which will increase fire protection and the volume of the City's storage. (Tr. 18).

Currently the treatment plant has to start and stop periodically throughout the day because the hydraulics in the system only permit 180,000 gallons of usable storage on the A Street Tank. The treatment plant has to operate on and off throughout the day in order to maintain pressure in higher elevations. (Tr. 18). When there is a fire in Keyser or in the service territory of one of the resale customers, the current protocol is to immediately get a treatment plant operator out to start the treatment plant. The modifications to the storage system and boosters will allow operating time and restarts on the treatment plant to be reduced, reducing operation and maintenance expenses. (Tr. 18, 19).

The part of the project labeled Phase I will cost $4.2 million and be financed with a Rural Utilities Service (RUS) loan for 40 years at 2.625% interest. (Tr. 19). The Phase II part of the project will be the treatment plant renovation and includes equipment replacement, structural work, lead abatement and electrical work. (Tr. 19, 20). Much of the treatment plant was constructed in 1924 with many of the original components still being utilized. (Tr. 19). There was an upgrade done in the 1980s but most of the piping is still original 1924 piping. Certain parts for the treatment plant are now unavailable. (Tr. 20).

The Phase II part of the project also includes additional boosters, auxiliary generation, and dredging the raw water source which is the New Creek Dam Impoundment. (Tr. 20, 21). The dredging should increase the raw water reservoir by about one million gallons. The Phase II portion of the project is estimated to cost $7.6 million to be financed with a $4.5 million RUS loan for 40 years at 2.375% interest and a $3.1 million grant under the American Recovery and Reinvestment Act. (Tr. 21).

The Utility agrees with the Staff recommendations regarding rates and the necessity of the project. The Utility further agrees with Staff's class cost of service study. (Tr. 22).

When Mr. Amtower first became mayor, the general revenue funds were subsidizing the water utility. (Tr. 25, 26). The Utility tried to clean up its accounting which included changes in staff and a new accounting system. The Utility also caught up on its past-due audits. (Tr. 26, 27). The Utility separated its bank accounts for water and sewer operations from other city functions and from each other. (Tr. 27).

Under the Commission-approved interim rates, the Utility has operated in the black and kept current all of its depreciation reserve requirements. (Tr. 28). Mr. Amtower believes that the Utility should have made numerous small rate increases over the past few years but failed to take such prudent action. (Tr. 29, 30).

Frederick Hypes, a registered professional engineer, is the Utility's consulting engineer for the project. (Tr. 34). The water distribution system has a significant amount of galvanized iron pipe installed in the 1950s which is beginning to leak. The Utility has undersized mains with some as small as three-quarters of an inch. (Tr. 35).

The Waxler Road booster station proposed in the project will allow more proper utilization of the million-gallon tank which serves the industrial park and portions of McCoole. (Tr. 36). When more than 15% of the tank is utilized, the higher altitude customers begin to lose pressure. If more than one-third of the tank is utilized, certain customers are completely out of water. Even with one million gallons of water in the tank, the system only utilizes the top 15 % of the tank, meaning it effectively operates as a 150,000 gallon tank. (Tr. 37). The A Street Tank needs to be repainted and it is currently rusting. (Tr. 39).

The technology utilized in the water treatment plant is ninety years old. It is difficult to repair or replace parts of the treatment plant. (Tr. 38, 39). The control equipment, electrical components, lighting, pumps and much of the rest of the plant have reached the end of their useful lives. (Tr. 39).

The Utility operates its treatment plant until it fills the A Street Tank. When the tank is full, the treatment plant shuts down, until the tank has drawn down a sufficient amount of water that requires the treatment plant to begin operation and pumping again. (Tr. 53). The plant pumps twelve to fifteen hours a day but is frequently occupied twenty or more hours a day due to the on and off nature of the current operating requirements. (Tr. 54).

The NCWA connection to the Utility's system is right outside the door of the treatment plant. (Tr. 51, 52). There is little, if any, unaccounted-for water in the particular pipe connecting the Utility to NCWA. (Tr. 52).

Some of the Utility's system storage serves NCWA. (Tr. 54). Water leaving the Utility's storage flows by gravity into NCWA's system providing both pressure and volume. (Tr. 54, 55). Water flows into the NCWA system even when the treatment plant is not in operation. (Tr. 55).

The A Street Tank is also sometimes called the Potomac State Tank. (Tr. 55). Part of the project will be to install a new booster station to pump water from the Waxler Tank fifty feet up into the A Street Tank to meet demands which will allow fewer man hours at the water treatment plant. (Tr. 56). The treatment time will be the same but employees will not have to be sitting at the treatment plant waiting to restart the plant when a certain amount of water drains out of storage. The current treatment plant operates at 1,400 gallons per minute, which equates to two million gallons a day. Technically it is rated at a peak capacity of 2,100 gallons per minute, but it has never operated at that level. (Tr. 57).

NCWA begins drawing water before the treatment plant starts to operate and continues drawing water after the treatment plant shuts down for the day. (Tr. 58). When the treatment

plant is not operating and NCWA is taking water, the water comes from the Utility's storage tanks. (Tr. 61).

The Utility's water system is a spider web with numerous connections connecting large and small mains. (Tr. 62, 63, 79). There is not a single main that can be considered to be a transmission line. There is a 12-inch main that leaves the plant to a large storage tank, but there are also a whole host of smaller lines carrying water back and forth between the tank and the plant. The 12-inch main is connected to NCWA and is not going to be replaced or rehabilitated in the project. (Tr. 63).

David Hatten, a certified public accountant, works for Griffith and Associates which is consulting for the Utility. (Tr. 64, 65). Mr. Hatten is not familiar with the RUS utilizing wrap financing. (Tr. 67, 68). Mr. Hatten characterized the financing for this project as being average for financing packages for utility projects in West Virginia. (Tr. 68, 69).

David Vanscoy, a registered professional engineer, works for RK&K Engineers which is a consultant for NCWA. Mr. Vanscoy used to be the Utility's engineer. (Tr. 76). Mr. Vanscoy believes that, due to the insignificant amount of water pipe used by the Utility to serve NCWA, there would be little to no unaccounted-for water on that pipe. (Tr. 77). NCWA purchases about 250,000 gallons of water from the Utility every day which amounts to a little less than 25% of the water produced by the Utility. The Utility's average production is 1.1 million gallons a day. (Tr. 78). Mr. Vanscoy disagrees with Mr. Hypes that NCWA draws off the entire Utility's system. (Tr. 78, 79). Mr. Vanscoy believes that NCWA draws off the 12-inch main that connects the water treatment plant to the storage tank. (Tr. 79).

Mr. Vanscoy believes that the Liberty Street booster station will not contribute to NCWA in any manner but will merely serve the Utility's higher elevation customers which are currently served by individual pumps. The Waxler Street booster station will repump water, moving it around internally in the Utility's system and will provide only minimal benefit to NCWA. (Tr. 79). Mr. Vanscoy believes that all project costs associated with the treatment plant upgrade should be borne by all customers including NCWA. He believes that NCWA should not be sharing in the cost of the distribution system upgrade. (Tr. 80). NCWA supports both the need for the project and the Staff-calculated total revenue requirement. NCWA does not concur with a significant amount of the new capital costs being allocated to NCWA in a resale rate. (Tr. 81).

The Utility has two resale customers, NCWA and McCoole. NCWA lies to the south of Keyser and McCoole lies to the north. Water going to McCoole has to go throughout the entire Utility system. McCoole's water is metered at the river on the West Virginia side of the riverbank and is pumped under the river to McCoole. (Tr. 82).

NCWA beings taking water about 6:00 a.m. and continues until about midnight. The NCWA pumps approximately seventeen hours per day with telemetry-controlled pumping. On occasions where NCWA suffered from a major line break or a fire, it has required water in the

middle of the night when the Utility was not operating its treatment plant. One such example was for the Pines fire. (Tr. 84).

Gerald Ickes believes that the work is necessary but is concerned that the residents inside the city limits are getting the short end of the stick on rate allocation. (Tr. 88, 89). Mr. Ickes testified that NCWA used about 90 million gallons a year, McCoole used 19 million gallons a year, Keyser used 147 million gallons a year, and unaccounted-for water was 127 million gallons. (Tr. 91, 92).

Sylvia Steranka, a Technical Analyst in the Engineering Division for Staff, concluded that the project was necessary because the plant is very outdated. Ms. Steranka testified that the plant looked like a museum. Ms. Steranka was impressed with the way the plant was operated and believed that the Utility's operators are very qualified. She attributes the plant's continued functioning to the quality work of the Utility's plant operators. Ms. Steranka indicated that it would be very difficult to find components for replacement parts for the existing system. She indicated that the concrete work in the plant is beginning to break down and that the plant roof needs work. The building is in poor condition. (Tr. 98).

James Spurlock, a Technical Analyst in the Engineering Division, prepared class cost of service study allocation factors. (Tr. 100). Mr. Spurlock testified that the class cost of service study methodology utilized by Staff has not been modified much in the last twenty-five years. (Tr. 104).

Sandy Mitchell was assigned to the case as a Utilities Analyst and prepared Staff's Rule 42 Exhibit.[2]

Jonathan McGuire, a Utilities Analyst for Staff, prepared the revenue requirements, class cost of service study and Staff-recommended rates. (Tr. 110, 111).

DISCUSSION

All parties are in agreement that the project is necessary. All parties are also in agreement that the overall Staff-recommended revenue requirements are appropriate. The only disagreement between the parties is regarding the class cost of service study. The Utility supports the Staff class cost of service study. NCWA believes that it is paying too much. It argues for a separate resale rate for each resale customer with its rate being lower than McCoole's rate. Mr. Ickes believes that the resale class is paying too little.

NCWA argues that it should not be allocated any unaccounted-for water losses on the Utility's system and also should not pay for any part of the improvements to the distribution/storage system of the Utility because it takes water from right outside the treatment plant.

[2] Since that assignment, Ms. Mitchell has been promoted to serve as the Commission's Budget and Finance Manager.

However, the evidence was uncontroverted that NCWA relies on the Utility's storage and distribution system for both pressure support and quantity of water. It draws water from the system during hours when the treatment plant is not in operation. That water comes from the Utility's system including its storage tanks and water mains. The same is undoubtedly true when there is a fire or major leak within the service territory of NCWA and it draws an unusual quantity of water in a short period of time.

NCWA also expresses discomfort at the fact that, in the last class cost of service study conducted in Case No. 95-0062-WS-MA, NCWA was not allocated any cost associated with unaccounted-for water on the Utility's system but it is in this case. At the time of that study, NCWA was the only resale customer of the Utility. McCoole became a customer of the Utility later in the 1990s.

Although the Commission sometimes establishes different rates for different resale customers of a Utility, it is more typical for the Commission to treat all resale customers as a class just as it treats all residential customers or all commercial customers as a class. In this case, NCWA falls within the resale class. The classes of customers generally have somewhat similar usage requirements and other factors that make it reasonable to group them for the purpose of establishing cost based rates. It is probably quite true that the cost of providing service to NCWA is somewhat less than the cost of providing service to McCoole due to the exact nature of the system. That fact alone does not mean that it is inappropriate to establish rates for both NCWA and McCoole as a single class. One can also see in this case that the percentage changes in rates for the various classes are very close together. For pre-project rates, the difference is a 3.75% increase for fire protection to a 3.88% increase for the resale class. For post-project rates, the difference is a 41.99% increase for residential rates to a 44.45% increase for the resale class. In other words, the class cost of service study in this case ends up with rates that are relatively close to the class cost of service study in the last litigated rate case. It is appropriate to establish the same resale rate for NCWA as for McCoole.

Neither NCWA nor Mr. Ickes offered into evidence an independent class cost of service study. Both concluded that the study submitted by Staff and supported by the Utility was erroneous. However NCWA believed that it was paying too much and the other classes and other members of its class were paying too little and Mr. Ickes believed that his class was paying too much and the resale class was paying too little.

No class cost of service study results in a perfect allocation of costs. Ratemaking is as much an art as it is a science. The study offered up by Staff fairly attempts to make reasoned divisions of cost between customer classes. The methodology has been used by the Commission in a multitude of rate cases for a very long time. No party pointed out any errors in the application of the well-worn methodology. The Staff class cost of service study and the resulting rates should be adopted by the Commission for use by the Utility. The project and its proposed financing should be approved.

FINDINGS OF FACT

1. On December 27, 2012, the Utility filed an application for a certificate of convenience and necessity to construct certain improvements to its water distribution system, including the rehabilitation of its water treatment plant. (See filing).

2. The Utility operates a 3 MGD water treatment plant at the rate of 2 MGD, with the plant operating about 14 hours a day. (Staff Exhibit 1).

3. The Utility provides water service to 2,400 customers in Keyser. The Utility serves two resale customers, NCWA and McCoole. NCWA serves 1,350 customers and McCoole serves 900 customers. (Id.).

4. The treatment plant was built in 1924 and most of its components are in need of replacement or significant maintenance. (Staff Ex. 4; Tr. 19, 20, 38, 39, 98).

5. The proposed project includes dredging the raw water source impoundment, emergency generation, treatment building renovations, and replacement or refurbishing of major components of the treatment plant including piping, pumps, valves, controls, meters, flocculators, mixers, chlorine system, filters and other components. (Staff Exhibit 1).

6. The project includes lead abatement, instrumentation replacement, safety equipment and the addition of two booster stations. (Id.).

7. The project includes telemetry and electrical work at the Chestnut and Waxler Tanks. Certain tanks will be painted and refurbished. (Id.).

8. The new Waxler booster station is needed to better utilize the Waxler Tank by storing more water in it while the treatment plant is operating and later pumping that water into the Potomac State Tank while the plant is not in operation. (Id.).

9. The existing turnover rate of the Waxler Tank is ten days, and the project will improve the turnover rate to 3.3 days. (Id.).

10. The project includes replacing certain water mains which are too small to provide adequate pressure or fire flow. (Id.).

11. The project includes replacing water mains that are significantly deteriorated and leaking. (Id.).

12. The Utility has an unaccounted-for water rate of 33% and the project should reduce that rate. (Id.).

13. The Utility currently has to repeatedly start and stop its treatment plant in order to maintain water pressure and water service for various customers on its system due to a poor hydraulic design of its existing tanks and system. (Staff Exhibit 1).

14. The current hydraulic design of the Utility's system means that only 15% of the million-gallon tank can be utilized. If more than the top 15% of the tank is utilized, higher altitude customers begin to lose pressure. If more than one-third of the tank is utilized, certain customers are completely out of water. (Tr. 35, 36, 37).

15. The A Street Tank is currently rusting and needs to be repainted. (Tr. 39).

16. The connection for the NCWA to the Utility's system is right outside the door of the treatment plant. (Tr. 51, 52).

17. Some of the Utility's storage systems serve NCWA. Water leaving the Utility's storage system flows into the NCWA system providing both pressure and volume to NCWA. (Tr. 54, 55).

18. NCWA begins taking water from the Utility prior to the start of the treatment plant each day and continues taking water after the treatment plant shuts down. When the treatment plant is not operating, the water comes from the Utility's storage tanks and mains. (Tr. 61, 84).

19. The Utility's water system is a spider web with numerous connections connecting various facilities on the system, including large and small mains. There is a 12-inch main from the treatment plant to the largest storage tank, but there are also a host of smaller lines carrying water back and forth between the tank and the plant. (Tr. 62, 63, 79).

20. The 12-inch main is not going to be replaced or rehabilitated in this project. (Tr. 63).

21. The estimated construction cost of the Liberty Street booster station is $250,000, and the estimated cost of the Waxler pump station is $350,000. (Tr. 74).

22. McCoole lies on the north side of the City of Keyser, and water going to McCoole has to go through the entire Utility system to reach McCoole. (Tr. 82).

23. The treatment plant is very antiquated, and its continued functioning and service speaks to the quality work of the Utility plant operators. (Tr. 98).

24. The project has been divided into two phases. The work on the distribution system is labeled Phase I and the water treatment plant rehabilitation is labeled Phase II. (Staff Ex. 1).

25. The estimated cost for Phase I is $4,200,000 of which $2,932,800 is for construction. (Id.).

26. The estimated cost for the Phase II portion of the project is $7,600,000 with $5,500,000 for construction. (Staff Ex. 1).

27. Engineering costs represent 13.6% of the total cost and 18.7% of the construction cost which Staff views as reasonable for the nature of the project. (Id.).

28. The Utility has applied for all the necessary permits for the project. The plans and specifications have been approved by the West Virginia Office of Environmental Health Services, with the office issuing Permit No. 19,200 related to the project. The West Virginia Infrastructure and Jobs Development Council has approved the project under Case No. 2001W-596. (Id.).

29. The plans and specifications do not conflict with the Commission's rules. (Staff Exhibit 1).

30. Phase I of the project will be financed by an RUS loan in the amount of $4,200,000 for 40 years at an interest rate of 2.625%. (Id.).

31. Phase II of the project will be financed by an RUS loan in the amount of $4,500,000 for 40 years at an interest rate of 2.375% and a grant in the amount of $3,100,000 from the American Recovery and Reinvestment Act of 2009 administered by RUS. (Id.).

32. Staff recommends approval of the project. (Id.).

33. The Staff-recommended non-project rates generate an increase for the Utility of $43,350 in revenue, or 3.77% over revenues generated prior to the proceeding. (Staff Exhibit 4).

34. The Staff-recommended non-project rates generate .04% more revenue than the revenue generated under the interim rates. (Id.).

35. The Staff-recommended non-project rates provide a surplus of $41,008 and a debt service coverage of 110.11%. The Utility's outstanding bonds require a minimum debt service coverage of 115%. (Id.).

36. The Staff-recommended project rates generate an increase in revenue for the Utility of $493,289, or 42.87% over revenues generated prior to the proceeding. (Id.).

37. The Staff-recommended project rates provide a surplus of $80,049 and a debt service coverage of 115.03% which exceeds the required 115%. (Id.).

38. The Utility is in agreement with the Staff recommendations concerning rates including the rate design. NCWA agrees with the Staff calculated revenue requirement but disagrees with the rate design. Mr. Ickes disagrees with the rate design. (Tr. 22).

39. The project will increase O&M expenses by approximately $19,200 related to both labor and pumping expenses. (Staff Ex. 4).

40. Staff conducted a class cost of service study. Under the Staff class cost of service study, the various percentage increases for the various customer classes range from a low of 3.75% for fire protection class to a high of 3.88% for the resale class. Under the Staff class cost of service study for project rates, the range and percentage increase for various classes range from a low of 41.99% for the residential class and a high of 44.45% for the resale class. (Id.).

41. A residential customer of the Utility using 4,500 gallons of water currently pays $26.66 a month. Under the Staff-recommended non-project rates, the same customer will pay $27.67 a month. Under the Staff-recommended project rates, the same customer will pay $37.81 a month. (Staff Exhibit 4).

42. Staff submitted the only class cost of service study in the proceeding. (Staff Ex.4 and file generally).

CONCLUSIONS OF LAW

1. The public convenience and necessity require the project.

2. The proposed financing is reasonable and should be approved.

3. The rates set forth in Appendix A are reasonable, just, based primarily upon the cost of providing service and should be approved for use by the Utility upon the expiration of the statutory deadline for these cases.

4. The rates set forth in Appendix B are reasonable, just, based primarily upon the cost of providing service and should be approved upon the filing of the certificate of substantial completion for the project certificated in this case.

ORDER

IT IS, THEREFORE, ORDERED that the City of Keyser be, and hereby is, granted a certificate of convenience and necessity to construct the improvements to its water distribution and treatment system as described in its application filed November 27, 2012, without specifically approving the project's plans and specifications. The cost of Phase I of the project shall not exceed $4,200,000. The cost of Phase II of the project shall not exceed $7,600,000. Approval is contingent upon receipt of all necessary federal, state and local permits. The Utility shall file all permits not yet received with the Commission upon receipt.

IT IS FURTHER ORDERED that the proposed financing of Phase I, consisting of a USDA Rural Utilities Service loan in the amount of $4,200,000 for 40 years at an interest rate of 2.625%, be, and hereby is, approved.

IT IS FURTHER ORDERED that the proposed financing of Phase II, consisting of a USDA Rural Utilities Service loan in the amount of $4,500,000 for 40 years at an interest rate of 2.375% and an American Recovery and Reinvestment Act of 2009 grant administered by the Rural Utility Service in the amount of $3,100,000, be, and hereby is, approved.

IT IS FURTHER ORDERED that, if the scope or plans for the project change, or project cost or financing changes require a further rate increase beyond any approved in this order, the Utility must obtain prior Commission approval before commencing construction. Changes in project costs or financing do not require separate approval if those changes do not affect rates and the Utility submits an affidavit from a certified public accountant to this effect.

IT IS FURTHER ORDERED that the Utility provide the Commission with a copy of an engineer's certified bid tabulation for all contracts awarded for this project, as soon as they are available, but no later than ten days after the bid opening date.

IT IS FURTHER ORDERED that the Utility submit to the Commission a copy of the certificate of substantial completion issued for each construction contract associated with the project, as soon as they are available, but no later than ten (10) days after the issuance of such documents.

IT IS FURTHER ORDERED that the Utility comply with all rules and regulations of the Division of Highways regarding the use of Division of Highways' rights-of-way.

IT IS FURTHER ORDERED that the rates attached in Appendix A be, and hereby are, approved for all service by the City of Keyser on and after June 25, 2013. The Utility shall provide the Commission an original and five (5) copies of a tariff reflecting the approved rates within thirty (30) days from the date that they are effective.

IT IS FURTHER ORDERED that the rates attached in Appendix B be, and hereby are, approved for all service by the City of Keyser on and after the filing of the certificate of substantial completion in Case No. 12-1679-W-CN. The Utility shall provide the Commission an original and five (5) copies of a tariff reflecting the approved rates with the Commission within thirty (30) days from the date that they are effective.

IT IS FURTHER ORDERED that the matter be removed from the open docket.

The Executive Secretary is hereby ordered to serve a copy of this order upon the Commission by hand delivery, and by electronic service upon all parties of record who have filed an e-service agreement with the Commission and by United States Certified Mail, return receipt requested, upon all parties of record who have not filed an e-service agreement with the Commission.

Leave is hereby granted to the parties to file written exceptions supported by a brief with the Executive Secretary of the Commission within fifteen (15) days of the date this order is

mailed. If exceptions are filed, the parties filing exceptions shall certify to the Executive Secretary that all parties of record have been served the exceptions.

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

Any party may request waiver of the right to file exceptions to an Administrative Law Judge's order by filing an appropriate petition in writing with the Secretary. No such waiver will be effective until approved by order of the Commission.

K. A. George

Keith A. George
Administrative Law Judge

KAG:cdk
120817af.docx

CITY OF KEYSER
CASE NOS. 12-0817-W-MA AND 12-1679-W-CN

APPROVED RATES

APPLICABILITY

Applicable within the entire territory served.

AVAILABILITY OF SERVICE

Available for general domestic, commercial and industrial service.

RATES (For all customers with metered water supply)

First	2,000 gallons used per month	$6.62 per 1,000 gallons
Next	5,000 gallons used per month	$5.77 per 1,000 gallons
Next	50,000 gallons used per month	$5.08 per 1,000 gallons
Next	50,000 gallons used per month	$3.90 per 1,000 gallons
All Over	107,000 gallons used per month	$2.97 per 1,000 gallons

MINIMUM CHARGE

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

5/8-inch meter	$ 13.24 per month
3/4-inch meter	$ 19.86 per month
1 -inch meter	$ 33.10 per month
1-1/4 -inch meter	$ 48.33 per month
1-1/2 -inch meter	$ 66.20 per month
2 -inch meter	$ 105.92 per month
3 -inch meter	$ 211.84 per month
4 -inch meter	$ 331.00 per month
6 -inch meter	$ 662.00 per month
8 -inch meter	$1,059.20 per month

RESALE RATE

To be used when the City is selling water to another water utility for resale.

Rate $2.33 per 1,000 gallons used per month.

RETURNED CHECK CHARGE

A service charge equal to the actual bank fee assessed to the City, or a maximum of $25.00, will be imposed upon any customer whose check for payment of charges is returned by their bank due to insufficient funds.

DELAYED PAYMENT PENALTY

The above schedule is net. On all accounts not paid in full when due, ten percent (10%) will be added to the net current amount unpaid. This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

RECONNECTION

$35.00

To be charged whenever the supply of water is turned off for violations of rules, non-payment of bills, or fraudulent use of water.

TAP FEE

The following charges are to be made whenever the utility installs a new tap to serve an applicant:

A tap fee of $150.00 will be charged to customers applying for service before construction is completed adjacent to the customer's premises in connection with a certificate proceeding before the Commission. This pre-construction tap fee will be invalid after the completion of construction adjacent to an applicant's premises that is associated with a certificate proceeding.

A tap fee of $425.00 will be charged to all customers who apply for service outside of a certificate proceeding before the Commission for each new tap to the system.

LEAK ADJUSTMENT

$0.84 per 1,000 gallons is to be used when the bill reflects unusual consumption which can be attributed to eligible leakage on the customer's side of the meter. This rate shall be applied to all such consumption above the customer's historical average usage.

SECURITY DEPOSIT

Not to exceed two-twelfths (2/12) of the average annual usage of the applicant's specific customer class, or fifty dollars, whichever is greater. This fee may be changed by applicable statutory provisions.

PRIVATE FIRE PROTECTION SERVICE

Where connections, hydrants, sprinklers, etc., on private property are maintained by the customer:

Rate: $144.79 per month

CITY OF KEYSER
CASE NOS. 12-0817-W-MA AND 12-1679-W-CN

APPROVED RATES

APPLICABILITY

Applicable within the entire territory served.

AVAILABILITY OF SERVICE

Available for general domestic, commercial and industrial service.

RATES (For all customers with metered water supply)

First	2,000 gallons used per month	$9.04 per 1,000 gallons
Next	5,000 gallons used per month	$7.89 per 1,000 gallons
Next	50,000 gallons used per month	$7.12 per 1,000 gallons
Next	50,000 gallons used per month	$5.46 per 1,000 gallons
All Over	107,000 gallons used per month	$4.17 per 1,000 gallons

MINIMUM CHARGE

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

5/8-inch meter	$ 18.08 per month
3/4-inch meter	$ 27.12 per month
1 -inch meter	$ 45.20 per month
1-1/4 -inch meter	$ 65.99 per month
1-1/2 -inch meter	$ 90.40 per month
2 -inch meter	$ 144.64 per month
3 -inch meter	$ 289.28 per month
4 -inch meter	$ 452.00 per month
6 -inch meter	$ 904.00 per month
8 -inch meter	$1,446.40 per month

RESALE RATE

To be used when the City is selling water to another water utility for resale.

Rate $3.24 per 1,000 gallons used per month.

RETURNED CHECK CHARGE

A service charge equal to the actual bank fee assessed to the City, or a maximum of $25.00, will be imposed upon any customer whose check for payment of charges is returned by their bank due to insufficient funds.

DELAYED PAYMENT PENALTY

The above schedule is net. On all accounts not paid in full when due, ten percent (10%) will be added to the net current amount unpaid. This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

RECONNECTION

$35.00

To be charged whenever the supply of water is turned off for violations of rules, non-payment of bills, or fraudulent use of water.

TAP FEE

The following charges are to be made whenever the utility installs a new tap to serve an applicant:

A tap fee of $150.00 will be charged to customers applying for service before construction is completed adjacent to the customer's premises in connection with a certificate proceeding before the Commission. This pre-construction tap fee will be invalid after the completion of construction adjacent to an applicant's premises that is associated with a certificate proceeding.

A tap fee of $425.00 will be charged to all customers who apply for service outside of a certificate proceeding before the Commission for each new tap to the system.

LEAK ADJUSTMENT

$0.93 per 1,000 gallons is to be used when the bill reflects unusual consumption which can be attributed to eligible leakage on the customer's side of the meter. This rate shall be applied to all such consumption above the customer's historical average usage.

SECURITY DEPOSIT

Not to exceed two-twelfths (2/12) of the average annual usage of the applicant's specific customer class, or fifty dollars, whichever is greater. This fee may be changed by applicable statutory provisions.

PRIVATE FIRE PROTECTION SERVICE

Where connections, hydrants, sprinklers, etc., on private property are maintained by the customer:

Rate: $199.84 per month

P.S.C. W. Va. No. 20
Canceling P.S.C. W. Va. No. 19

CITY OF KEYSER, a municipal utility

OF

KEYSER, WEST VIRGINIA

RATES, RULES AND REGULATIONS FOR FURNISHING

WATER

at Keyser and vicinity, Mineral County, West Virginia

RECEIVED
13 JUN 21 AM 9:02
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COMMISSION
SECRETARY'S OFFICE

Filed with THE PUBLIC SERVICE COMMISSION
of
WEST VIRGINIA

Issued May 29, 2013

Effective for all service rendered on and after June 25, 2013
or as otherwise provided herein

Issued by authority of an Order of the
Public Service Commission of West Virginia
in Case Nos. 12-0817-W-MA and 12-1679-W-CN
final May 21, 2013.

Issued by CITY OF KEYSER, a municipal utility

By _____

_____
Title

RULES AND REGULATIONS

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

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COMMISSION
SECRETARY'S OFFICE

APPLICABILITY

Applicable within the entire territory served.

(C) AVAILABILITY OF SERVICE

Available for general domestic, commercial, and industrial service.

RATES (For all customers with metered water supply)

First	2,000 gallons used per month	$ 6.62 per 1,000 gallons
Next	5,000 gallons used per month	$ 5.77 per 1,000 gallons
Next	50,000 gallons used per month	$ 5.08 per 1,000 gallons
Next	50,000 gallons used per month	$ 3.90 per 1,000 gallons
All over	107,000 gallons used per month	$ 2.97 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:

	5/8 inch meter	$ 13.24 per month
(D)	3/4 inch meter	$ 19.86 per month
(D)	1 inch meter	$ 33.10 per month
(D)	1 - 1/4 inch meter	$ 48.33 per month
(D)	1 - 1/2 inch meter	$ 66.20 per month
(D)	2 inch meter	$ 105.92 per month
(D)	3 inch meter	$ 211.84 per month
(D)	4 inch meter	$ 331.00 per month
(D)	6 inch meter	$ 662.00 per month
(D)	8 inch meter	$ 1,059.20 per month

(C) RESALE RATE

To be used when the City is selling water to another water utility for resale.
Rate - $2.33 per 1,000 gallons used per month

(C) RETURNED CHECK CHARGE

A service charge equal to the actual bank fee assessed to the City, or a maximum of $25.00, will be imposed upon any customer whose check for payment of charges is returned by their bank due to insufficient funds.

(C) Indicates change in text
(D) Indicates decrease

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DELAYED PAYMENT PENALTY

The above schedule is net. On all accounts not paid in full when due, ten percent (10%) will be added to the net current amount unpaid. This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

RECONNECTION FEE - $35.00

To be charged whenever the supply of water is turned off for violations of rules, non-payment of bills or fraudulent use of water.

TAP FEE

The following charges are to be made whenever the utility installs a new tap to serve an applicant:

(I) A tap fee of $150.00 will be charged to customers applying for service before construction is completed adjacent to the customer's premises in connection with a certificate proceeding before the Commission. This pre-construction tap fee will be invalid after the completion of construction adjacent to an applicant's premises that is associated with a certificate proceeding.

A tap fee of $425.00 will be charged to all customers who apply for service outside of a certificate proceeding before the Commission for each new tap to the system.

(I) LEAK ADJUSTMENT

$0.84 per 1,000 gallons is to be used when the bill reflects unusual consumption which can be attributed to eligible leakage on the customer's side of the meter. This rate shall be applied to all such consumption above customer's historical average usage.

SECURITY DEPOSIT

Not to exceed two-twelfths (2/12) of the average annual usage of the applicant's specific customer class or fifty dollars, whichever is greater. This fee may be changed by applicable statutory provisions.

PRIVATE FIRE PROTECTION SERVICE

Where connections, hydrants, sprinklers, etc., on private property are maintained by the customer:

Rate - $144.79 per month

(I) Indicates increase

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SECRETARY'S OFFICE

SUPPLEMENT NO. 1 TO P.S.C. W. Va. No. 20

CITY OF KEYSER, a municipal utility

OF

KEYSER, WEST VIRGINIA

RATES, RULES AND REGULATIONS FOR FURNISHING

WATER

at Keyser and vicinity, Mineral County, West Virginia

Filed with THE PUBLIC SERVICE COMMISSION
of
WEST VIRGINIA

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SECRETARY'S OFFICE

Issued May 29, 2013

Effective for service rendered on and after the filing of the certificate of substantial completion in Case No. 12-1679-W-CN or as otherwise provided herein

Issued by authority of an Order of the
Public Service Commission of West Virginia
in Case Nos. 12-0817-W-MA and 12-1679-W-CN
final May 21, 2013.

Issued by CITY OF KEYSER, a municipal utility

By _____

Mayor
Title

RULES AND REGULATIONS

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

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COMMISSION
SECRETARY'S OFFICE

APPLICABILITY

Applicable within the entire territory served.

AVAILABILITY OF SERVICE

Available for general domestic, commercial and industrial service.

(I) RATES (For all customers with metered water supply)

First	2,000 gallons used per month	$ 9.04 per 1,000 gallons
Next	5,000 gallons used per month	$ 7.89 per 1,000 gallons
Next	50,000 gallons used per month	$ 7.12 per 1,000 gallons
Next	50,000 gallons used per month	$ 5.46 per 1,000 gallons
All over	107,000 gallons used per month	$ 4.17 per 1,000 gallons

(I) MINIMUM CHARGE

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

5/8 inch meter	$ 18.08 per month
3/4 inch meter	$ 27.12 per month
1 inch meter	$ 45.20 per month
1 - 1/4 inch meter	$ 65.99 per month
1 - 1/2 inch meter	$ 90.40 per month
2 inch meter	$ 144.64 per month
3 inch meter	$ 289.28 per month
4 inch meter	$ 452.00 per month
6 inch meter	$ 904.00 per month
8 inch meter	$ 1,446.40 per month

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ENGINEERING DIVISION

(I) RESALE RATE

To be used when the City is selling water to another water utility for resale.
Rate - $3.24 per 1,000 gallons used per month

(I) Indicates increase

Issued by authority of an Order of the Public Service Commission of West Virginia in Case Nos. 12-0817-W-MA and 12-1679-W-CN final May 21, 2013 to become effective upon substantial completion of the project approved in the Order.

Supplement No. 1 will become effective when the project is certificated to be substantially complete.

RETURNED CHECK CHARGE

A service charge equal to the actual bank fee assessed to the City, or a maximum of $25.00, will be imposed upon any customer whose check for payment of charges is returned by their bank due to insufficient funds.

DELAYED PAYMENT PENALTY

The above schedule is net. On all accounts not paid in full when due, ten percent (10%) will be added to the net current amount unpaid. This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

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SECRETARY'S OFFICE

RECONNECTION FEE - $35.00

To be charged whenever the supply of water is turned off for violations of rules, non-payment of bills or fraudulent use of water.

TAP FEE

The following charges are to be made whenever the utility installs a new tap to serve an applicant:

A tap fee of $150.00 will be charged to customers applying for service before construction is completed adjacent to the customer's premises in connection with a certificate proceeding before the Commission. This pre-construction tap fee will be invalid after the completion of construction adjacent to an applicant's premises that is associated with a certificate proceeding.

A tap fee of $425.00 will be charged to all customers who apply for service outside of a certificate proceeding before the Commission for each new tap to the system.

(I) LEAK ADJUSTMENT

$0.93 per 1,000 gallons is to be used when the bill reflects unusual consumption which can be attributed to eligible leakage on the customer's side of the meter. This rate shall be applied to all such consumption above customer's historical average usage.

(I) Indicates increase

Issued by authority of an Order of the Public Service Commission of West Virginia in Case Nos. 12-0817-W-MA and 12-1679-W-CN final May 21, 2013 to become effective upon substantial completion of the project approved in the Order.

Supplement No. 1 will become effective when the project is certificated to be substantially complete.

SECURITY DEPOSIT

Not to exceed two-twelfths (2/12) of the average annual usage of the applicant's specific customer class, or fifty dollars, whichever is greater. This fee may be changed by applicable statutory provisions.

(I) PRIVATE FIRE PROTECTION SERVICE

Where connections, hydrants, sprinklers, etc., on private property are maintained by the customer:

Rate - $199.84 per month

(I) Indicates increase

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COMMISSION
SECRETARY'S OFFICE

Issued by authority of an Order of the Public Service Commission of West Virginia in Case Nos. 12-0817-W-MA and 12-1679-W-CN final May 21, 2013 to become effective upon substantial completion of the project approved in the Order.

Supplement No. 1 will become effective when the project is certificated to be substantially complete.

I, as an officer of the News-Tribune, a daily newspaper published at Keyser, Mineral County, West Virginia, hereby certify that the

Steptoe & Johnson LLC

in the case of

City of Keyser
Bond Ordinance

vs.

a copy whereof is hereto annexed has been published for 2 consecutive

WEEKS

in said NEWS TRIBUNE, the first publication being on the 24th day of, April 2013.

Given under my hand at Keyser this 1st day of May, 2013.

Publisher

Publisher's Fee
$ 416.85

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
SANDRA K CANFIELD
H C 72 Box 380 Keyser WV 26726
My Commission Expires April 19, 2021

Sandra K. Canfield
My Commission expires
4-19-21

NOTICE OF PUBLIC HEARING ON CITY OF KEYSER BOND ORDINANCE

A public hearing will be held on the followingentitled Ordinance at a regular meeting of the Council of the City of Keyser (the "City") to be held on Wednesday, May 8, 2013, at 4:30 p.m., at the City Hall, 111 North Davis Street, Keyser, West Virginia, and at such hearing any person interested may appear before the Council and present protests, and all protests and suggestions shall be heard by the Council and it shall then take such actions as it shall deem proper in the premises upon an Ordinance entitled:

ORDINANCE AUTHORIZING THE DESIGN OF ADDITIONS, BETTERMENTS, IMPROVEMENTS AND EXTENSIONS TO THE EXISTING SEWERAGE SYSTEM OF THE CITY OF KEYSER AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE CITY OF KEYSER OF NOT MORE THAN $1,200,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWERAGE SYSTEM DESIGN REVENUE BONDS, SERIES 2013 A (WEST VIRGINIA SRF PROGRAM); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A BOND PURCHASE 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 aboveentitled Ordinance was approved by the Council on April 10, 2013.

The abovequoted title of the Ordinance describes generally the contents thereof and the purposes of the Sewer Design Bonds contemplated thereby. The City contemplates the issuance of the Sewer Design Bonds described in the Ordinance. The proceeds of the Sewer Design Bonds will be used (i) to pay a portion of the costs of design of acquisition and construction of certain additions, betterments, improvements and extensions to the existing sewerage system of the Issuer (the design and other preconstruction activities collectively defined as the "Sewer Design Project"); and (ii) to pay certain costs of issuance of the Sewer Design Bondsand related costs. The Sewer Design Bonds are payable solely from Net Revenues to be derived from the ownership and operation of the System of the City. No taxes may at any time be levied for the payment of the Sewer Design Bonds or the interest thereon.

A certified copy of the aboveentitled Ordinance is on file with the Council at the office of the City Clerk for review by interested parties during regular office hours.

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

A second public hearing will be held on the following entitled Ordinance at a regular meeting of the Council of the City to be held on Wednesday, May 8, 2013, at 4:35 p.m., at the City Hall, 111 North Davis Street, Keyser, West Virginia, and at such hearing any person interested may appear before the Council and present protests, and all protests and suggestions shall be heard by the Council and it shall then take such actions as it shall deem proper in the premises upon an Ordinance entitled:

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN ADDITIONS, BETTERMENTS, EXTENSIONS AND IMPROVEMENTS TO THE EXISTING PUBLIC SEWERAGE SYSTEM OF THE CITY OF KEYSER, AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED THEREOF, THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN $3,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2013 A (UNITED STATES DEPARTMENT OF AGRICULTURE) IN ONE OR MORE SERIES; DEFINING AND PRESCRIBING THE TERMS AND PROVISIONS OF THE BONDS; PROVIDING GENERALLY FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE HOLDER OF THE BONDS; AND PROVIDING WHEN THIS ORDINANCE SHALL TAKE EFFECT.

The aboveentitled Ordinance was approved by the Council on April 10, 2013.

The abovequoted title of the Ordinance describes generally the contents thereof and the purposes of the Chestnut Street Sewer Bonds contemplated thereby. The City contemplates the issuance of the Chestnut Street Sewer Bonds described in the Ordinance. The proceeds of the Chestnut Street Sewer Bonds will be used (i) to pay the costs of acquisition and construction of certain additions, betterments, improvements and extensions to the existing sewerage system of the Issuer (the "Chestnut Street Sewer Project"); and (ii) to pay certain costs of issuance of the Chestnut Street Sewer Bondsand related costs. The Chestnut Street Sewer Bonds are payable solely from Net Revenues to be derived from the ownership and operation of the System of the City. No taxes may at any time be levied for the payment of the Chestnut Street Sewer Bonds or the interest thereon.

A certified copy of the aboveentitled Ordinance is on file with the Council at the office of the City Clerk for review by interested parties during regular office hours.

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

A third public hearing will be held on the following entitled Ordinance at a regular meeting of the Council of the City to be held on Wednesday, May 8, 2013, at 4:40 p.m., at the City Hall, 111 North Davis Street, Keyser, West Virginia, and at such hearing any person interested may appear before the Council and present protests, and all protests and suggestions shall be heard by the Council and it shall then take such actions as it shall deem proper in the premises upon an Ordinance entitled:

ORDINANCE AUTHORIZING THE PAYMENT OF THE WATERWORKS DESIGN BOND ANTICIPATION NOTE, SERIES 2012 A; AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC WATERWORKS FACILITIES OF THE CITY OF KEYSER, AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED THEREOF, THROUGH THE ISSUANCE BY THE CITY OF KEYSER OF NOT MORE THAN $5,200,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2013 A (UNITED STATES DEPARTMENT OF AGRICULTURE) IN ONE OR MORE SERIES; DEFINING AND PRESCRIBING THE TERMS AND PROVISIONS OF THE BONDS; PROVIDING GENERALLY FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE HOLDER OF THE BONDS; AND PROVIDING WHEN THIS ORDINANCE SHALL TAKE EFFECT.

The aboveentitled Ordinance was approved by the Council on April 10, 2013.

The abovequoted title of the Ordinance describes generally the contents thereof and the purposes of the Phase I Water Bonds contemplated thereby. The City contemplates the issuance of the Phase I Water Bonds described in the Ordinance. The proceeds of the Phase I Water Bonds will be used (i) pay the Issuer's Waterworks Design Bond Anticipation Notes, Series 2012 A (The Ohio Valley Bank Company), dated May 9, 2012 and issued in the original aggregate principal amount of $350,000; (ii) pay the costs of acquisition and construction of certain additions, betterments and improvements to the existing public waterworks system of the Issuer; and (iii) pay costs of issuance of the Phase I Water Bonds and other related costs. The Phase I Water Bonds are payable solely from Gross Revenues to be derived from the ownership and operation of the system of the City. No taxes may at any time be levied for the payment of the Phase I Water Bonds or the interest thereon.

A certified copy of the aboveentitled Ordinance is on file with the Council at the office of the City Clerk for review by interested parties during regular office hours.

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

A fourth public hearing will be held on the following entitled Ordinance at a regular meeting of the Council of the City to be held on Wednesday, May 8, 2013, at 4:45 p.m., at the City Hall, 111 North Davis Street, Keyser, West Virginia, and at such hearing any person interested may appear before the Council and present protests, and all protests and suggestions shall be heard by the Council and it shall then take such actions as it shall deem proper in the premises upon an Ordinance entitled:

ORDINANCE AUTHORIZING THE PAYMENT OF THE WATERWORKS DESIGN BOND ANTICIPATION NOTE, SERIES 2012 B; AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC WATERWORKS FACILITIES OF THE CITY OF KEYSER, AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED THEREOF, THROUGH THE ISSUANCE BY THE CITY OF KEYSER OF NOT MORE THAN $5,500,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2013 B (UNITED STATES DEPARTMENT OF AGRICULTURE) IN ONE OR MORE SERIES; DEFINING AND PRESCRIBING THE TERMS AND PROVISIONS OF THE BONDS; PROVIDING GENERALLY FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE HOLDER OF THE BONDS; AND PROVIDING WHEN THIS ORDINANCE SHALL TAKE EFFECT.

The aboveentitled Ordinance was approved by the Council on April 10, 2013.

The abovequoted title of the Ordinance describes generally the contents thereof and the purposes of the Phase II Water Bonds contemplated thereby. The City contemplates the issuance of the Phase II Water Bonds described in the Ordinance. The proceeds of the Phase II Water Bonds will be used (i) pay the Issuer's Waterworks Design Bond Anticipation Notes, Series 2012 B (The Ohio Valley Bank Company), dated May 9, 2012 and issued in the original aggregate principal amount of $655,000; (ii) pay the costs of acquisition and construction of certain additions, betterments and improvements to the existing public waterworks system of the Issuer; and (iii) pay costs of issuance of the Phase II Water Bonds and other related costs. The Phase II Water Bonds are payable solely from Gross Revenues to be derived from the ownership and operation of the system of the City. No taxes may at any time be levied for the payment of the Phase II Water Bonds or the interest thereon.

A certified copy of the aboveentitled Ordinance is on file with the Council at the office of the City Clerk for review by interested parties during regular office hours.

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

Dated: April 17, 2013.
Randy Amtower
Mayor

City of Keyser Council Meeting
March 27, 2013

PRESENT WERE: Elwood Junkins, Jennifer Bennett, Mike Kesecker, Gerald Ickes, Butch Keister, Richard Kerns, Jim Hannas, Gerri Mason, Glenn Gank, Karen Shoemaker, Shannon Marsh, Terry Liller, Isaac Alt, Mayor Randy Amtower, Clinton Faulk, Herman Judy, and Carol Kiggins.

Mayor Randy Amtower called the meeting to order and we all stood for the Pledge of Allegiance.

Councilman Clinton Faulk made a motion to accept the minutes from the previous meeting. Councilman Herman Judy seconded this motion. VOTE 4-0 (YEA)

Councilman Isaac Alt made a motion to accept the Check Distribution. Councilman Terry Liller seconded this motion. VOTE 4-0 (YEA)

ANNOUNCEMENTS:

Randy wanted to let the citizens know what all is going on with the police department since his has been working last shift he has been hearing the police department all over the radio. In the last 30 days the police department has made 45 arrests ranging from DUI, burglary, driving suspended, assault on a police officer, public intoxication to several other charges.

Randy talked to Andy Dicker with NRCS in Morgantown and Clinton has made some pleas to our delegates and basically what they were told is that this has been going on long enough. That we need to get the gates shut to start retaining water or our state and federal officials are going to have to start making plans to get water back into the city this summer. Andy said that a meeting was scheduled for the next day and the outcome of that meeting was that their construction was completed on March 22, 2013 and that they contractors schedule be summit no later than April 2nd. In summary they are going to close the gates check for leaks and leave the gates close and continue the fight with the contractors with the gates closed.

As of last night we received the recommendations on sewer from PSC, basically what in amounts to be the interim rates on sewer will be reduced by 1.01% as

recommended by PSC with a decrease in annual revenues of $10,812.00 for going level. This puts residential at a 13.8% increase and a 2.8% on resale on the going level. These rates would go into effect around July. We should receive the water recommendations later tonight.

Randy had been contacted by representatives from Carl Belts Construction concerning the new Fire Station. Randy, Shannon, the Fire Chief and Dave Harman meet with some people from Carl Belts. They went thru the Fire Station and talked about some of the issues with the doors and several others. They did find out the flow alarm was wired backwards from the beginning that is why it did not go off when the pipes busted and flooded the fire station. Carl Belts Construction is going to work with the city to resolve these issues and get them taken care of. Randy did tell Carl Belt that the city has never blamed them for any of these problems.

Gary Howell called Randy about an idea on how to fund an evacuation bridge to the West End. Gary's idea was that an evacuation bridge could be fund through the revenue source from the wind farms. He had sponsored a bill for that in the house (bill 2718) it had to go through the roads of transportation committee which is chaired by Margaret Staggers the delegate out of Nicholas County. Randy went in to talk to Mrs. Staggers about this and there was a concern about the ownership of the bridge. The concern was that they did not want ownership of the bridge, we were told what they needed from us was a resolution saying that the City would take ownership of the bridge. We agreed and we called a special meeting and approved the resolution. Mrs. Staggers said it did not get on the agenda because there was questions as to if it was legal or not. Basically the project is at a standstill the city does not know what else to do.

CITIZENS REQUEST / COMPLAINTS:

Karol Ashenfelter just wanted to commit on what Randy said concerning the evacuation bridge and to let the citizens know that they real need to get behind the City and call Charleston that the City has done everything that they possible can. Karol thinks that the citizens should call and complain because this is a safety issue and she would like to see the city write a nice little scalding letter to Charleston telling them to get off their butts and get busy.

NEW BUSINESS:

CHILD ABUSE PREVENTION MONTH – GERRI MASON:

For the last two years Gerri Mason and a couple other groups would like to decorate downtown Keyser in Blue again in honor of Child Abuse Prevention Month. They would be putting up the pinwheels and blue ribbons up in Keyser and just wanted the approval of the Mayor and Council for this project. Councilman Herman Judy made a motion that we approve the decorating of Keyser in blue for the Child Abuse Prevention Month. Councilman Clinton Faulk seconded this motion. VOTE 4-0 (YEA)

FIRST READING SEWERAGE SYSTEM DESIGN REVENUE BONDS, SERIES 2013 A (CHESAPEAKE BAY DESIGN LOAN):

This ordinance authorizing the design of additions, betterments, improvements and extensions to the existing sewerage system of the City of Keyser and the financing of the cost, not otherwise provided, thereof through the issuance by the City of Keyser of not more than $1,200,000 in aggregate revenue bonds, series 2013A; 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 bond purchase agreement relating to such bonds; authorizing the sale and providing for the terms and provisions of such bonds and adopting other provisions relating thereto. Councilman Clinton Faulk made a motion to adopt the ordinance on the first reading. Councilman Herman Judy seconded this motion. VOTE 4-0 (YEA)

FIRST READING SEWER REVENUE BONDS, SERIES 2013 A (CHESTNUT STREET):

This ordinance authorizing the acquisition and construction of certain additions, betterments, extensions and improvements to the existing public sewerage system of the City of Keyser, and the financing of the cost, not otherwise provided thereof, through the issuance by the city of not more than 3,000,000 in aggregate principal amount of sewer revenue bonds, series 2013 A in one or more series; defining and prescribing the terms and provisions of the bonds; providing generally for the holder of the bonds; and providing when this ordinance shall take effect. Councilman Terry Liller made a motion to adopt the ordinance on the first reading. Councilman Isaac Alt seconded this motion. VOTE 4-0 (YEA)

FIRST READING WATER REVENUE BONDS, SERIES 2013 A (PHASE I WATER BONDS):

This ordinance authorizing the payment of the waterworks design bond anticipation note, series 2012 A; authorizing the acquisition and construction of certain additions, betterments and improvements to the existing public waterworks facilities of the City of Keyser, and the financing of the cost, not otherwise provided thereof, through the issuance by the City of Keyser of not more than 5,200,000 in aggregate Series 2013 A in one of more series; defining and prescribing the terms and provisions of the bonds; providing generally for the rights and remedies of and security for the holder of the bonds; and providing when this ordinance shall take effect. Councilman Herman Judy made a motion to adopt the ordinance on the first reading. Councilman Clinton Faulk seconded this motion. VOTE 4-0 (YEA)

FIRST READING WATER REVENUE BONDS, SERIES 2013 B (PHASE II WATER BONDS):

This ordinance authorizing the payment of the waterworks design bond anticipation note, series 2012 B; authorizing the acquisition and construction of certain additions, betterments and improvements to the existing public waterworks facilities of the City of Keyser, and the financing of the cost, not otherwise provided thereof, through the issuance by the City of Keyser of not more than 5,500,000 in aggregate principal amount of water revenue bonds, series 2013 B in one or more series; defining and prescribing the terms and provisions of the bonds; providing generally for the rights and remedies of and security for the holder of the bonds; and providing when this ordinance shall take effect. Councilman Herman Judy made a motion to adopt the ordinance on the first reading. Councilman Clinton Faulk seconded this motion. VOTE 4-0 (YEA)

BUDGET REVISION:

We have two budget revisions tonight one is an in house revision and the other is an across the lines revision. The first one we are going to go over is the one that will need to be sent in to the State Auditor's Office we are increasing elections by $1,189.00 and decreasing city attorney by $1,189.00, we are also increasing city hall by $15,100.00 and decreasing city attorney by $15,100.00. Councilman Clinton Faulk made a motion to accept the budget revision as presented. Councilman Herman Judy seconded this motion. VOTE 4-0 (YEA)

The seconded one is an in house revision we are increasing Mayor drug testing be 21.42 and decreasing Mayor dues by 21.42, we are increasing police legal publication by 375.00, increasing police equipment by 250.00 and decreasing police travel by $625.00; we are increasing street printing by 40.99 and decreasing supplies and materials by 40.99; we are increasing pool training be 600.00, increasing pool dues by 25.00 and decreasing pool contracted services by 625.00; and lastly we are increasing playgrounds capital outlay by 1,000 and decreasing playgrounds M&R Buildings and Grounds by 1,000. Councilman Isaac Alt made a motion to accept the budget in house revision as presented. Councilman Terry Liller seconded this motion. VOTE 4-0 (YEA)

REQUEST FROM TAX CLERK FOR APPROVAL OF VACANT BUILDING ORDINANCE:
The vacant building ordinance was streamlined to encourage vacant buildings to be maintained and occupied. Vacant buildings that are not maintained contribute to the detriment of neighborhoods, property values and aesthetics of our city. In addition, this ordinance promotes safe living and working environments for City neighborhoods and commercial corridors by providing a high level of service to residents, businesses and visitors in the City. This ordinance decreases the time a vacant building can be declared a public nuisance from 90 to 30 days by Code Enforcement staff who will also investigate complaints for landscape, vehicles, junk and debris related to vacant buildings. Neighborhood livability and business economic vitality is enhanced when a vacant building meets all codes, is landscaped and is ready for occupancy. The discussion of the council was that they would like to set up a workshop so that this ordinance could be discussed in length and factors be decided upon.

APPROVAL TO OBTAIN MEMBERSHIP TO PEOPLE FINDER:
The City would like to sign up for a membership to Spokeo for a six month membership of $3.95 per month. We are hoping to find people to skip out on utility bills. Councilman Terry Liller made a motion to approve the city to obtain membership to Spokeo after us double check and make sure it is legal for the city to do this. Councilman Herman Judy seconded this motion. VOTE 4-0 (YEA)

CHIEF OF POLICE'S REPORT – KAREN SHOEMAKER:
The police department hired Patrolman Timothy Hodel last week is a 25 year old man from Oldtown, but as soon as he sells his house he will be moving to Keyser. Also we are winding up our yearly training that needs to be meet and turned in by

June 30, 2013. Patrolman Brantner is in Charleston right now taking a class on Detecting Meth Labs the police department is seeing more and more of these around. The law enforcement training committee has sent out a packet to each officer and to Karen the administrator and in that packet are new things that require us to train on and a brand new tracking system for the officers' training in service hours. They will no longer let you slide on this if you don't get it done your certification will be suspended.

WATER TREATMENT PLANT SUPERVISOR – BUTCH KEISTER:
Everything is doing pretty good and they have switched over to a new lab for their samples and we don't have to pay any more to send them out they come in and pick up the samples three times a month.

WATER DISTRIBUTION SUPERVISOR – GLENN GANK:
Teddy Nester and Glenn Gank spent two days in Morgantown for CPO Certification. The certification is good for five years and they should have their results soon.

WASTE WATER TREATMENT PLANT SUPERVISOR – MIKE KESECKER:
Everything is running smooth in the plant and in the lab. Mike also just wanted to let the Mayor and Council know that our first set of 2013 testing required by the state came back good. That is 90 tests in a row that the guys have done that have come back good. Preparing for Biennial laboratory audit by WVDEP, continue to work closely with Dunn Engineers regarding the new WWTP. Next compliance milestone is due July 31, 2013.

STREET/SANITARY COLLECTIONS SUPERVISOR – JIM HANNAS:
All routine work done as usual, two handicapped parking areas painted per Chief of Police, Various signs installed throughout the city for Keyser on the Move. Various holes filled with cold mix, one loan of salt was delivered and stockpiled in the salt bin, salt spreaders and plows were cleaned and maintained, and various ditch lines, culverts and inlets cleaned by the Street Dept. during snow melt off.

FIRE CHIEF'S REPORT – CHRIS PAITSEL:
Not present at tonight's meeting.

FINANCE COMMISSIONER'S REPORT – RANDY AMTOWER:

General Fund	$ 87,942.00
Fire Protection Fund	27,022.00
Operating General Account	114,964.00
Water Account	37,019.00
Sewer Account	33,543.00
Coal Severance Account	28,331.00
Rainy Day Account	100,907.00
Water Sec. Dep. Account	72,834.00
Water Depr. Res. Account	14,646.00
Sewer Sec. Dep. Account	26,602.00
Sewer Depr. Res. Account	16,694.00
Street Excess Account	202,793.00

PARKS / RECREATION COMMISSIONER'S REPORT – ISAAC ALT:

Jim Hannas is going to get the Amphitheater ready to go the middle of April. Build date for the new playground equipment is April 27th. Nick will be bringing in the mail outs for the basket bingo with all the proceeds going towards the pool. Strawberry Festival applications are coming in slowly.

COMMITTIES:

The parking committee has met twice with good representation from Potomac State. After this meeting we have come up with several place where parking needs to be address and where some people are being charged for parking and some are getting it for free that need to be addressed.

UNFINISHED BUSSINESS:

None

ANNOUNCEMENTS:

Canvassing of Levy Election – Friday, March 29, 2013 @ 4:15pm
Special Meeting Budget Certification – Wednesday, April 3, 2013 @ 4:15pm
Water Board Meeting – Monday, April 8, 2013 @ 4:00pm
Sanitary Board Meeting – Monday, April 8, 2013 @ 4:30pm

Parks and Recs Board Meeting – Monday, April 8, 2013 @7:00pm
Next Council Meeting – Wednesday, April 10, 2013 @ 4:30pm
Laying of Levy Rate – Tuesday, April 16, 2013 @ To Be Announced

Councilman Herman Judy made a motion to Adjourn. Councilman Terry Liller seconded this motion. VOTE 4-0 (YEA)

City of Keyser Council Meeting
April 10, 2013

PRESENT WERE: Karol Ashenfelter, Gerald Ickes, Linda McGreevy, Elwood Junkins, Jennifer Bennett, Terry Liller, Isaac Alt, Mayor Randy Amtower, Clinton Faulk, Herman Judy, Richard Kerns, Elaine Blaisdale, Shannon Marsh, and Carol Kiggins.

Mayor Randy Amtower called the meeting to order and we all stood for the Pledge of Allegiance.

Councilman Clinton Faulk made a motion to accept the minutes from the previous meeting. Councilman Terry Liller seconded this motion. VOTE 4-0 (YEA)

Councilman Isaac Alt made a motion to accept the Check Distribution. Councilman Clinton Faulk seconded this motion. VOTE 4-0 (YEA)

ANNOUNCEMENTS:
There will be a pre-bid meeting held Friday, April 19, 2013 at 9:00AM at Fire Station #1 for the repairs on the water damage.

Mayor and Council have been invited to the National Day of Prayer breakfast on May 2, 2013 at Davis Hall up at Potomac State College from 8am until 9:30 am.

CITIZENS REQUEST:
Karol Ashenfelter had two questions; she received a phone saying that the city is paying $90.00 a month to park police cars in the lot across from the police station. Randy told Karol that is incorrect he would never pay $90.00 a month for parking.

Karol also wanted to know from the PSC Public meeting concerning the rates, Karol wanted to know what the city asked for and what the Public Service Commission is giving us. Randy told Karol that basically nothing was decided on yesterday that they will take all of the information they gathered yesterday and then the judge will review everything and we will get a letter in the mail sometime in July or August to let us know the final decision that the judge made.

NEW BUSINESS:

SECOND READING SEWERAGE SYSTEM DESIGN REVENUE BONDS, SERIES 2013 A (CHESAPEAKE BAY DESIGN LOAN):

This ordinance authorizing the design of additions, betterments, improvements and extensions to the existing sewerage system of the City of Keyser and the financing of the cost, not otherwise provided, thereof through the issuance by the City of Keyser of not more than $1,200,000 in aggregate revenue bonds, series 2013A; 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 bond purchase agreement relating to such bonds; authorizing the sale and providing for the terms and provisions of such bonds and adopting other provisions relating thereto.

SECOND READING SEWER REVENUE BONDS, SERIES 2013 A (CHESTNUT STREET):

This ordinance authorizing the acquisition and construction of certain additions, betterments, extensions and improvements to the existing public sewerage system of the City of Keyser, and the financing of the cost, not otherwise provided thereof, through the issuance by the city of not more than 3,000,000 in aggregate principal amount of sewer revenue bonds, series 2013 A in one or more series; defining and prescribing the terms and provisions of the bonds; providing generally for the holder of the bonds; and providing when this ordinance shall take effect.

SECOND READING WATER REVENUE BONDS, SERIES 2013 A (PHASE I WATER BONDS):

This ordinance authorizing the payment of the waterworks design bond anticipation note, series 2012 A; authorizing the acquisition and construction of certain additions, betterments and improvements to the existing public waterworks facilities of the City of Keyser, and the financing of the cost, not otherwise provided thereof, through the issuance by the City of Keyser of not more than 5,200,000 in aggregate Series 2013 A in one of more series; defining and prescribing the terms and provisions of the bonds; providing generally for the rights and remedies of and security for the holder of the bonds; and providing when this ordinance shall take effect.

SECOND READING WATER REVENUE BONDS, SERIES 2013 B (PHASE II WATER BONDS):

This ordinance authorizing the payment of the waterworks design bond anticipation note, series 2012 B; authorizing the acquisition and construction of certain additions, betterments and improvements to the existing public waterworks facilities of the City of Keyser, and the financing of the cost, not otherwise provided thereof, through the issuance by the City of Keyser of not more than 5,500,000 in aggregate principal amount of water revenue bonds, series 2013 B in one or more series; defining and prescribing the terms and provisions of the bonds; providing generally for the rights and remedies of and security for the holder of the bonds; and providing when this ordinance shall take effect.

WATER DESIGN LOAN RESOLUTION:

This is our monthly allocations on the Ohio Valley Bank. On phase I we have one distribution for Spilman, Thomas & Battle in the amount of $1,644.13 and on phase II we have two distributions for Spilman, Thomas & Battle and Griffith and Associates in the amount of $2,572.68 making a total distribution of $4,216.81. Councilman Clinton Faulk made a motion to accept the Water Design Loan Resolution. Councilman Isaac Alt seconded this motion. VOTE 4-0 (YEA)

REVISIONS TO MANAGEMENT PRACTICE POLICY:

Mike Ryan retired the end of this past year and some of the Accounting responsibilities have changed at City Hall. The City Accountant responsibilities have now been diverted to the City Recorder except for section 5 Mendy Kesecker the City Water Clerk will be doing the Bank Reconciliations. Councilman Clinton Faulk made a motion to approve the changes to the Management Practice Policy as presented at this meeting. Councilman Isaac Alt seconded this motion. VOTE 4-0 (YEA)

APPROVAL TO PROCEED WITH DEVELOPMENT OF A VACANT BUILDING ORDINANCE:

We had a workshop on April 4, 2013 to discuss the idea of developing a vacant building ordinance that would cut down on the vacant buildings in the city and to try and promote business to rent out their vacant buildings. Councilman Terry Liller made a motion to approve that we proceed with the development of a vacant building ordinance that will be brought back to Mayor and Council at

another workshop for future discussion. Councilman Clinton Faulk seconded this motion. VOTE 4-0 (YEA)

FINANCE COMMISSIONER'S REPORT – RANDY AMTOWER:

General Fund	$103,431.00
Fire Protection Fund	28,006.00
Operating General Account	131,437.00
Water Account	25,447.00
Sewer Account	53,011.00
Coal Severance Account	33,615.00
Rainy Day Account	100,911.00
Water Sec. Dep. Account	69,710.00
Water Depr. Res. Account	16,655.00
Sewer Sec. Dep Account	26,852.00
Sewer Depr. Res. Account	18,278.00
Street Excess Account	210,336.00

UNFINISHED BUSINESS:

None

ANNOUNCEMENTS:

Laying of Levy Rate – Tuesday, April 16, 2013 at 10:00am
Next Council Meeting – Wednesday, April 24, 2013 at 6:00pm
Water Board Meeting – Monday, May 13, 2013 at 4:00pm
Sanitary Board Meeting – Monday, May 13, 2013 at 4:30pm
Recreation Board Meeting – Monday, May 13, 2013 at 7:00pm

Next Compliance Milestone – July 31, 2013 Need to obtain approval of the final plans and specifications for the treatment upgrades and shall also submit a major permit modification application to the WV DEP for the necessary treatment upgrades.

Councilman Herman Judy made a motion to adjourn. Councilman Terry Liller seconded this motion. VOTE 4-0 (YEA)

City of Keyser Council Meeting
May 8, 2013

PRESENT WERE: Charlie Junkins, Karol Ashenfelter, Gerald Ickes, Elwood Junkins, Jennifer Bennett, Brian Toye, Robin Vereen, Martie, Terry Liller, Isaac Alt, Mayor Randy Amtower, Clinton Faulk, Ed Miller, Mrs. Miller, Herman Judy, Shannon Marsh, Richard Kerns, and Carol Kiggins.

Mayor Randy Amtower called the meeting to order and we all stood for the Pledge of Allegiance.

Councilman Clinton Faulk made a motion to accept the minutes from the previous meeting. Councilman Herman Judy seconded this motion. VOTE 5-0 (YEA)

Councilman Isaac Alt made a motion to accept the Check Distribution. Councilman Clinton Faulk seconded this motion. VOTE 5-0 (YEA)

ANNOUNCEMENTS:
Randy wanted to thank everyone that helped out with the Installation of the new playground equipment at the West End Playground. We will write up an article for the paper in order to thank everyone publicly.

We did get the results from the Common Law Judge on the water and sewer rates public hearing. The new rates will take effect on July 1st however the interim rate is already in place so the additional amount of increase is .01% the interim rate was 3.77% the increase will take it to 3.78%. The other rate increase is on the projects and they will not go into effect until the major part of the projects are done and probably will not go into effect until late next fall.

CITIZENS REQUEST:
Karol Ashenfelter had a question concerning the third reading of the sewer system design she wanted to know if that had been dropped. She thought that was the increase that would be around 90%. Randy explained to Karol that this is on the Chestnut Street project and she was fine. What Karol is asking about won't come up until late next fall.

Jennifer Bennett wanted to present Randy with a poster that she made from all of the pictures that she took at the Installation of the playground equipment at the West End Playground. One was presented to Randy and then Jennifer will be bring in another one for the city to hang up at City Hall.

NEW BUSINESS:

THIRD READING SEWER SYSTEM DESIGN REVENUE BONDS, SERIES 2013 A (CHESAPEAKE BAY DESIGN LOAN):

This ordinance authorizing the design of additions, betterments, improvements and extensions to the existing sewerage system of the City of Keyser and the financing of the cost, not otherwise provided, thereof through the issuance by the City of Keyser of not more than $1,200,000 in aggregate revenue bonds, series 2013A; 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 bond purchase 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 sewer design bonds are paid solely through the revenues from the operation of the sewerage system of the City. Mayor Randy Amtower opened the floor up for public comments and questions, no concerns were voiced. Councilman Clinton Faulk made a motion to accept the Sewer Bond Chesapeake Bay Design Loan as read by legal counsel. Councilman Ed Miller seconded this motion. VOTE 5-0 (YEA)

THIRD READING SEWER REVENUE BONDS, SERIES 2013 A (CHESTNUT STREET):

This ordinance authorizing the acquisition and construction of certain additions, betterments, extensions and improvements to the existing public sewerage system of the City of Keyser, and the financing of the cost, not otherwise provided thereof, through the issuance by the city of not more than 3,000,000 in aggregate principal amount of sewer revenue bonds, series 2013 A in one or more series; defining and prescribing the terms and provisions of the bonds; providing generally for the holder of the bonds; and providing when this ordinance shall take effect. The sewer bonds are paid solely through the revenues from the operation of the sewer system of the City. Mayor Randy Amtower opened the floor up for public comments and questions, no concerns were voiced. Councilman Terry Liller made a motion to accept the Sewer Bond for Chestnut Street as read by legal counsel. Councilman Isaac Alt seconded this motion. VOTE 5-0 (YEA)

THIRD READING WATER REVENUE BONDS, SERIES 2013 A (PHASE I WATER BONDS):

This ordinance authorizing the payment of the waterworks design bond anticipation note, series 2012 A; authorizing the acquisition and construction of certain additions, betterments and improvements to the existing public waterworks facilities of the City of Keyser, and the financing of the cost, not otherwise provided thereof, through the issuance by the City of Keyser of not more than 5,200,000 in aggregate Series 2013 A in one of more series; defining and prescribing the terms and provisions of the bonds; providing generally for the rights and remedies of and security for the holder of the bonds; and providing when this ordinance shall take effect. The water bonds are paid solely through the revenues from the operation of the water system of the City. Mayor Randy Amtower opened the floor up for public comments and questions, Gerald Ickes was concerned about the size of the water lines being replaced and asked the council if they would check into that before they proceed, Randy and Clinton both said that they would make sure that was done. Councilman Isaac Alt made a motion to accept the Water Bond for Phase I Water as read by legal counsel. Councilman Terry Liller seconded this motion. VOTE 5-0 (YEA)

THIRD READ WATER REVENUE BONDS, SERIES 2013 B (PHASE II WATER BONDS):
This ordinance authorizing the payment of the waterworks design bond anticipation note, series 2012 B; authorizing the acquisition and construction of certain additions, betterments and improvements to the existing public waterworks facilities of the City of Keyser, and the financing of the cost, not otherwise provided thereof, through the issuance by the City of Keyser of not more than 5,500,000 in aggregate principal amount of water revenue bonds, series 2013 B in one or more series; defining and prescribing the terms and provisions of the bonds; providing generally for the rights and remedies of and security for the holder of the bonds; and providing when this ordinance shall take effect. The water bonds are paid solely through the revenues from the operation of the water system of the City. Mayor Randy Amtower opened the floor for public comments and questions, Karol Ashenfelter asked what the total debit would be for the city, we already have an existing debit of 5 million and this would be 7.6 million and we received a 3.1 million grant for the upgrade at the treatment plant. Councilman Herman Judy made a motion to accept the Water Bond for Phase II Water as read by legal counsel. Councilman Clinton Faulk seconded this motion. VOTE 5-0 (YEA)

PROCLAMATION FOR FOSTER CARE MONTH:
Melissa Hines with Department of Health and Human Services, Sally Johnson with Children's Home Security and Courtney with the Burlington Children's Home are here tonight to ask the city to adopt the month of May as Foster Care Month. Randy read the written proclamation that they wanted us to adopt talking about Foster Care in our area and how there are 2,930 youth in foster care being provided with a safe and secure home along with the compassion and nurture of a foster family. Councilman Clinton Faulk made a motion to accept the proclamation and adopt the month of May as Foster Care Month. Councilman Ed Miller seconded this motion. VOTE 5-0 (YEA)

MARTIE'S HOT DOG STAND RAMP FEED:
Martie is here tonight to ask the Mayor and Council for permission to close Main Street from Center to Armstrong on June 1st from One to Seven for a ramp feed. There was some concern since this is scheduled for the same time as the Strawberry Festival, but after a lengthy discussion it was decided that they might end up bringing people in for both events and help each other out. Councilman Clinton Faulk made a motion to approve closing off Main Street from Center to Armstrong from one to seven for the ramp feed. Councilman Ed Miller seconded this motion. VOTE 5-0 (YEA)

UNITED WAY – ROBIN VEREEN:
Robin was here tonight to ask permission to talk to each department with the city to see if they would be interested in doing and payroll deduct and donating to the United Way. United Way gives to several areas in Mineral County and they are just trying to make it easier for people to give. The employee if they decide to donate can specify exactly where they want their donation to go if they choice to. Robin is to talking with Shannon Marsh to get everything set up with the individual departments. Councilman Ed Miller made a motion to let Robin come in

and talk with the departments concerning the United Way and also approved the payroll deductions as a way of donating. Councilman Clinton Faulk seconded this motion. VOTE 5-0 (YEA)

KEYSER LITTLE LEAGUE – BRIAN TOYE:

Brian was here tonight to get permission to paint the dugouts at West End Playground and Isaac Alt told him that he had already talk with Doug and gave permission for the dugouts to be painted. Also, Brian wanted to know what was going on with the old Tennis Courts at Mill Meadow. Randy told him that everything is still in the works out their concerning that with the County and as soon as we know something we will let them know.

BID ON FIRE HOUSE WATER REPAIRS:

We received two bids on the work needing to be done at Fire Station Two, Mineral Fabrication turned in a bid for $28,700.00 and Custom Wood Works turned in a bid for $18,676.00. Randy told the council that Custom Wood Works is really close to want the insurance company gave us for the repairs. Councilman Isaac Alt made a motion to accept the bid from Custom Wood Works in the amount of $18,676.00. Councilman Clinton Faulk seconded this motion. VOTE 5-0 (YEA)

REGION 8 BUDGET REQUEST:

Region 8 Planning and Development Council at their March 21st meeting, voted to continue to request that local governments fund the Council. For the FY-2014 the Council voted to request 60 cents per capita based on the 2010 Census. The portion of the Council's local funding requested from the City of Keyser, for the period of July 2013 to June 2014 will be $3,263.40. This budget request did not make it to us until after our 2013-2014 Budget needed to be in. That is why it was never brought up earlier when we were working on the budget. However, a budget revision can be done at a later time to include this in. Councilman Ed Miller made a motion to accept the budget request from Region 8 Planning and Development Council in the amount of $3,263.40. Councilman Clinton Faulk seconded this motion. VOTE 5-0 (YEA)

FIRE FEES:

We currently have a Fire Fee Ordinance #224 it is provided for under Chapter 8 -13 state codes to allow the city to collect Municipal Fees. This ordinance was last amended in 2005 and we are in need of amending this ordinance, residential is now billed $1.70 per month and commercial is $4.22 per month. Last year the Fire Department closed with a deficit of $20,103.00. The proposal for tonight is that we restructure the commercial fire fees into 5 classes based on the buildings square footage. Square footage is to be calculated by base footprint times number of stories or any part there of above or below ground level. Commercial classification is denoted by any property that has any of the following, more than one meter in structure under one roof or property that is not owner occupied as residence. The five square footage class guides as following, class one up to 2,499; class two 2,500 to 9,999; class three 10,000 to 29,999; class four 30,000 to 49,999; and class five 50,000 and up. Any structure having a state certified sprinkler system will receive a 25% discount off the rate for said class. Any commercial property where the water bill is sent to the owner or manager will have the fire fees accessed

monthly by class and billed monthly to property owner or manager, where the owner is not the person responsible for the water service the charges will be billed annually to registered owner by current tax assessment. The discussion for residential increase was between 60 cents to one dollar after the discussion was over the increase was decided on 70 cents taking the residential fire fee from $1.70 to $2.40 a month. Commercial option 1 was as follows: Class 1 $4.50, Class 2 $6.00, Class 3 $18.00, Class 4 $26.00 and Class 5 $32.00. Commercial option 2 was as follows: Class 1 $4.50, Class 2 $6.75, Class 3 $19.00, Class 4 $29.00 and Class 4 $35.00. After a lengthy discussion it was decided to go with an Increase of 70 cents on residential and option 2 for commercial properties. Randy will get the amendment for ordinance #224 drafted and then it will be brought back to the council at the next meeting on May 22, 2013.

WATER DESIGN LOAN RESOLUTION:

This is our monthly allocations on the Ohio Valley Bank. On phase I we have one distribution for Spilman, Thomas & Battle in the amount of $1,026.94 and on phase II we have four distributions for Spilman, Thomas & Battle, John Athey, Griffith and Associates and Region 8 in the amount of $11,092.58 making a total distribution of $12,119.52. Councilman Clinton Faulk made a motion to accept the Water Design Loan Resolution. Councilman Isaac Alt seconded this motion. VOTE 5-0 (YEA)

IN HOUSE BUDGET REVISION:

In order to bring the 2012-2013 budgets to balance we needed to do an in house budget revision on the following:

001-700-6300	Public Safety – Contracted Services	6,000.00		1,100.00	7,100.00
001-700-7440	Public Safety – Equipment	750.00		650.00	1,400.00
001-700-6160	Public Safety – M&R Equipment	3,000.00	1,750.00		1,250.00
	TOTALS		1,750.00	1,750.00	
001-753-5040	Snow Removal – FICA	459.00		196.25	655.25
001-753-5060	Snow Removal – Retirement	840.00		371.52	1,211.52
001-753-6261	Snow Removal – Workers Comp.	408.00		125.82	533.82
001-753-6262	Snow Removal – Unemployment	135.00		38.07	173.07
001-753-5080	Snow Removal – Overtime	3,000.00	731.66		2,268.34
	TOTALS		731.66	731.66	
001-904-6230	Swimming Pool – Professional Services	0.00		100.00	100.00
001-904-6150	Swimming Pool – M&R Buildings & Grounds	1,000.00	100.00		900.00
	TOTALS		100.00	100.00	
001-908-6370	Playgrounds - Other Taxes & Fees	0.00		521.78	521.78
001-908-6150	Playgrounds – M&R Buildings & Grounds	3,390.00	521.78		2,868.22
	TOTALS		521.78	521.78	

Councilman Isaac Alt made a motion to accept the in house budget revision. Councilman Clinton Faulk seconded this motion. VOTE 5-0 (YEA)

BENNETT & DOBBINS – PSC REPORT QUOTE:

Bennett and Dobbins help us do the PSC Reports for the water and sewer departments. This year they sent us a quote for $5,500.00 to come in for one day get all the information they need, due any journal entries needed and then go back to their office and finish the reports. Carol and I feel that the amount of work needed for the reports and the accuracy that is needed for future rate cases, these reports should be completed by someone who does them all the time and that knows what is needed on each report to accuracy, the council should accept this offer and have our reports completed by Bennett and Dobbins. Councilman Ed Miller made a motion to accept the quote from Bennett and Dobbins to repair our 2013 PSC Reports. Councilman Clinton Faulk seconded this motion. VOTE 5-0 (YEA)

BOOT/CLOTHING ALLOWANCE FOR CITY EMPLOYEES:

Randy wanted to do something nice for the employees, so he came up with the idea of a $100.00 boot or clothing allowance for the city employees. Randy has spoken with the State Auditor's office concerning this matter to see how this could be done. We just need to do a payroll check and take out the appropriate taxes then each employee needs to sign a form stating that this is a boot and clothing allowance from the city and that they understand that. Councilman Terry Liller made a motion to give the employees a $100.00 boot and clothing allowance. Councilman Isaac Alt seconded this motion. VOTE 5-0 (YEA)

APPROVAL TO PURCHASE USED LADDER TRUCK FOR FIRE DEPT PENDING LEASE OPTIONS:

A used 1999 Ladder Truck with 105 foot ladder with 104,000 miles that has 296 hours on the pump and 866 hours on the ladder has been found in South Carolina at a purchase price of $225,000.00. Randy and three of the guys from the fire station would like to travel down and look at this truck up close and if it is as good as it looks have permission to put a $5,000.00 dollar down payment on it until the leasing can be approved. Randy has already checked on some possible leases one was for 7 years and 3.10% with a payment less then what we were paying on the fire truck that was totaled. They are also going to try and negotiate on the price before giving a down payment. Councilman Clinton Faulk made a motion to approve Randy and three firemen going down negotiate on a used truck not exceed the $300.000 amount with the payment not to exceed $35,927.00. Councilman Isaac Alt seconded this motion. VOTE 5-0 (YEA)

APPROVAL TO PURCHASE 1 POLICE CRUISER AND ORDER SECOND ON NEW BUDGET LEASE:

We had talked last year about leasing one or two police cruisers this year. Randy is recommending that we purchase one straight out and leasing the other one. This is part of the swapping out of the old police cruiser that was talked about last year. If we can implement this two more times we will completely have the fleet swapped out. The discussion of the council is that this is something that needs to be done, because the old vehicles are nickel and diming us. Councilman Ed Miller made a motion that we purchase 1 cruiser by the end of June and lease another one to work on swapping the fleet out. Councilman Clinton Faulk seconded this motion. VOTE 5-0 (YEA)

APPROVAL TO ADVERTISE FOR BID ON NEW 4X4 DUMP TRUCK WITH PLOW FOR STREET DEPT.

The one truck out at the street department with the easy dumper on it is really starting to deteriorate rapidly and we have scrapped a couple pickups and some that are getting some age on them. We are trying to get some of these replaced before everything needs it. We would like to replace the truck with the easy dumper on it with a 1 ton gas Ford Dump Truck with a 9 foot snow plow on it. Randy wanted permission to advertise for bids, we know that New Creek just ordered one for $42,500.00. Looking for a 1 ton dull wheels, gas motor Dump Truck with a 9 foot dump bed and a 9 foot snow plow. Councilman Herman Judy made a motion that we go ahead and advertise for bids that need to be in by May 22nd at 4:30pm, and then bring it to the next council meeting on May 22nd at 6:00pm. Councilman Terry Liller seconded this motion. VOTE 5-0 (YEA)

FINANCE COMMISSIONER'S REPORT:

General Fund	$215,486.00
Fire Protection Fund	93,553.00
Operating General	309,039.00
Water Account	8,367.00
Sewer Account	33,665.00
Coal Severance Account	33,015.00
Rainy Day Account	100,911.00
Water Sec. Dep Account	69,885.00
Water Depr. Res. Account	16,655.00
Sewer Sec. Dep. Account	27,071.00
Sewer Dept. Res. Account	18,280.00
Street Excess Account	227,087.00

UNFINISHED BUSINESS:

None

ANNOUNCEMENTS:

Next Council Meeting – Wednesday, May 22, 2013 at 6:00pm
Water Board Meeting – Monday, June 10, 2013 at 4:00pm
Sanitary Board Meeting – Monday, June 10, 2013 at 4:30pm
Recreation Board Meeting – Monday, June 10, 2013 at 7:00pm

Next Compliance Milestone – July 31, 2013 Need to obtain approval of the final plans and specifications for the treatment upgrades and shall also submit a major permit modification application to the WV DEP for the necessary treatment upgrades.

Councilman Clinton Faulk made a motion to adjourn. Councilman Ed Miller seconded this motion. VOTE 5-0 (YEA)

City of Keyser Council Meeting
August 28, 2013

PRESENT WERE: Allison Bunting, Elwood Junkins, Jennifer Bennett, Glenn Gank, Mike Kesecker, Richard Kerns, John Stump, Butch Keister, Jim Hannas, Terry Liller, Isaac Alt, Randy Amtower, Clinton Faulk, H. Edward Miller, Herman Judy, Shannon Marsh, Karen Shoemaker, and Carol Kiggins.

Mayor Randy Amtower called the meeting to order and we all stood for the Pledge of Allegiance.

Councilman Clinton Faulk made a motion to accept the minutes from the previous meeting. Councilman Isaac Alt seconded this motion. VOTE 5-0 (YEA)

Councilman Isaac Alt made a motion to accept the check distribution. Councilman Clinton Faulk seconded this motion. VOTE 5-0 (YEA)

ANNOUNCEMENTS:

JOHN & JENNY O'CONNOR TO DONATE LOT BEHIND THE CITY OFFICE TO THE CITY:
This should have been under new business, but due to a miss communication it shows under announcements. John and Jenny O'Connor own the lot behind City Hall that is on the west side of the alley between the new 46 access road and the alley way. They originally were considering doing some type of police or fireman memorial Randy told them we also had made request for the ground back where the old fire station stood at the end of the bridge to possibly moving the Welcome to Keyser sign to and also a possible memorial. The O'Connor's thought that was a great idea and they would like to just donate that lot to the city there would be no cost to the city except for the legal cost that would come from transferring title. Councilman Terry Liller made a motion to accept the offer from John & Jenny O'Connor and to except the legal cost from the transferring of title. Councilman H. Edward Miller seconded this motion. VOTE 5-0 (YEA)

CITIZENS REQUEST / COMPLAINTS:
Allison Bunting was here tonight to give the Mayor and Council a heads up that the Heart of Town is on the agenda for the next meeting concerning the closing of half of Main Street for the October Fest that they want to hold on October 26th from 8:00 a.m. to dark. They are interested in blocking off the top part of Main Street from West Piedmont to Center. Council and Mayor told her that it would probably be better to consider blocking off the lower part from Center to Armstrong especially since the electric is at that end of the street. Allison is going to go back and talk with the committee of Heart of Town and go over everything with them and this can be an action item on the next agenda for September 11, 2013.

NEW BUSINESS:

TO CONSIDER AND ACT UPON A PROPSED SUPPLEMENTAL RESOLUTION PROVIDING FOR THE ISSUANCE OF ITS WATER REVENUE BONDS, SERIES 2013 A:

John Stump is here from Steptoe & Johnson because Phase II Water Project is ready to go to construction and the actual closing for the financing with the United States Agricultural Department is set for September 3rd and the pre-closing will be here August 30th. The memorandum you have their in front of you just confirms what everyone already knows that the Water Revenue Bonds, Series 2013 A with the United States Department of Agriculture in the amount $4,500,000 with an interest rate of 2.125% and a term of 40 years with your principal and interest payments beginning October 3, 2015 in the amount of $14,400 a month and reserve payments beginning October 1, 2015 in the amount of $1,440.00 and a maturity date of September 3, 2053. There are two actions that the council needs to take into consideration tonight one being the supplemental resolution I will read into record. Supplemental Resolution making provisions as to principal amount, date, maturity date, redemption provision, interest rate, interest and principal payment dates, sale price, approving a conformed ordinance, and other terms of the water revenue bonds, series 2013 A of the City of Keyser, and making other provisions as to the bonds. Councilman Clinton Faulk made a motion to accept the Supplemental Resolution as presented by John Stump. Councilman Isaac Alt seconded this motion. VOTE 5-0 (YEA)

TO CONSIDER AND ACT UPON A PROPOSED DRAW RESOLUTION PROVIDING FOR THE PAYMENT OF INVOICES RELATING TO THE SERIES 2013 A BONDS:

The seconded thing we have is the first draw resolution and how this is going to work is that we will be drawing down proceeds through the construction process. The first draw resolution is as follows: Steptoe & Johnson $30,000.00, Payoff with Ohio Valley Bank $549,855.74, Spilman Thomas & Battle $2,307.43, Dunn Engineers $76,900.00, Griffith & Associates $1,477.55 and John Athey $4,965.00 making a total of $665,505.72. Councilman Terry Liller made a motion to accept the first draw on Water Bond Series 2013 A in the amount of $665,505.72. Councilman Clinton Faulk seconded this motion. VOTE 5-0 (YEA)

ROBERT CHEVALIER & STEPHANIE SANDERS PURCHASE OF 40 FT BEHIND THEIR HOUSE AT 363 RICHMOND STREET (304) 813-1713:

This is a request that came in to the Administrators Office for the option of purchasing 40 feet of ground behind the residence at 363 Richmond Street. Randy did go up and look at this piece of ground and the first thing he notice was sewer clean outs, so Randy contacted Jim Hannas and asked him to go up and take a look at it and see what was there in the way of city right of ways and how much of it the city owned, what easements where there. Jim discovered that a sewer line had been put in and we did not have maps for it, so Jim went back to RK&K and was able to retrieve the maps we needed. It is a 35 foot right of way down through there with a couple side right of ways off of it that looks like they apparently comes back through what would probably be driveways now to private residents that have never been used for years. According to Jim Hannas it is basically a hollow between Richmond Street and Virginia Street with a new sewer line that runs down through it. Randy thinks that we should turn it over to

our attorney John Athey and let him check out all the legal aspects of it and he doesn't know who else might be interested in the property, so we can't just arbitrarily offer it off to one person. The council agrees that we should get John to research everything and then bring it back to the council when we find out more information.

CHIEF OF POLICE'S REPORT – KAREN SHOEMAKER:

Two weeks ago Karen went to a meeting in Annapolis that is sponsored by the National Institute of Justice and Karen is one of the chief's that advocate for small rural problem border agencies and in that meeting she was able to meet a chief who is getting new model Tasers for his department. So he is going to give our agency seven Tasers, they are not the same model as ours but they do take the same cartridges as ours. Also during that meeting Karen was able to get the paper work started to enroll us into the Federal Government 1033 surplus program so once things become available our agency will be able to go to some of these Army depot and pick these up and they will be free of charge once we get approved for this program. One of the things we have been looking for is assault rifles and as members of this program were guaranteed every officer that is sworn in will get an M16 free of charge. Karen also wanted to let us know that the communication department will be having their audit within the next thirty days. Patrolman Hodel is in his seventh week at the academy and is doing very well. As everyone knows there was a bomb threat at the Middle School today and they have already identified the juvenile and paper work will follow tomorrow for prosecution.

WATER TREATMENT PLANT SUPERVISOR – BUTCH KEISTER:

Today I meet Jim Campbell with Orders who will be the supervisor on the job and Ed Carpenter who is going to be the inspector from Dunn and they are saying work should start around the 9th of September. Orders brought in a gas tank today and Butch wanted to ask Karen if they could make a couple rounds pass their after 11:00 p.m. when no one is at the plant. We had trouble with the one pump but it is working right now and New Creek has in the last thirty days pump overnight 21 of those days, but they claim they have found two leaks over the weekend and once they are fixed that should be back to normal. Randy just wanted everyone to know that Butch has been doing a juggling act out at the plant with the pumps to keep everything up and running and cost down to hold off expense since the projects were just around the corner. Butch wanted to let everyone know that he is thankful for the help that Jim and Sonny's departments have done to help; also he got a call from W.C. Weil asking if there was anything they could do to help with the pump situation.

WATER DISTRIBUTION SUPERVISOR – GLENN GANK:

We have telemetry problems with the Limestone pump station, the tank is telling it that we need water, but the pump station is not receiving any signal. So Sonny manually filled the tank up and John Johnson with Frontier has been working on it with Sonny to fix the problem. John can now hear a signal, but they will not know if they got it fixed until the tank gets low and needs water. Also, the booster pump station at Waxler will not shut off so Sonny called EFI and they told him that it is the motor starter, so we took pictures of the wiring and took the old one out and order one through Cannon's Ace Hardware that should be here in two weeks. Sonny called NRCS concerning the mowing at Dam Site 1 and it has been mowed, so he asked Shannon

to send a thank you note to Karen Stickley with the NRCS out of Romney for her help. Randy just wanted to thank Sonny and his department for everything they have done to try and keep the cost down and for all the team work that is going on in the city.

WASTE WATER TREATMENT PLANT SUPERVISOR – MIKE KESECKER:

Plant and Laboratory operations are going well; we continue to work closely with Dunn Engineers regarding the new WWTP. The next compliance milestones for the new WWTP plans are due by August 31, 2013. They had some trouble out at the plant today when they got their this morning and the control panel was lit up like a Christmas tree they had four pump failures, so Mike and Bobby climbed down the hole and got to working and thirty minutes later they had it up and running it was from an abundance of rags coming down through and getting intertwined in among the floats. They pulled the inspection plates on all of the pumps and cleaned out some rags from all four pumps. The sanitary board has meet several times and they have made a selection on the flow meters and have decided to go with Instrulogic Corporation as our flow meter provider for the New Creek meters. Mike did a lot of work to get the information we needed off this company in order for the sanitary board to come up with their decision at a savings for the city.

STREET/SANITARY COLLECTIONS SUPERVISOR – JIM HANNAS:

Street and regulatory signs replaced throughout the city, all playgrounds, Mill Meadow, City Hall, City Police, Fire Department and ball parks cleaned and cans emptied. Downtown Main Street, Armstrong, and N. Davis Street hand swept and cans emptied, all trucks have been washed and city garage cleaned, weed eating and mowing operations complete and litter control throughout the city and trash pickup at City Hall, Police Department and Fire Station done. Street sweeper operating routes one and two and Memorial Bridge, curb cleaning at West End, Mineral Street, Armstrong Street, and Potomac State College area and Potomac Heights curbs cut, cleaned and sprayed with weed killer. Six tons of asphalt has been used since last council meeting, back-hoe was pressure washed with the jetta sprayer and greased and helped building inspector with various unkempt properties. West End bathrooms and pavilion area have been pressure washed with the jetta sprayer. Trees cut and elevated on Fort Avenue from Mineral Street to D Street Ext. On Virginia Street Ext. the road to the cemetery was graded, stoned, and compacted.

I & I DEPARTMENT – JIM HANNAS:

We had four sewer blocks for the month of August, all opened with the jetta sprayer and all blockages were on the lateral lines. Sanitary Sewer monthlies are done for the month and various miss utility locates have been completed. Various inlets, culverts, and ditch lines have been cleaned throughout the city and on the main line in the alley way behind North F Street we had to excavate a 6 inch terra cotta main line and replaced it with 28 feet of 6 inch SDR 35 with clean out we back filled replaced top soil and seeded. 27 residents have been re-checked for illegal hook ups to sanitary sewer all homes checked have been disconnected.

FIRE CHIEF'S REPORT – CHRIS PAITSEL:

Not present at tonight's meeting

FINANCE COMMISSIONER'S REPORT – H. EDWARD MILLER:

General Fund	$ 63,186.00
Fire Protection Fund	61,058.00
Operating General Account	124,244.00
Water Account	26,856.00
Sewer Account	58,074.00
Coal Severance Account	29,660.00
Rainy Day Account	100,928.00
Water Sec. Dep. Account	66,172.00
Water Depr. Res. Account	20,255.00
Sewer Sec. Dep. Account	30,113.00
Sewer Depr. Res. Account	21,601.00
Street Excess Account	155,851.00

PARKS/RECREATION COMMISSIONER'S REPORT – ISAAC ALT:

Trick or Treat will be held Thursday night October 31st from 5:00 p.m. to 7:00 p.m. with a costume party at Fire Station #2 at 7:00 p.m. and the Moose, Fire Department and the Police Department want to help out with that and have refreshments for the children. Isaac also asked about the street light that was approved to be put in the alley on Clary Street. Isaac also wanted them to know that he is going to replace the basketball nets at the South End Park with chain nets.

COMMITTIES:

None

UNFINISHED BUSINESS:

None

ANNOUNCEMENTS:

Water Board Meeting – Monday, September 9, 2013 @ 4:00 p.m.
Sanitary Board Meeting – Monday, September 9, 2013 @ 4:30 p.m.
Next Council Meeting – Wednesday, September 11, 2013 @ 4:30 p.m.

Next Compliance Milestone – November 30, 2013 the permittee shall obtain approval of the final plans and specifications for the treatment upgrades and shall also submit a major permit modification application to the WVDEP for the necessary treatment upgrades.

Councilman Isaac Alt made a motion to adjourn and Councilman Clinton Faulk seconded this motion. VOTE 5-0 (YEA)

WV MUNICIPAL BOND COMMISSION
900 Pennsylvania Ave.
Suite 1117
Charleston, WV 25302
(304) 558-3971

NEW ISSUE REPORT FORM

Date of Report: 9/3/2013

ISSUE: The City of Keyser
Water Revenue Bonds, Series 2013 A (United States Department of Agriculture)

ADDRESS: 111 North Davis Street, Keyser, West Virginia 26726 COUNTY: Mineral

PURPOSE OF ISSUE:
New Money: x
Refunding:

REFUNDS ISSUE(S) DATED: NA

ISSUE DATE: 9/3/2013
CLOSING DATE: 9/3/2013
ISSUE AMOUNT: $ 4,500,000.00
RATE: 2.125 %
1ST DEBT SERVICE DUE: N/A
1ST PRINCIPAL DUE N/A
1ST DEBT SERVICE AMOUNT N/A
PAYING AGENT: Issuer

BOND COUNSEL:
Firm: Steptoe & Johnson PLLC
Contact John Stump, Esquire
Phone: (304) 353.8196

UNDERWRITERS COUNSEL
Firm:
Contact:
Phone:

CLOSING BANK:
Bank:
Contact:
Phone:

ESCROW TRUSTEE:
Firm:
Contact:
Phone:

KNOWLEDGEABLE ISSUER CONTACT
Contact: Randy Amtower
Position: Mayor
Phone: (304) 788-6611

OTHER:
Agency: United States Department of Agriculture
Contact: Steve Collins
Position: Community Programs Specialist
Phone: (304) 284-4885

DEPOSITS TO MBC AT CLOSE
By: ____ Wire ____ Check

____ Accrued Interest: $
____ Capitalized Interest: $
____ Reserve Account: $
____ Other: $

REFUNDS & TRANSFERS BY MBC AT CLOSE
By: ____ Wire ____ Check ____ IGT

____ To Escrow Trustee $
____ To Issuer $
____ To Cons. Invest. Fun $
____ To Other: ____ $

NOTES: Monthly debt service payments will be made by the District directly to the National Finance Office. The Municipal Bond Commission will only hold the Series 2013 A Reserve Account. The first payment into the Reserve Account will commence 24 months following the date hereof.

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

THE CITY OF KEYSER

Water Revenue Bonds, Series 2013 A
(United States Department of Agriculture)

RECEIPT OF DEPOSITORY BANK

The undersigned duly authorized representative of First United Bank & Trust, Keyser, West Virginia (the "Bank"), hereby certify that on September 3, 2013, the Bank received an automated clearinghouse transfer in the amount of $665,505.72 for the Series 2013 A Bonds to the credit of the Project Construction Account (Account Number 134490942).

WITNESS my signature on this 3rd day of September, 2013.

FIRST UNITED BANK & TRUST

By: _____
Its: Authorized Officer

480520.00005

PWSID#WV3302915

State of West Virginia

OFFICE OF ENVIRONMENTAL HEALTH SERVICES

350 CAPITOL STREET, ROOM 313 CHARLESTON, WV 25301-3713
Telephone (304) 558-2981

PERMIT

(Water)
PROJECT: Water System Improvements **PERMIT NO.:** 19,200

LOCATION: Keyser **COUNTY:** Mineral **DATE:** 2-22-2013

THIS IS TO CERTIFY that after reviewing plans, specifications, application forms, and other essential information that

City of Keyser
111 North Davis Street
Keyser, WV 26726

is hereby granted approval to: install approximately 15,500 LF of 2", 7,100 LF of 6", 100 LF of 8" and 1,800 LF of 12" water line; one (1) 45 GPM duplex hydro-pneumatic booster station; one (1) 500 GPM duplex booster station; one (1) 200,000 gallon water storage tank; repair/repaint existing 1,000,000 gallon Potomac State Tank; and all necessary valves, controls and appurtenances. The existing City of Keyser water treatment plant will be rehabilitated with major work consisting of filter improvements, replacement/repair of piping, valves, pumps, controls, flow meters, flocculators, mixers, collection drives, chemical feed pumps, instrumentation, roofing, HVAC and chlorine system, safety equipment, emergency generator, electrical work, painting, masonry, dredging of raw water dam, and all other necessary work.

Facilities are to serve the City of Keyser.

Note: This permit is contingent upon all new water lines and water storage tanks being disinfected, flushed and microbiologically tested prior to use.

The Environmental Engineering Division of the **OEHS-Kearneysville District Office, (304) 725-9453,** is to be notified when construction begins.

Validity of this permit is contingent upon conformity with plans, specifications, application forms, and other information submitted to the West Virginia Bureau for Public Health.

FOR THE DIRECTOR

William S. Herold, Jr., P.E., Assistant Manager
Infrastructure and Capacity Development
Environmental Engineering Division

WSH:snj

pc: Dunn Engineers, Inc.
Ingrid Ferrell, PSC-Engineering Division
Amy Swann, PSC
Mineral County Health Department
OEHS-EED Kearneysville District Office

Phase I & Phase II

RUS BULLETIN 1780-27
(Automated 8-97

FORM APPROVED
OMB. No. 0575-00 1 5

LOAN RESOLUTION
(Public Bodies)

A RESOLUTION OF THE **City Council**

OF THE **Keyser, City Of**

AUTHORIZING AND PROVIDING FOR THE INCURRENCE OF INDEBTEDNESS FOR THE PURPOSE OF PROVIDING PORTION OF THE COST OF ACQUIRING, CONSTRUCTING, ENLARGING, IMPROVING, AND/OR EXTENDING ITS **Water**

FACILITY TO SERVE AN AREA LAWFULLY WITHIN ITS JURISDICTION TO

WHEREAS, it is necessary for the **Keyser, City Of**
(Public Body)
(herein after called Association) to raise a portion of the cost of such undertaking by issuance of its bonds in the principal amount of

FOUR MILLION FIVE HUNDRED THOUSAND AND XX / 100 DOLLARS ($4,500,000.00)

pursuant to the provisions of **Chapter 8 Article 19, West Virginia Cod** ; and

WHEREAS, the Association intends to obtain assistance from the United States Department of Agriculture, (herein called the Government) acting under the provisions of the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.) in the planning. financing, and supervision of such undertaking and the purchasing of bonds lawfully issued, in the event that no other acceptable purchaser for such bonds is found by the Association:

NOW THEREFORE, in consideration of the premises the Association hereby resolves:

1. To have prepared on its behalf and to adopt an ordinance or resolution for the issuance of its bonds containing such items and in such forms as are required by State statutes and as are agreeable and acceptable to the Government.
2. To refinance the unpaid balance, in whole or in part, of its bonds upon the request of the Government if at any time it shall appear to the Government that the Association is able to refinance its bonds by obtaining a loan for such purposes from responsible cooperative or private sources at reasonable rates and terms for loans for similar purposes and periods of time as required by section 333(c) of said Consolidated Farm and Rural Development Act (7 U.S.C. 1983(c)).
3. To provide for, execute, and comply with Form RD 400-4, "Assurance Agreement," and Form RD 400-1, "Equal Opportunity Agreement," including an "Equal Opportunity Clause," which clause is to be incorporated in, or attached as a rider to, each construction contract and subcontract involving in excess of $10,000.
4. To indemnify the Government for any payments made or losses suffered by the Government on behalf of the Association. Such indemnification shall be payable from the same source of funds pledged to pay the bonds or any other legally permissible source.
5. That upon default in the payments of any principal and accrued interest on the bonds or in the performance of any covenant or agreement contained herein or in the instruments incident to making or insuring the loan, the Government at its option may (a) declare the entire principal amount then outstanding and accrued interest immediately due and payable, (b) for the account of the Association (payable from the source of funds pledged to pay the bonds or any other legally permissible source), incur and pay reasonable expenses for repair, maintenance, and operation of the facility and such other reasonable expenses as may be necessary to cure the cause of default, and/or (c) take possession of the facility, repair, maintain, and operate or rent it. Default under the provisions of this resolution or any instrument incident to the making or insuring of the loan may be construed by the Government to constitute default under any other instrument held by the Government and executed or assumed by the Association, and default under any such instrument may be construed by the Government to constitute default hereunder.
6. Not to sell, transfer, lease, or otherwise encumber the facility or any portion thereof, or interest therein, or permit others to do so, without the prior written consent of the Government.
7. Not to defease the bonds, or to borrow money, enter into any contractor agreement, or otherwise incur any liabilities for any purpose in connection with the facility (exclusive of normal maintenance) without the prior written consent of the Government if such undertaking would involve the source of funds pledged to pay the bonds.
8. To place the proceeds of the bonds on deposit in an account and in a manner approved by the Government. Funds may be deposited in institutions insured by the State or Federal Government or invested in readily marketable securities backed by the full faith and credit of the United States. Any income from these accounts will be considered as revenues of the system.
9. To comply with all applicable State and Federal laws and regulations and to continually operate and maintain the facility in good condition.
10. To provide for the receipt of adequate revenues to meet the requirements of debt service, operation and maintenance, and the establishment of adequate reserves. Revenue accumulated over and above that needed to pay operating and maintenance, debt service and reserves may only be retained or used to make prepayments on the loan. Revenue cannot be used to pay any expenses which are not directly incurred for the facility financed by USDA. No free service or use of the facility will be permitted.

Public reporting burden for this collection of information is estimated to average 1 hour per response, including the time for reviewing searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing the burden, to Department of Agriculture, Clearance Officer, OIRM, Room 404-W, Washington, DC 20250; and to the Office of Management and Budget, Paperwork Reduction Project (OMB No. 0575-0015), Washington, DC 20503.

11. To acquire and maintain such i ance and fidelity bond coverage as may be require the Government.
12. To establish and maintain such books and records relating to the operation of the facili and its financial affairs and to provide for required audit thereof as required by the Government, to provide the Government a copy of each such audit without its request, and to forward to the Government such additional information and reports as it may from time to time require.
13. To provide the Government at all reasonable times access to all books and records relating to the facility and access to the property of the system so that the Government may ascertain that the Association is complying with the provisions hereof and of the instruments incident to the making or insuring of the loan.
14. That if the Government requires that a reserve account be established, disbursements from that account(s) may be used when necessary for payments due on the bond if sufficient funds are not otherwise available and prior approval of the government is obtained. Also, with the prior written approval of the Government, funds may be withdrawn and used for such things as emergency maintenance, extensions to facilities, and replacement of short lived assets.
15. To provide adequate service to all persons within the service area who can feasibly and legally be served and to obtain USDA's concurrence prior to refusing new or adequate services to such persons. Upon failure to provide services which are feasible and legal, such person shall have a direct right of action against the Association or public body.
16. To comply with the measures identified in the Government's environmental impact analysis for this facility for the purpose of avoiding or reducing the adverse environmental impacts of the facility's construction or operation.
17. To accept a grant in an amount not to exceed **$ 3,100,000.00**

under the terms offered by the Government; that **Mayor**

and _____ of the Association are hereby authorized and empowered to take all action necessary or appropriate in the execution of all written instruments as may be required in regard to or as evidence of such grant; and to operate the facility under the terms offered in said grant agreement(s).

The provisions hereof and the provisions of all instruments incident to the making or the insuring of the loan, unless otherwise specifically provided by the terms of such instrument, shall be binding upon the Association as long as the bonds are held or insured by the Government or assignee. The provisions of sections 6 through 17 hereof may be provided for in more specific detail in the bond resolution or ordinance; to the extent that the provisions contained in such bond resolution or ordinance should be found to be inconsistent with the provisions hereof, these provisions shall be construed as controlling between the Association and the Government or assignee.

Yeas 4 Nays 0 Absent 1

IN WITNESS WHEREOF, the **City Council** of the

Keyser, City Of has duly adopted this resolution and caused it

to be executed by the officers below in duplicate on this 10th day of March, 2010

Keyser, City Of

(SEAL)

By William A Rhode

Attest: Deborah Pamepinto

Title City Administrator

Title _____

CERTIFICATION TO BE EXECUTED AT LOAN CLOSING

I, the undersigned, as _____ of the **Keyser, City Of**

hereby certify that the **City Council** of such Association is composed of

5 members, of whom 4 constituting a quorum, were present at a meeting thereof duly called and

held on the 10th day of March, 2010 ; and that the foregoing resolution was adopted at such meeting

by the vote shown above, I further certify that as of August 29, 2013 ,
the date of closing of the loan from the United States Department of Agriculture, said resolution remains in effect and has not been rescinded or amended in any way.

Dated, this 3rd day of September 2013

Title Mayor

Approved OMB.No. 0572-0121

RUS Bulletin 1780-12

WATER OR WASTE SYSTEM GRANT AGREEMENT
UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL UTILITIES SERVICE

THIS AGREEMENT dated September 3, 2013 between

Keyser, City Of

a public corporation organized and operating under

Chapter 8 Article 19 of the WV Code
(Authorizing Statute)

herein called "Grantee," and the United States of America acting through the Rural Utilities Service, Department of Agriculture, herein called "Grantor," WITNESSETH:

WHEREAS

Grantee has determined to undertake a project of acquisition, construction, enlargement, or capital improvement of a (water) (waste) system to serve the area under jurisdiction at an estimated cost of **$7,600,000** and has duly authorized the undertaking of such project.

Grantee is able to finance not more than **$4,500,000** of the development cost through revenues, charges, taxes or assessments, or funds otherwise available to Grantee resulting in a reasonable user charge.

Said sum of **$4,500,000** has been committed to and by Grantee for such project development costs.

Grantor has agreed to grant the Grantee a sum not to exceed **$3,100,000** or **40.79%** percent of said development costs, whichever is the lesser, subject to the terms and conditions established by the Grantor. Provided, however, that the proportionate share of any grant funds actually advanced and not needed for grant purposes shall be returned immediately to the Grantor. The Grantor may terminate the grant in whole, or in part, at any time before the date of completion, whenever it is determined that the Grantee has failed to comply with the conditions of the grant.

As a condition of this grant agreement, the Grantee assures and certifies that it is in compliance with and will comply in the course of the agreement with all applicable laws, regulations, Executive orders and other generally applicable requirements, including those set out in 7 CFR 3015.205(b), which hereby are incorporated into this agreement by reference, and such other statutory provisions as are specifically set forth herein.

NOW, THEREFORE, In consideration of said grant by Grantor to Grantee, to be made pursuant to

Section 306 (a) of the Consolidated Farm and Rural Development Act the purpose only of defraying a part not to exceed **40.79%** percent of the development costs, as defined by applicable Rural Utilities Service Instructions. GRANTEE AGREES THAT GRANTEE WILL:

A. Cause said project to be constructed within the total sums available to it, including said grant, in accordance with the project plans and specifications and any modifications thereof prepared by Grantee and approved by Grantor.

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0575-0121. The time required to complete this information collection is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

B. Permit periodic inspection of the construction by a representative of Grantor during construction.

C. Manage, operate and maintain the system, including this project if less than the whole of said system, continuously in an efficient and economical manner.

D. Make the services of said system available within its capacity to all persons in Grantee's service area without discrimination as to race, color, religion, sex, national origin, age, marital status, or physical or mental handicap (possess capacity to enter into legal contract for services) at reasonable charges, including assessments, taxes, or fees in accordance with a schedule of such charges, whether for one or more classes of service, adopted by resolution dated _____, as may be modified from time to time by Grantee. The initial rate schedule must be approved by Grantor. Thereafter, Grantee may make such modifications to the rate system as long as the rate schedule remains reasonable and nondiscriminatory.

E. Adjust its operating costs and service charges from time to time to provide for adequate operation and maintenance, emergency repair reserves, obsolescence reserves, debt service and debt service reserves.

F. Expand its system from time to time to meet reasonably anticipated growth or service requirements in the area within its jurisdiction.

G. Provide Grantor with such periodic reports as it may require and permit periodic inspection of its operations by a representative of the Grantor.

H. To execute any agreements required by Grantor which Grantee is legally authorized to execute. If any such agreement has been executed by Grantee as a result of a loan being made to Grantee by Grantor contemporaneously with the making of this grant, another agreement of the same type need not be executed in connection with this grant.

I. Upon any default under its representations or agreements set forth in this instrument, Grantee, at the option and demand of Grantor, will repay to Grantor forthwith the original principal amount of the grant stated herein above with the interest at the rate of 5 percentum per annum from the date of the default. Default by the Grantee will constitute termination of the grant thereby causing cancellation of Federal assistance under the grant. The provisions of this Grant Agreement may be enforced by Grantor, at its option and without regard to prior waivers by it previous defaults of Grantee, by judicial proceedings to require specific performance of the terms of this Grant Agreement or by such other proceedings in law or equity, in either Federal or State courts, as may be deemed necessary by Grantor to assure compliance with the provisions of this Grant Agreement and the laws and regulations under which this grant is made.

J. Return immediately to Grantor, as required by the regulations of Grantor, any grant funds actually advanced and not needed by Grantee for approved purposes.

K. Use the real property including land, land improvements, structures, and appurtenances thereto, for authorized purposes of the grant as long as needed.

1. Title to real property shall vest in the recipient subject to the condition that the Grantee shall use the real property for the authorized purpose of the original grant as long as needed.

2. The Grantee shall obtain approval by the Grantor agency for the use of the real property in other projects when the Grantee determines that the property is no longer needed for the original grant purposes. Use in other projects shall be limited to those under other Federal grant programs or programs that have purposes consistent with those authorized for support by the Grantor.

3. When the real property is no longer needed as provided in 1 and 2 above, the Grantee shall request disposition instructions from the Grantor agency or its successor Federal agency. The Grantor agency shall observe the following rules in the disposition instructions:

(a) The Grantee may be permitted to retain title after it compensates the Federal Government in an amount computed by applying the Federal percentage of participation in the cost of the original project to the fair market value of the property.

(b) The Grantee may be directed to sell the property under guidelines provided by the Grantor agency. When the Grantee is authorized or required to sell the property, proper sales procedures shall be established that provide for competition to the extent practicable and result in the highest possible return. ***[Revision 1, 04/17/1998]***

(c) The Grantee may be directed to transfer title to the property to the Federal Government provided that in such cases the Grantee shall be entitled to compensation computed by applying the Grantee's percentage of participation in the cost of the program or project to the current fair market value of the property.

This Grant Agreement covers the following described real property (use continuation sheets as necessary).

All that real property associated with the City's water system.

L. Abide by the following conditions pertaining to equipment which is furnished by the Grantor or acquired wholly or in part with grant funds. Equipment means tangible, non-expendable, personal property having a useful life of more than one year and an acquisition cost of $5,000 or more per unit. A grantee may use its own definition of equipment provided that such definition would at least include all equipment defined above.
[Revision 1, 04/17/1998]

1. Use of equipment.

(a) The Grantee shall use the equipment in the project for which it was acquired as long as needed. When no longer needed for the original project, the Grantee shall use the equipment in connection with its other Federally sponsored activities, if any, in the following order of priority:

(1) Activities sponsored by the Grantor.

(2) Activities sponsored by other Federal agencies.

(b) During the time that equipment is held for use on the property for which it was acquired, the Grantee shall make it available for use on other projects if such other use will not interfere with the work on the project for which the equipment was originally acquired. First preference for such other use shall be given to Grantor sponsored projects. Second preference will be given to other Federally sponsored projects.

2. Disposition of equipment. When the Grantee no longer needs the equipment as provided in paragraph (a) above, the equipment may be used for other activities in accordance with the following standards:

(a) Equipment with a current per unit fair market value of less than $5,000. The Grantee may use the equipment for other activities without reimbursement to the Federal Government or sell the equipment and retain the proceeds.

(b) Equipment with a current per unit fair market value of $5,000 or more. The Grantee may retain the equipment for other uses provided that compensation is made to the original Grantor agency or its successor. The amount of compensation shall be computed by applying the percentage of Federal participation in the cost of the original project or program to the current fair market value or proceeds from sale of the equipment. If the Grantee has no need for the equipment and the equipment has further use value, the Grantee shall request disposition instructions from the original Grantor agency.

The Grantor agency shall determine whether the equipment can be used to meet the agency's requirements. If no requirement exists within that agency, the availability of the equipment shall be reported, in accordance with the guidelines of the Federal Property Management Regulations (FPMR), to the General Services Administration by the Grantor agency to determine whether a requirement for the equipment exists in other Federal agencies. The Grantor agency shall issue instructions to the Grantee no later than 120 days after the Grantee requests and the following procedures shall govern:

(1) If so instructed or if disposition instructions are not issued within 120 calendar days after the Grantee's request, the Grantee shall sell the equipment and reimburse the Grantor agency an amount computed by applying to the sales proceeds the percentage of Federal participation in the cost of the original project or program. However, the Grantee shall be permitted to deduct and retain from the Federal share ten percent of the proceeds for Grantee's selling and handling expenses.

(2) If the Grantee is instructed to ship the equipment elsewhere the Grantee shall be reimbursed by the benefiting Federal agency with an amount which is computed by applying the percentage of the Grantee participation in the cost of the original grant project or program to the current fair market value of the equipment, plus any reasonable shipping or interim storage costs incurred.

(3) If the Grantee is instructed to otherwise dispose of the equipment, the Grantee shall be reimbursed by the Grantor agency for such costs incurred in its disposition.

3. The Grantee's property management standards for equipment shall also include:

(a) Records which accurately provide for: a description of the equipment; manufacturer's serial number or other identification number; acquisition date and cost; source of the equipment; percentage (at the end of budget year) of Federal participation in the cost of the project for which the equipment was acquired; location, use and condition of the equipment and the date the information was reported; and ultimate disposition data including sales price or the method used to determine current fair market value if the Grantee reimburses the Grantor for its share.

(b) A physical inventory of equipment shall be taken and the results reconciled with the equipment records at least once every two years to verify the existence, current utilization, and continued need for the equipment.

R. Not encumber, transfer or dispose of the property or any part thereof, furnished by the Grantor or acquired wholly or in part with Grantor funds without the written consent of the Grantor except as provided in item K above.

S. To include in all contracts for construction or repair a provision for compliance with the Copeland ``Anti-Kick Back" Act (18 U.S.C. 874) as supplemented in Department of Labor regulations (29 CFR, Part 3). The Grantee shall report all suspected or reported violations to the Grantor.

T. To include in all contracts in excess of $100,000 a provision that the contractor agrees to comply with all the requirements of the Clean Air Act (42 U.S.C. §7414) and Section 308 of the Water Pollution Control Act (33 U.S.C. §1318) relating to inspection, monitoring, entry, reports, and information, as well as all other requirements specified in Section 114 of the Clean Air Act and Section 308 of the Water Pollution Control Act and all regulations and guidelines issued thereunder after the award of the contract. In so doing the Contractor further agrees:

[Revision 1, 11/20/1997]

1. As a condition for the award of contract, to notify the Owner of the receipt of any communication from the Environmental Protection Agency (EPA) indicating that a facility to be utilized in the performance of the contract is under consideration to be listed on the EPA list of Violating Facilities. Prompt notification is required prior to contract award.

2. To certify that any facility to be utilized in the performance of any nonexempt contractor subcontract is not listed on the EPA list of Violating Facilities pursuant to 40 CFR Part 32 as of the date of contract award.

[Revision 1, 11/20/97]

3. To include or cause to be included the above criteria and the requirements in every nonexempt subcontract and that the Contractor will take such action as the Government may direct as a means of enforcing such provisions.

As used in these paragraphs the term ``facility" means any building, plan, installation, structure, mine, vessel or other floating craft, location, or site of operations, owned, leased, or supervised by a Grantee, cooperator, contractor, or subcontractor, to be utilized in the performance of a grant, agreement, contract, subgrant, or subcontract. Where a location or site of operation contains or includes more than one building, plant, installation, or structure, the entire location shall be deemed to be a facility except where the Director, Office of Federal Activities, Environmental Protection Agency, determines that independent facilities are co-located in one geographical area.

Grantor Agrees That It:

A. Will make available to Grantee for the purpose of this Agreement not to exceed **3,100,000.00** which it will advance to Grantee to meet not to exceed **40.79%** percent of the project development costs of the project in accordance with the actual needs of Grantee as determined by Grantor.

B. Will assist Grantee, within available appropriations, with such technical assistance as Grantor deems appropriate in planning the project and coordinating the plan with local official comprehensive plans for sewer and water and with any State or area plans for the area in which the project is located.

C. At its sole discretion and at any time may give any consent, deferment, subordination, release, satisfaction, or termination of any or all of Grantee's grant obligations, with or without valuable consideration, upon such terms and conditions as Grantor may determine to be (1) advisable to further the purpose of the grant or to protect Grantor's financial interest therein and (2) consistent with both the statutory purposes of the grant and the limitations of the statutory authority under which it is made.

Termination of This Agreement

This Agreement may be terminated for cause in the event of default on the part of the Grantee as provided in paragraph I above or for convenience of the Grantor and Grantee prior to the date of completion of the grant purpose. Termination for convenience will occur when both the Grantee and Grantor agree that the continuation of the project will not produce beneficial results commensurate with the further expenditure of funds.

In witness whereof Grantee on the date first above written has caused these presence to be executed by its duly authorized

_____

and attested and its corporate seal affixed by its duly authorized

_____

Attest:

_____

By: Randy Anderson

(Title) Mayor

By: Carol L. Higgins

(Title) Recorder

UNITED STATES OF AMERICA

RURAL UTILITIES SERVICE

By: [illegible] CP Specialist

(Title)

STEPTOE & JOHNSON PLLC
ATTORNEYS AT LAW

Chase Tower, Eighth Floor
P.O. Box 1588
Charleston, WV 25326-1588
(304) 353-8000 (304) 353-8180 Fax
www.steptoe-johnson.com

Writer's Contact Information

CLOSING MEMORANDUM

To: Financing Team

From: John C. Stump, Esquire

Date: September 3, 2013

Re: The City of Keyser
Water Revenue Bonds, Series 2013 A
(United States Department of Agriculture)

DISBURSEMENTS TO CITY:

Payor:	United States Department of Agriculture
Source:	Series 2013 A Bonds Proceeds
Amount:	$665,505.72
Form:	ACH
Payee:	The City of Keyser
Bank:	First United Bank & Trust
Routing #:	052100987
Account #:	134490942
Contact:	Shelly Friend, 304.788.2552
Account:	Project Construction Account

480520.00005

CITY OF KEYSER

RESOLUTION OF THE CITY OF KEYSER APPROVING INVOICES RELATING TO CONSTRUCTION AND OTHER SERVICES FOR THE PROPOSED PHASE II WATER PROJECT AND AUTHORIZING PAYMENT THEREOF,

WHEREAS, The City of Keyser has reviewed the invoices attached hereto and incorporated herein by reference relation to the construction of the Phase II Water Project funded by the USDA and find as follows:

a) That none of the items for which 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 paid 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.

d) That the payment for each of the items proposed is due and owing.

NOW, THEREFOR, BE IT RESOLVED the City of Keyser by as follows: There is hereby authorized and directed the payment of the attached invoices as follows:

Vendor	Total	USDA
Steptoe & Johnson	30,000.00	30,000.00
OVB Bank Payoff	549,855.74	549,855.74
Spilman Thomas & Battle	2,307.43	2,307.43
Dunn Engineers	76,900.00	76,900.00
Griffith & Associates	1,477.55	1,477.55
John Athey	$4,965.00	$4,965.00
Total	$665,505.72	$665,505.72

ADOPTED BY the City of Keyser, at the meeting held on the 28th day of August, 2013.

By: _____
Its: Mayor

USDA-RD
Form RD-440-11
(Rev. 10-00)

ESTIMATE OF FUNDS NEEDED
FOR
30-Day period Commencing
2013

FORM APPROVED
OMB NO. 0575-0015

Name of Borrower: City of Keysr

Items	Amount of Funds
Development	$ 0.00
Contract or Job No.	
Contract or Job No.	
Contract or Job No.	
Land and Rights-of-Way	0.00
Legal Services	37,272.43
Engineering Fees	76,900.00
Interest	0.00
Equipment	0.00
Contingencies	0.00
Refinancing	549,855.74
Initial O&M	0.00
Other (accounting)	1,477.55
Total	$ 665,505.72

Prepared by City of Keyser
By
Date 8/29/13
Approved by Steve Collins
Date 8/29/13

According to the paperwork reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0575-0015. The time required to complete this information collection is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, getting and maintaining the data needed, and completing and reviewing the collection of information.

City of Keyser 9/03/2013 0000001

Invoice No.	Invoice Date	Description	Amount
082813	9/03/2013	Phase II Water Project closing	549855.74
		Total:	**549,855.74**

TO VERIFY AUTHENTICITY, SEE REVERSE SIDE FOR DESCRIPTION OF THE 11 SECURITY FEATURES

City of Keyser Water
Project Phase II
111 N. Davis Street
Keyser, WV 26726

FIRST UNITED BANK & TRUST
Keyser, WV 26726

65-98/521

Check: 0000001

Check Date	Check Amount
9/03/2013	****549,855.74

Pay: ***Five Hundred Forty Nine Thousand Eight Hundred Fifty Five

VOID IF NOT CASHED WITHIN 90 DAYS

To the Order of: **OHIO VALLEY BANK**
PO BOX 240
GALLIPOLIS, OH 45631

AUTHORIZED SIGNATURES

⑈0000001⑈ ⑆052100987⑆ 1344909420⑈

THE CITY OF KEYSER

Water Revenue Bonds, Series 2013 A
(United States Department of Agriculture)

RECEIPT AND RELEASE

The Ohio Valley Bank Company, as the holder of The City of Keyser Waterworks Design Bond Anticipation Notes, Series 2012 B, dated May 9, 2012, issued in the original aggregate principal amount of $655,000 (the "Series 2012 B Notes"), hereby certifies that it has this day received the sum of $549,855.74 from The City of Keyser and that such sum is sufficient to pay the entire principal amount of and interest accrued on the Series 2012 B Notes to the date hereof and discharge the liens, pledges and encumbrances securing the Series 2012 B Notes.

Dated this 3rd day of September, 2013.

THE OHIO VALLEY BANK COMPANY

By: _____
Its: Authorized Officer

480520.00005

WEST VIRGINIA
Water Development Authority
Celebrating 38 Years of Service 1974 - 2013

September 3, 2013

The City of Keyser
Water Revenue Bonds, Series 2013 A
(United States Department of Agriculture)

TO WHOM IT MAY CONCERN:

In reliance upon the certificate of Griffith & Associates, the independent certified public accountant, and the opinion of Steptoe & Johnson PLLC, bond counsel, that the coverage and parity tests have been met, the undersigned duly authorized representative of the West Virginia Water Development Authority (the "Authority"), the registered owner of the Series 1998 A Bonds and Series 1998 B Bonds, hereinafter defined and described, hereby consents to the issuance of the Water Revenue Bonds, Series 2013 A (United States Department of Agriculture), in the original aggregate principal amount of $4,500,000, by The City of Keyser (the "Issuer"), under the terms of the ordinance authorizing the Bonds, on a parity, with respect to liens, pledge and source of and security for payment, with the (i) Water Revenue Bond, Series 1998 A (West Virginia Water Development Authority), dated October 15, 1998, issued in the original aggregate principal amount of $761,842 (the "Series 1998 A Bonds"); and (ii) Water Revenue Bond, Series 1998 B (West Virginia Water Development Authority), dated October 15, 1998, issued in the original aggregate principal amount of $2,997,584 (the "Series 1998 B Bonds").

WEST VIRGINIA WATER DEVELOPMENT
AUTHORITY

Sheila A. Miller
Authorized Representative

480520.00005

1009 Bullitt Street, Charleston, WV 25301
Phone (304) 414-6500 / fax (304)414-0865
www.wvwda.org

USDA

United States Department of Agriculture

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September 3, 2013

The City of Keyser
Water Revenue Bonds, Series 2013 A
(United States Department of Agriculture)

TO WHOM IT MAY CONCERN:

The undersigned duly authorized representative of the United States of America, acting through the Rural Utilities Service, United States Department of Agriculture, the present holder of the Prior Bonds, hereinafter defined and described, hereby (a) consents to the issuance of the Water Revenue Bonds, Series 2013 A (United States Department of Agriculture), in the original aggregate principal amount of $4,500,000, (the "Bonds"), by The City of Keyser (the "Issuer"), under the terms of the bond ordinance, as supplemented, authorizing the issuance of the Bonds (the "Ordinance"), on a parity, with respect to liens, pledge and source of and security for payment, with the Issuer's outstanding Water Revenue Bond, Series 1980, dated February 26, 1980, issued in the original aggregate principal amount of $3,146,000 and held by the United States Department of Agriculture, (the "Prior Bonds"); (b) waives any requirements imposed by the Prior Bonds or the ordinance authorizing the Prior Bonds (the "Prior Ordinance"), regarding the issuance of parity bonds which are not met by the Bonds or the Ordinance; and (c) consents to any amendments made to the Prior Ordinance by the Ordinance.

UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL UTILITIES SERVICE

Authorized Representative

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CITY OF KEYSER

Water Revenue Bond, Series 1980

and

Bond Anticipation Notes

BOND ORDINANCE

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CITY OF KEYSER

ORDINANCE AUTHORIZING THE ISSUANCE OF $3,146,000 WATER REVENUE BOND, SERIES 1980, AND BOND ANTICIPATION NOTES OF THE CITY OF KEYSER TO FINANCE ACQUISITION AND CONSTRUCTION OF IMPROVEMENTS TO THE EXISTING WATERWORKS SYSTEM; DEFINING AND PRESCRIBING THE TERMS AND PROVISIONS OF THE BOND AND THE NOTES; PROVIDING GENERALLY FOR THE RIGHTS AND REMEDIES AND SECURITY OF THE HOLDERS OF THE BOND AND THE NOTES; AND PROVIDING WHEN THIS ORDINANCE SHALL TAKE EFFECT

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

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

Section 1.01. Authority for This Ordinance. This Ordinance is adopted pursuant to the provisions of Article 19, Chapter 8 of the West Virginia Code (the "Act") and other applicable provisions of law.

Section 1.02. Findings and Determinations. It is hereby found, determined and declared as follows:

(A) The City of Keyser (the "Issuer"), in the County of Mineral, State of West Virginia, is now served by a public waterworks system (the "System"), but such System is not adequate. The inhabitants of the Issuer and surrounding area served by the System urgently require that the System be improved as herein provided.

(B) It is deemed essential, convenient and desirable for the health, welfare, safety, advantage and convenience of the inhabitants of the Issuer and, accordingly, it is hereby ordered, that there be acquired and constructed additions, extensions and improvements to the existing waterworks system of the Issuer consisting of a settling tank, pumping station, additional water lines with all appurtenant facilities (the "Project"), particularly described in and according to the plans and specifications prepared by the Consulting Engineer and heretofore filed in the office of the City Clerk of the Issuer. The construction and acquisition of the Project and the financing hereby authorized and provided for are in the public interest and for public purposes of the Issuer and are ordered for the purpose of meeting and serving public convenience and necessity, and will promote the health, welfare and safety of the residents of the City.

(C) It is necessary for the Issuer to issue its revenue bond in the principal amount of $3,146,000 to finance the cost of the Project in the manner hereinafter provided and, prior to delivery of the Bond, it is necessary for the Issuer to issue its bond anticipation notes (the "BAN") in the same principal amount.

(D) The estimated maximum cost of the construction of the Project is $3,146,000, all which will be obtained from the proceeds of sale of the Bond herein authorized.

(E) The cost of such construction shall be deemed to include, without being limited to, the construction or acquisition of the Project, the acquisition of any necessary property, real or personal, or interest therein; interest on the Bond and the BAN prior to, during and for six months after completion of such construction to the extent that revenues of the System are not sufficient therefor; engineering and legal expenses; expenses for estimates of costs and revenues; expenses for plans, specifications and surveys; and such other expenses as may be necessary or incidental to the construction of the Project and the financing authorized hereby.

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

(G) There are outstanding obligations of the Issuer which will rank on a parity with the Bond or the BAN as to lien and source of and security for payment, as follows:

A Note of the Issuer representing a loan from Farmers Home Administration in the sum of $200,000 (the "Note"), payable from the revenues of the waterworks of the Issuer in annual installments on January 1 through 2002;

Water Revenue Bonds, First Series, of the Issuer, dated June 1, 1967 (the "1967 Bonds") in the original principal amount of $100,000 and maturing serially on June 1 each year through 1984, held by the Farmers & Merchants Bank of Keyser and The National Bank of Keyser;

Water Revenue Bonds, Series 1972, of the Issuer dated January 1, 1973 (the "1972 Bonds"), in the original principal amount of $85,000 and maturing serially on January 1 of the years 1985 to 1994, inclusive, representing a loan from Economic Development Administration.

Farmers Home Administration of the United States Department of Agriculture, Economic Development Administration of the United States Department of Commerce, and Farmers & Merchants Bank of Keyser and The National Bank of Keyser as holders of the Note, the 1967 Bonds, the 1972 Bonds and the Bond, respectively, shall have consented in writing to all such obligations being on a parity, in all respects, and to the provisions of the Bond Legislation prior to delivery of the Bond and the BAN.

From the proceeds of sale of the Bond, the sum of $11,200 shall be deposited in the Reserve Fund on account of a deficiency in the Reserve Account established for the 1972 Bonds, but the Reserve Fund shall be ratably applicable to all four such debt issues relating to the waterworks in proportion to the respective original issue amounts.

(H) The Issuer has complied with all requirements of West Virginia law relating to authorization of the construction, acquisition and operation of the Project and issuance of the Bond and the BAN or will have so complied prior to such issuance including, among other things, obtaining a certificate of convenience and necessity

for the Project from the Public Service Commission of West Virginia by final order, the time for rehearing and appeal of which have expired. The rates, charges and rules provided in Article V hereof shall be in full force and effect except as changed by order of said Public Service Commission in case of appeal and the time for appeal as to such order shall have expired without appeal being taken therefrom.

Section 1.03. Ordinance to Constitute Contract. In consideration of the acceptance of the Bond by the Purchaser and of the BAN by the purchasers thereof, this Ordinance (the "Bond Legislation") shall be deemed to be and shall constitute a contract between the Issuer and such Bondholder and the holders of the BAN, and the covenants and agreements set forth herein to be performed by the Issuer shall be for the benefit, protection and security of the Purchaser as holder of the Bond and for the holders of the BAN.

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

"Act" means Article 19, Chapter 8 of the West Virginia Code.

"BAN" means the Bond Anticipation Notes hereinafter provided for and any refunding bond anticipation note or notes hereafter issued.

"Bond" means the Water Revenue Bond, Series 1979, authorized hereby to be issued and also means and includes the BAN unless the context clearly would exclude the BAN.

"Bonds" means the Note, the 1967 Bonds, the ~~1980~~ 1972 Bonds and the Bond.

"1967 Bonds" means the 1967 Bonds referred to in Section 1.02(G).

"1972 Bonds" means the 1972 Bonds referred to in Section 1.02(G).

"Bond Legislation" means this Ordinance and all ordinances and resolutions supplemental hereto.

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

"Consulting Engineer" means John McNair Associates, Waynesboro, Virginia, or any qualified engineer or firm of engineers which shall at any time hereafter be retained by the Issuer as Consulting Engineer for the System.

"Facilities" or "waterworks facilities" means all the tangible properties of the System and also any tangible properties which may hereafter be added to the System by additions, betterments, extensions and improvements thereto and properties, furniture, fixtures or equipment therefor, hereafter at any time constructed or acquired.

"Fiscal Year" means each year beginning on July 1 and ending on the succeeding June 30.

"Governing Body" means the Common Council of the Issuer.

"Herein" means in this Bond Legislation.

"Holder of the Bond" or "Bondholder" or any similar term means any person who shall be the bearer or owner of the Bonds or any thereof and, unless the context clearly would exclude the BAN, also means the holders of the BAN.

"Issuer" means the City of Keyser, in Mineral County, West Virginia, and includes the Governing Body.

"Net Revenues" means the balance of the gross revenues, as defined below, remaining after deduction only of operating expenses, as defined below.

"Note" means the Note referred to in Section 1.02(G).

"Operating Expenses" means the current expenses, paid or accrued, of operation and maintenance of the System and its facilities, and includes, without limiting the generality of the foregoing, insurance premiums, salaries, wages and administrative expenses of the Issuer relating and chargeable solely to the System, the accumulation of appropriate reserves for charges not annually recurrent but which are such as may reasonably be expected to be incurred, and such other reasonable operating costs as are normally and regularly included under recognized accounting principles, and retention of a sum not to exceed one-sixth of the budgeted operating expenses stated above for the current year as working capital, and language herein requiring payment of operating expenses means also retention of not to exceed such sum as working capital.

"Paying Agents" means the paying agents designated for the BAN by the Issuer.

"Prior Bonds" means the Note, the 1967 Bonds and the 1972 Bonds.

"Project" shall have the meaning stated in Section 1.02(B) above.

"Purchaser" means United States Department of Agriculture, Farmers Home Administration and any successor thereof.

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

"System" means the existing waterworks of the Issuer as expanded by the Project and includes all waterworks facilities owned by the Issuer and all facilities and other property of every nature, real or personal, now or hereafter owned, held or used in connection with the waterworks system; and shall also include any and all

additions, extensions, improvements, properties or other facilities at any time acquired or constructed for the waterworks system after completion of the Project.

"Trustee" means The National Bank of Keyser, Keyser, West Virginia.

"Underwriters" means the banks which shall purchase the BAN directly from the Issuer.

Words importing singular number shall include the plural number in each case and vice versa, and words importing persons shall include firms and corporations.

ARTICLE I A

BOND ANTICIPATION NOTES

Section 1.01 A. Authorization and General. In order to pay certain costs of the construction of the Project pending the delivery of the Bond to the Purchaser, bond anticipation notes ("BAN") of the Issuer shall be issued and sold in the amount of $3,146,000.

Each BAN shall be designated "Water System Bond Anticipation Note," shall be dated on the date of delivery thereof, shall be numbered 1 upward, shall be in such denominations as the Governing Body shall determine by the Resolution referred to in Section 1.12 A (the "Resolution"), shall be negotiable, in bearer form, shall bear interest from the date of delivery payable and at the rate or rates, shall mature, shall have such paying agents and shall have such other provisions not set forth herein as shall be provided in such supplemental Bond Legislation. The form of the BAN is set forth in Section 1.12 A below.

The BAN shall be executed for the Issuer by the Mayor, and the seal of the Issuer shall be impressed thereon and attested by the signature of the City Clerk.

The BAN shall be sold pursuant to a Purchase Agreement to be entered into between the Issuer and Underwriters pursuant to such supplemental Bond Legislation, the purchase price of the BAN to be paid in immediately available funds.

Section 1.02 A. Deposit of BAN Proceeds. The amount received upon the sale of the BAN, less interest to become due until the maturity thereof, shall be deposited on receipt by or for the Issuer with the Trustee, a member of the Federal Deposit Insurance Corporation ("FDIC"), in the Project Construction Account established by Section 3.01 hereof; provided, that the Issuer may designate any other bank in West Virginia as Trustee if the above-named Trustee should refuse or be unable to serve.

The balance received from the proceeds from the sale of the BAN shall be for payment of the interest on the BAN as such interest becomes due, and shall be directly deposited on receipt by or for the Issuer with the Trustee in a special segregated account designated "City of Keyser BAN Repayment Account" (the "BAN Repayment Account"), as more particularly described and upon the further terms and conditions of Section 1.06 A hereof.

Section 1.03 A. Security for the BAN. The BAN shall be secured by the pledge by the Issuer of and by a first lien on and shall be payable from (i) the agreement of the Purchaser to make the loan to the Issuer in the amount of $3,146,000 (the "Loan") by purchasing the Bond, (ii) the proceeds of the sale of the Bond when received from the Purchaser, (iii) all moneys and securities in the BAN Repayment Account, (iv) the proceeds from the sale of the BAN until expended as herein authorized, (v) the proceeds of sale of the BAN refunding notes, if any, and (vi) the Net Revenues of the System until payment of the BAN, on a parity with the Prior Bonds, and said

pledge by the Issuer for the benefit of the holders of the BAN, to the extent of the aggregate principal amount of the BAN and the interest thereon, is hereby made and granted. The Issuer will execute such documents as may be required to perfect such pledge and lien. The Trustee shall act as agent for the holders of the BAN in connection with instruments necessary under applicable laws in order to fully perfect the interests of the holders of the BAN in the assets pledged hereby, and to receive all notices and respond to all inquiries in connection therewith. The BAN shall also be secured by a statutory mortgage lien on the System as provided in the Act, on a parity with such lien in favor of the Prior Bonds.

Section 1.04 A. Payment of BAN. The Issuer will immediately deposit with the Trustee all proceeds from the sale of the Bond and of any refunding BAN to pay the BAN, to be placed by the Trustee directly into the BAN Repayment Account held by the Trustee. Upon maturity of the BAN, the Trustee will pay to the Paying Agents all principal and interest owing on the BAN.

Section 1.05 A. BAN Are Limited Obligations. The BAN shall be limited obligations of the Issuer, the interest of which is payable solely from certain of the proceeds from the sale of the BAN, the principal of which is payable from the sources described in Section 1.03 A above.

Section 1.06 A. Trustee; BAN Repayment Account. The Trustee shall segregate all funds and securities in the BAN Repayment Account separate and apart from other deposits and funds of the Trustee and other deposits and funds of the Issuer, including the Project Construction Account. All moneys in the BAN Repayment Account, until payment in full of all principal and interest owing on the BAN at maturity, shall be held by the Trustee for the holders of the BAN, and the Issuer shall have no rights with respect thereto. All moneys in the BAN Repayment Account in excess of the amount insured by FDIC shall be continuously secured by, or invested by the Trustee in direct obligations of, or obligations the principal of and interest on which are guaranteed by, the United States of America ("Federal Obligations") which Federal Obligations shall mature at least 1 day prior to need for the funds for payment of interest on or principal of the BAN. At or prior to any interest payment date and the maturity of the BAN, the Trustee shall transfer to the Paying Agents in immediately available funds the amount of interest or principal and interest owing on the BAN. Upon such transfer the Trustee shall pay to the Issuer any excess amounts remaining in the BAN Repayment Account, and the Issuer shall deposit any such amounts in the Project Construction Account.

The Issuer shall pay to the Trustee from time to time reasonable compensation for all services rendered by the Trustee under the Bond Legislation and all reasonable expenses, charges, counsel fees and other disbursements incurred by the Trustee in connection with its performance of its functions hereunder. The Issuer shall from time to time have the right to appoint a successor Trustee provided that such successor Trustee be a bank or trust company or national banking association insured by FDIC. The Trustee shall signify its acceptance of the duties and obligations hereby imposed by executing and delivering to the Issuer a written acceptance thereof.

Section 1.07 A. Paying Agents. Each Paying Agent shall signify its acceptance of the duties and obligations imposed upon it pursuant hereto by executing and delivering to the Issuer a written acceptance thereof. The Issuer may appoint as successor Paying Agent any bank, trust company or national banking association. The Underwriters shall pay to each Paying Agent (except the Trustee) from time to time reasonable compensation for all services rendered hereunder and all reasonable expenses, charges, counsel fees, and other disbursements incurred in connection with the performance of its obligations hereunder, unless otherwise provided in the Resolution.

Section 1.08 A. Covenants. The Issuer agrees that until payment in full of the principal and interest owing on the BAN when due, the covenants contained in Article IV for the benefit of the Bondholder shall inure to the benefit of the holders of the BAN.

In addition, the Issuer covenants to issue and sell the Bond to the Purchaser not later than one business day before the maturity of the BAN and to take all actions necessary to cause the Purchaser to purchase the Bond on or before such date, payment for the Bond to be in Federal funds available on date of the BAN maturity.

Section 1.09 A. Refunding BAN. The Issuer covenants that in the event the Bond is not issued and sold not later than one day prior to the due date of the BAN, it will use its best efforts to sell one or more series of its Bond Anticipation Refunding Notes hereunder in such aggregate amount as shall be necessary to pay the principal of the BAN, accrued interest thereon to maturity and the expense of issuing the Bond Anticipation Refunding Notes. The proceeds of the Bond Anticipation Refunding Notes, after making provision for the payment of the expenses of issuance thereof, shall be deposited in the BAN Repayment Account and used solely for the payment of the principal of and accrued interest on the BAN.

All Bond Anticipation Refunding Notes shall be in substantially the same form as the BAN, but shall be of such denominations, bear such dates, bear interest at such rates, have such maturity dates and contain an appropriate series designation, all as shall be provided in the Resolution authorizing such Bond Anticipation Refunding Notes.

Section 1.10 A. Events of Default and Enforcement. Each of the following events is hereby declared an "Event of Default": (a) failure to make timely payment of all principal and interest owing on the BAN at due date or maturity; and (b) failure duly and punctually to observe or perform any of the covenants, conditions and agreements on the part of the Issuer for the benefit of the holders of the BAN as herein provided.

On the happening of any Event of Default, then, and in each such case, the holders of the BAN or any one or more of such holders shall be entitled to proceed against all assets pledged for payment of the BAN, and shall have and are hereby given all further rights and remedies as are granted hereby to the Bondholder. Each holder of a BAN shall be deemed to be the Bondholder upon such default.

In the event that the BAN are not paid when due, the interest rate on the BAN after maturity until payment thereof in full shall be 8% per annum, unless a higher rate be provided in the Resolution, and the Issuer will pay the holders of the BAN not paid when due the principal amount of the BAN together with interest at the rate shown on the BAN from the date of the BAN until the due date thereof, and plus interest on the principal of the BAN at the rate of 8% per annum, or such other rate so provided, from the due date of the BAN until payment thereof in full.

Section 1.11 A. Defeasance of BAN. Upon deposit by the Issuer with the Trustee of moneys sufficient to pay the BAN at maturity or of Federal Obligations, the principal of and interest on which will be sufficient to pay the BAN at maturity, the BAN shall be considered to have been paid in full pursuant hereto except as provided below, and the lien and pledge hereby granted shall be deemed to be and shall be cancelled and discharged; and the holders of the BAN shall, upon such deposit, be entitled to payment of the BAN and the interest thereon at maturity solely from the moneys and securities then on deposit with the Trustee. All moneys and all securities deposited in accordance with the provisions of this Section shall at all times be under the exclusive control of the Trustee, shall be held by it for the sole benefit of the holders of the BAN, and shall be applied solely to the payment of the BAN except as expressly provided in this Section; and the Issuer shall have no rights or powers with respect to nor any interest in such moneys or securities or any part thereof. All moneys remaining on deposit with the Trustee at the close of business on the earlier of (A) the expiration of six months after the latest maturity date of the BAN issued hereunder or (B) the date on which all BAN have been paid in full, shall be released to the Issuer upon its written request and the Trustee shall have no further obligation in respect of the payment of such BAN and thereafter the holder of any BAN shall look to the Issuer for payment.

Section 1.12 A. Resolution. Following adoption hereof, and upon receipt of the Purchase Agreement referred to in Section 1.01 A, the Issuer, if it be so advised, will adopt a Resolution approving the Purchase Agreement and ordering the issuance of the BAN pursuant hereto and to such Resolution, which Resolution will provide, among other things, the interest rate or rates on the BAN, the interest payment dates, the maturity date and the sale price of the BAN and such other matters as shall be required or desired in connection with issuance of the BAN.

Section 1.13 A. Form of BAN. The BAN shall be in the following form, subject to such changes, insertions and deletions as the Mayor shall agree to by execution of the BAN:

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF KEYSER
WATER SYSTEM BOND ANTICIPATION NOTE

No. $

THE CITY OF KEYSER, a municipal corporation in Mineral County of the State of West Virginia (the "Issuer"), for value received, hereby promises to pay to bearer upon presentation and surrender hereof the sum of without option of prior redemption, on the _____ day of _____, 19___, with interest at the rate of _____ per cent (%) per year payable at maturity. Both principal and interest are payable in lawful money of the United States of America at the principal office of The National Bank of Keyser, Keyser, West Virginia, or at the option of the holder, at _____, New York, New York.

This Note is one of a series of Notes in the aggregate principal amount of $3,146,000 duly authorized by the Issuer and issued in anticipation of the issuance of the Water Revenue Bond, Series 1980 (the "Bond"), of the Issuer in the principal sum of $3,146,000 to finance the construction of additions, extensions and improvements to the existing public waterworks system (the "System") of the Issuer.

Farmers Home Administration of the United States Department of Agriculture has agreed to purchase the Bond at least one day prior to the due date of the issue of Notes of which this Note is one.

The principal of this Note, and of the issue of Notes of which this Note is one, is payable solely, equally, ratably, and only from the proceeds of sale of the Bond and certain proceeds, if any, from the sale of refunding notes, and, if Farmers Home Administration should not purchase the Bond as agreed, from the net revenues of the System defined in the Ordinance mentioned below, on a parity with the Prior Bonds described in said Ordinance. The proceeds of sale of the Bond and certain proceeds, if any, from the sale of the refunding notes have been pledged to the Noteholders to secure payment of the principal of the Notes.

Moneys from the proceeds of sale of the Notes to pay the interest on the Notes have been deposited with The National Bank of Keyser, Keyser, West Virginia, as Trustee.

The Notes of the issue of which this Note is one are limited and special obligations of the Issuer, and do not and shall not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory limitations or provisions, and the Issuer shall not be obligated to pay this Note and the Notes of the issue of which this Note is one or the interest thereon except from the proceeds of sale of the said Bond received by the Issuer and the proceeds of the Notes and certain proceeds from the sale of refunding notes and any other sources which may be provided by the Ordinance and Resolution authorizing issuance of the Notes and the Bond.

The Notes of the issue of which this Note is one have been duly authorized by an Ordinance and a Resolution of the Issuer pursuant to West Virginia Code, Chapter 8, Article 19.

Every requirement of law relating to the issuance hereof has been duly complied with.

IN WITNESS WHEREOF, THE CITY OF KEYSER has caused this Note to be signed by its Mayor and has caused its seal to be hereto affixed and attested by its City Clerk, all as of the date below written.

Dated:

CITY OF KEYSER

[SEAL]

By_____
Mayor

ATTEST:

_____
City Clerk

ARTICLE II

AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND ISSUE OF BOND

Section 2.01. Authorization of Bond. Subject and pursuant to the provisions of this Ordinance, the Bond of the Issuer, to be known as "Water Revenue Bond, Series 1980," is hereby authorized to be issued in the aggregate principal amount of not exceeding Three Million One Hundred Forty-Six Thousand Dollars ($,146,000) for the purpose of financing a portion of the cost of the construction and acquisition of the Project.

Section 2.02. Description of Bond. The Bond shall be issued in single form, No. 1, and shall be dated on the date of delivery. The Bond shall bear interest from date, payable monthly at the rate of five per centum (5%) per annum, and shall be sold for the par value thereof.

The Bond shall be subject to prepayment of scheduled monthly installments, or any portion thereof, at the option of the Issuer, and shall be payable as provided in the Bond form hereinafter set forth.

Section 2.03. Execution of Bond. The Bond shall be executed in the name of the Issuer by the Mayor and its corporate seal shall be affixed thereto and attested by the City Clerk.

Section 2.04. Bond Mutilated, Destroyed, Stolen or Lost. In case the Bond shall become mutilated or be destroyed, stolen or lost, the Issuer may in its discretion issue and deliver a new Bond of like tenor as the Bond so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the holder's furnishing the Issuer proof of his ownership thereof and complying with such other reasonable regulations and conditions as the Issuer may require. The Bond so surrendered shall be canceled and held for the account of the Issuer. If the Bond shall have matured or be about to mature, instead of issuing a substitute Bond the Issuer may pay the same, and, if such Bond be destroyed, stolen or lost, without surrender thereof.

Section 2.05. Bond and BAN Secured by Pledge of Revenues. The payment of the debt service of the Bond and the BAN shall be secured forthwith by a lien on the net revenues derived from the System in addition to the statutory mortgage lien on the System hereinafter provided for, on a parity in all respects with the Prior Bonds. The net revenues derived from the System in an amount sufficient to pay the principal of and interest on the Bond and the BAN, and to make the payments as hereinafter provided, are hereby irrevocably pledged to the payment of the principal of and interest on the Bond and the BAN as the same become due, on a parity with the Prior Bonds.

Section 2.06. Form of Bond. Subject to the provisions hereof, the text of the Bond and the other details thereof shall be of substantially the following tenor, with such omissions, insertions and variations as may be authorized or permitted hereby or any resolution adopted after the date of adoption hereof and prior to the issuance thereof:

(Form of Bond)

WATER REVENUE BOND, SERIES 1980

CITY OF KEYSER

$3,146,000

No. 1 Date:_____

FOR VALUE RECEIVED, the CITY OF KEYSER (herein called "Borrower") promises to pay to the order of the United States of America, acting through the Farmers Home Administration, United States Department of Agriculture (the "Government"), at its National Finance Office, St. Louis, Missouri 63103, or at such other place as the Government may hereafter designate in writing, through the West Virginia Municipal Bond Commission, the principal sum of Three Million One Hundred Forty-Six Thousand Dollars ($3,146,000), plus interest on the unpaid principal balance at the rate of five per cent (5%) per annum. The said principal and interest shall be paid in the following installments on the following dates: Installments of interest only on the first day of each month for the first twenty-four months after the date hereof and $15,447, covering principal and interest, thereafter on the first day of each month, except that the final installment shall be paid at the end of forty (40) years from the date of this Bond, and except that prepayments may be made as provided hereinbelow. The consideration herefor shall support any agreement modifying the foregoing schedule of payments.

If the total amount of the loan is not advanced at the time of loan closing, the loan shall be advanced to Borrower as requested by Borrower and approved by the Government and interest shall accrue on the amount of each advance from its actual date as shown on the reverse hereof.

Every payment made on any indebtedness evidenced by this Bond shall be applied first to interest computed to the effective date of the payment and then to principal.

Prepayments of scheduled installments, or any portion thereof, may be made at any time at the option of Borrower. Refunds and extra payments, as defined in the regulations of the Farmers Home Administration according to the source of funds involved, shall, after payment of interest, be applied to the installments last to become due under this Bond and shall not affect the obligation of Borrower to pay the remaining installments as scheduled herein.

If the Government at any time assigns this Bond and insures the payment thereof, Borrower shall continue to make payments to the Government as collection agent for the holder.

While this Bond is held by an insured lender, prepayments as above authorized made by Borrower may, at the option of the Government, be remitted by the Government to the holder promptly or, except for final payment, be retained by the Government and remitted to the holder on either a calendar quarter basis or an annual

installment due date basis. The effective date of every payment made by Borrower, except payments retained and remitted by the Government on an annual installment due date basis, shall be the date of the United States Treasury check by which the Government remits the payment to the holder. The effective date of any prepayment retained and remitted by the Government to the holder on an annual installment due date basis shall be the date of the prepayment by Borrower and the Government will pay the interest to which the holder is entitled accruing between the effective date of any such prepayment and the date of the Treasury check to the holder.

Any amount advanced or expended by the Government for the collection hereof or to preserve or protect any security herefor, or otherwise under the terms of any security or other instrument executed in connection with the loan evidenced hereby, at the option of the Government shall become a part of and bear interest at the same rate as the principal of the debt evidenced hereby and be immediately due and payable by Borrower to the Government without demand. Borrower agrees to use the loan evidenced hereby solely for purposes authorized by the Government.

Borrower hereby certifies that it is unable to obtain suficient credit elsewhere to finance its actual needs at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in or near its community for loans for similar purposes and periods of time.

This Bond, together with any additional bonds ranking on a parity herewith which may be issued and outstanding for the purpose of providing funds for financing costs of construction and acquisition of additions, extensions and improvements to the waterworks system (the "System") of the Borrower, is payable solely from the revenues to be derived from the operation of the System after there have been first paid from such revenues the reasonable current costs of operation and maintenance of the System. This Bond does not in any manner constitute an indebtedness of the Borrower within the meaning of any constitutional or statutory provision or limitation.

This Bond has been issued under and in full compliance with an Ordinance duly enacted by Borrower and the Constitution and statutes of the State of West Virginia, including, among others, Article 19 of Chapter 8 of the West Virginia Code (herein called the "Act").

If at any time it shall appear to the Government that Borrower may be able to obtain a loan from a responsible cooperative or private credit source at reasonable rates and terms for loans for similar purposes and periods of time, Borrower will, at the Government's request, apply for and accept such loan in sufficient amount to repay the Government.

This Bond is given as evidence of a loan to Borrower made or insured by the Government pursuant to the Consolidated Farmers

Home Rural Development Act. This Bond shall be subject to the present regulations of the Farmers Home Administration and to its future regulations not inconsistent with the express provisions hereof.

This Bond is on a parity in all respects with the Prior Bonds defined in said Ordinance.

CITY OF KEYSER
(Name of Borrower)

[CORPORATE SEAL]

(Signature of Executive Official)

Mayor
(Title of Executive Official)

Box 70
(Post Office Box No. or Street Address)

Keyser, West Virginia 26726
(City, State and Zip Code)

ATTEST:

(Signature of Attesting Official)

City Clerk
(Title of Attesting Official)

RECORD OF ADVANCES

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

TOTAL $ _____

ASSIGNMENT

Pay to the Order of _____

_____

UNITED STATES OF AMERICA
FARMERS HOME ADMINISTRATION

By _____

_____
(Title)

ARTICLE III

BAN PROCEEDS; REVENUES AND APPLICATION THEREOF

Section 3.01. BAN Proceeds; Project Construction Account. The proceeds of sale of the BAN, less interest to become due until the maturity thereof, shall be deposited on receipt by the Issuer in The National Bank of Keyser, Keyser, West Virginia, a member of Federal Deposit Insurance Corporation (the "FDIC"), in a special account hereby created and designated as "City of Keyser Project Construction Account" (herein called "Project Construction Account"). The moneys in the Project Construction Account in excess of the amount insured by FDIC shall be secured at all times by such bank by securities or in a manner lawful for the securing of deposits of State and municipal funds under West Virginia law. Moneys in the Project Construction Acount shall be expended by the Issuer solely for the purposes provided herein.

Until completion of construction of the Project, the Issuer will transfer from the Project Construction Account and pay to the Purchaser on or before the fifteenth day of each month, such sums as shall be from time to time required to make the monthly installment payments on the Bond if there are not sufficient Net Revenues to make such monthly payment.

If the Issuer shall determine at any time that all funds on deposit in the Project Construction Account exceed the estimated disbursements on account of the Project for the ensuing 90 days, the Issuer may invest such excess funds in direct obligations of, or obligations the principal of and interest on which are guaranteed by, the United States of America, which shall mature not later than eighteen months after the date of such investment. All such investments and the income therefrom shall be carried to the credit of the Project Construction Account.

When construction of the Project has been completed and all costs thereof have been paid or provision for such payment has been made, any balance remaining in the Project Construction Account shall be disposed of in accordance with the regulations of the Purchaser.

Section 3.02. Covenants of the Issuer as to Revenues and Funds. So long as the Bonds shall be outstanding and unpaid, or until there shall have been set apart in the Reserve Fund hereinafter established, a sum sufficient to pay, when due or at the earliest practical prepayment date, the entire principal of the Bonds remaining unpaid, together with interest accrued and to accrue thereon, the Issuer further covenants with the holder of the Bonds as follows:

(A) Revenue Fund. The entire gross revenues derived from the operation of the System, and all parts thereof, and all tap fees received, shall be deposited as collected by the Issuer in a special fund in a bank or trust company in the State of West Virginia which is a member of FDIC, which Fund, known as the "Revenue Fund" is

hereby established initially with Farmers and Merchants Bank of Keyser, Keyser, West Virginia. The Revenue Fund shall constitute a trust fund for the purposes provided herein and shall be kept separate and distinct from all other funds of the Issuer and used only for the purposes and in the manner provided herein.

(B) Disposition of Revenues. All revenues at any time on deposit in the Revenue Fund shall be disposed of only in the following order and priority:

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

(2) The Issuer shall next, by the fifteenth day of each month, transfer from the Revenue Fund and pay to the National Finance Office designated in the Bond the amount required to pay the interest on the Bond, and to amortize the principal of the Bond over the life of the Bond issue. Such payments shall be made through the West Virginia Municipal Bond Commission (the "Commission") into the Keyser Water Bond Sinking Fund, hereby established with said Commission, unless and until the said Commission and the Bondholder shall agree otherwise.

Simultaneously with such payment upon the Bond the Issuer shall also pay into the Keyser Water Bond Sinking Fund (a) the sum of $717 to amortize the 1967 Bonds, and (b) a sum equal to 1/6 of the amount of interest becoming due on the 1972 Bonds on the next interest payment date and 1/12 of the amount of principal becoming due on the 1972 Bonds on the next principal payment date.

Simultaneously with such payments upon the Bond and the 1967 Bonds the Issuer shall also pay into the Note Sinking Fund ("Sinking Fund No. 1"), hereby established with the Commission, the following: The sum of $702 to amortize the Note.

In the event that the Purchaser and the said Commission agree, the Issuer may either transfer the monthly payment upon the Bond and the 1967 Bonds from the Revenue Fund into Sinking Fund No. 1 or may pay such monthly payment directly to the Purchaser.

All such payments and transfers for current interest and principal payments on the Bonds shall be of the same priority even though paid into different accounts or otherwise paid.

(3) The Issuer shall next, by the fifteenth day of each month, transfer from the Revenue Fund and deposit with the Commission in the Reserve Fund hereby initially established with the Commission, the following:

The sum of $1,600 until, on account of the Bond, there is on deposit in the Reserve Fund the sum of $186,000;

The sum of $150 until, on account of the Note, there is on deposit in the Reserve Fund the sum of $9,000; and Note

The sum of $75 until, on account of the 1967 Bonds, there is on deposit in the Reserve Fund the sum of $8,600; and 1967

The amount required to accumulate and maintain in the Reserve Fund the sum of $11,200 on account of the 1972 Bonds. 1972

Such deposits shall be made into the Reserve Fund until the amount in the Reserve Fund equals the sum of $214,800 (after payment of all the 1967 Bonds, such sum shall be reduced to $206,200), such sum being herein called the "Minimum Reserve." After the Minimum Reserve has been accumulated in the Reserve Fund, the Issuer shall monthly deposit into the Reserve Fund such part of the moneys remaining in the Revenue Fund, after such provision for payment of monthly installments on the Bonds and for payment of operating expenses of the System, as shall be required to maintain the Minimum Reserve in the Reserve Fund. Moneys in the Reserve Fund shall be used solely to make up any deficiency for monthly payments of the principal of and interest on the Bonds as the same shall become due or for mandatory prepayment of the Bonds as hereinafter provided, and for no other purpose.

(4) The Issuer shall next, by the fifteenth day of each month, transfer from the Revenue Fund and deposit in the Depreciation Reserve, hereby initially established with said Bank, the moneys remaining in the Revenue Fund and not permitted to be retained therein, until there has been accumulated in the Depreciation Reserve the aggregate sum of $127,000 and thereafter such sums as shall be required to maintain such amount therein. Moneys in the Depreciation Reserve shall be used first to make up deficiencies for monthly payments of principal of and interest on the Bonds as the same become due, and next to restore to the Reserve Fund any sum or sums transferred therefrom. Thereafter, and provided that payments into the Reserve Fund are current and in accordance with the foregoing provisions, moneys in the Depreciation Reserve may be withdrawn by the Issuer and used for extraordinary repairs and for replacements of equipment and for improvements and capital equipment for the System, or any part thereof.

(5) After all the foregoing provisions for use of moneys in the Revenue Fund have been fully complied with, any moneys remaining therein and not permitted to be retained therein may be used for any lawful purpose relating to the Bonds or the System.

Whenever the moneys in the Reserve Fund shall be sufficient to prepay the Bonds in full, it shall be the mandatory duty of the Issuer, anything to the contrary herein notwithstanding, to prepay the Bonds at the earliest practical date and in accordance with applicable provisions hereof.

The aforesaid Bank (and any successor appointed by the Issuer) is hereby designated as the Fiscal Agent for the administration of the Depreciation Reserve and the Commission is hereby designated Fiscal Agent for the Reserve Fund and the Keyser Water Bond Sinking Fund until the Commission and the Bondholder agree otherwise, as herein provided, and all amounts required therefor will be deposited therein by the Issuer upon transfers of funds from the Revenue Fund at the times provided herein, together with written advice stating the amount remitted for deposit into each such Fund.

All the funds provided for in this Section shall constitute trust funds and shall be used only for the purposes and in the order provided herein, and until so used, the Bondholder shall have a lien thereon for further securing payment of the Bond and the interest thereon, but the aforesaid Bank shall not be a trustee as to such funds. The moneys in excess of the sum insured

by FDIC in any of such funds shall at all times be secured, to the full extent thereof in excess of such insured sum, in a manner lawful for securing deposits of State and municipal funds under the laws of the State of West Virginia.

If on any payment date the revenues are insufficient to make the payments and transfers as hereinabove provided, the deficiency shall be made up in the subsequent payments and transfers in addition to those which would otherwise be required to be made on the subsequent payment dates.

The Fiscal Agents shall keep the moneys in the Reserve Fund and the Depreciation Reserve invested and reinvested to the fullest extent practicable in direct obligations of, or obligations the payment of the principal of and interest on which are guaranteed by, the United States of America and having maturities not exceeding two years. Earnings upon moneys in the Reserve Fund, so long as the Minimum Reserve is on deposit and maintained therein, shall be paid annually in January into the Revenue Fund by the Fiscal Agent.

(C) Change of Fiscal Agent. The Issuer may designate another bank insured by FDIC as Fiscal Agent if the aforesaid Bank should cease for any reason to serve or if the Governing Body determines by resolution that said Bank or its successor should no longer serve as Fiscal Agent. Upon any such change, the Governing Body will cause notice of the change to be sent by registered or certified mail to the Bondholder.

(D) User Contracts. The Issuer shall, prior to delivery of the Bond, provide evidence that there will be 2,512 bona fide users initially upon the System.

Section 3.03. Transfers of Funds and Accounts for Prior Issues. Upon delivery of the Bond, the following transfers of funds shall be made:

All moneys in the Waterworks Note and Interest Sinking Account established for the Note shall be transferred to and deposited in the Sinking Fund No. 1 and said Waterworks Note and Interest Sinking Account shall be closed.

All moneys in the Waterworks Note Reserve Account shall be transferred to and deposited in the Reserve Fund and the said Waterworks Note Reserve Account shall be closed.

All moneys in the Reserve Account in the 1972 Sinking Fund shall be transferred by the Commission to the Reserve Fund and the said Reserve Account shall be closed.

All moneys in the Waterworks Bond, Note and Interest Redemption Account in excess of $717 shall be transferred by the Commission to the Reserve Fund, the sum of $717 shall be transferred to the Keyser Water Bond Sinking Fund, and the Waterworks Bond, Note and Interest Redemption Account shall be closed.

All moneys in the Waterworks Operation and Maintenance Account with said Bank shall be transferred to the Revenue Fund and the Waterworks Operation and Maintenance Account shall be closed.

All moneys in the Waterworks Depreciation Account with said Bank shall be transferred to the Depreciation Reserve and the Waterworks Depreciation Account shall be closed.

ARTICLE IV

GENERAL COVENANTS

Section 4.01. General Statement. So long as the Bonds shall be outstanding and unpaid, or until there shall have been set apart in the Reserve Fund a sum sufficient to prepay the entire principal of the Bonds remaining unpaid, together with interst accrued and to accrue thereon to the date of prepayment, the covenants and agreements contained herein shall be and constitute valid and legally binding covenants between the Issuer and the Bondholder.

Section 4.02. Rates. The Issuer will, in the manner provided in the Act, fix and collect such rates, fees or other charges for the services and facilities of the System, and revise the same from time to time whenever necessary, as will always provide revenues in each fiscal year sufficient to produce net revenues equal to not less than 110% of the annual debt service on the Bonds and to make the payments required herein into the Reserve Fund and the Depreciation Reserve and all the necessary expenses of operating and maintaining the System during such fiscal year and such rates, fees and other charges shall not be reduced so as to be insufficient to provide adequate revenues for such purposes.

Section 4.03. Sale of the System. The System will not be sold without the prior written consent of every Bondholder so long as the Bonds are outstanding. Such consent will provide for disposition of the proceeds of any such sale.

Section 4.04. Issuance of Additional Parity Bonds. No additional parity bonds payable out of the revenues of the System shall be issued after the issuance of the Bond pursuant hereto except with the prior written consent of every Bondholder.

Section 4.05. Insurance and Bonds. The Issuer hereby covenants and agrees that it will, as an expense of construction, operation and maintenance of the System, procure, carry and maintain, so long as the Bonds remain outstanding, insurance with a reputable insurance carrier or carriers covering the following risks and in the following amounts:

(a) Fire, Lightning, Vandalism, Malicious Mischief and Extended Coverage Insurance, to be procured upon acceptance of any part of the Project from the contractor, and immediately upon any portion of the System now in use, on all above-ground structures of the System in an amount equal to the actual cost thereof. In the event of any damage to or destruction of any portion of the System, the Issuer will promptly arrange for the application of the insurance proceeds for the repair or reconstruction of such damaged or destroyed portion. The Issuer will itself, or will require each contractor and subcontractor to, obtain and maintain builder's risk insurance to protect the interests of the Issuer during construction of the Project in the full insurable value thereof.

(b) Public Liability Insurance, with limits of not less than $500,000 for one or more persons injured or killed in one accident to protect the Issuer from claims for bodily injury and/or

death, and not less than $200,000 to protect the Issuer from claims for damage to property of others which may arise from the operation of the System, such insurance to be procured not later than the date of delivery of the Bond.

(c) Vehicular Public Liability Insurance, in the event the Issuer owns or operates any vehicle in the operation of the System, or in the event that any vehicle not owned by the Issuer is operated at any time or times for the benefit of the Issuer, with limits of not less than $500,000 for one or more persons injured or killed in one accident to protect the Issuer from claims for bodily injury and/or death, and not less than $200,000 to protect the Issuer from claims for damage to property of others which may arise from such operation of vehicles, such insurance to be procured prior to acquisition or commencement of operation of any such vehicle for the Issuer.

(d) Workmen's Compensation Coverage for all Employees of the District Eligible Therefor; and Performance and Payment Bonds, such bonds to be in the amounts of 100% of the construction contract, will be required of each prime contractor, and such payment bonds will be filed with the Clerk of the County Commission of said County prior to commencement of construction of the Project in compliance with West Virginia Code Section 38-2-39.

(e) Fidelity Bonds will be provided as to every member of the Governing Body and as to every officer and employee thereof having custody of the Revenue Fund or of any revenues or other funds of the Issuer in an amount at least equal to the total funds in the custody of any such person at any one time, and initially in the amount of $10,000, upon the City Clerk, provided, however, that no bond shall be required insofar as custody of the Project Construction Account is concerned so long as checks thereon require the signature of a representative of the Purchaser.

(f) Provided, however, and in lieu of and notwithstanding the foregoing provisions of this Section, during construction of the Project and so long as the Bonds are outstanding, the Issuer will carry insurance and bonds or cause insurance and bonds to be carried for the protection of the Issuer, and during such construction will require each contractor and subcontractor to carry insurance, of such types and in such amounts as the Bondholder may specify, with insurance carriers or bonding companies acceptable to the Bondholder.

Section 4.06. Statutory Mortgage. For the further protection of the holder of the Bond, 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 and shall take effect immediately upon the delivery of the Bond.

Section 4.07. Events of Default. Each of the following events is hereby declared an "Event of Default":

(A) Failure to make payment of any monthly amortization installment at the date specified for payment thereof;

(B) Failure duly and punctually to observe or perform any of the covenants, conditions and agreements on the part of the Issuer contained in the Bonds or herein, or violation of or failure to observe any provision of any pertinent law.

Section 4.08. Enforcement. Upon the happening of any Event of Default specified above, then, and in every such case, the Bondholder may proceed to protect and enforce its rights by an appropriate action in any court of competent jurisdiction, either for the specific performance of any covenant or agreement, or execution of any power, or for the enforcement of any proper legal or equitable remedy as shall be deemed most effectual to protect and enforce such rights.

Upon application by the Bondholder, such court may, upon proof of such default, appoint a receiver for the affairs of the Issuer and the System. The receiver so appointed shall administer the System on behalf of the Issuer, shall exercise all the rights and powers of the Issuer with respect to the System, shall proceed under the direction of the court to obtain authorization to increase rates and charges of the System, and shall have the power to collect and receive all revenues and apply the same in such manner as the court may direct.

Section 4.09. Fiscal Year; Budget. While the Bonds are outstanding and unpaid and to the extent not now prohibited by law, the System shall be operated and maintained on a fiscal year basis commencing on July 1 of each year and ending on the following June 30, which period shall also constitute the budget year for the operation and maintenance of the System. Not later than thirty days prior to the beginning of each fiscal year, the Issuer agrees to adopt the Annual Budget for the ensuing year, and no expenditures for operation and maintenance expenses of the System in excess of the Annual Budget shall be made during such fiscal year unless unanimously authorized and directed by the Governing Body. Copies of each Annual Budget shall be delivered to each Bondholder by the beginning of each fiscal year.

If for any reason the Issuer shall not have adopted the Annual Budget before the first day of any fiscal year, it shall adopt a Budget of Current Expenses from month to month until the adoption of the Annual Budget; provided, however, that no such monthly budget shall exceed the budget for the corresponding month in the year next preceding by more than ten per centum; and provided further that adoption of a Budget of Current Expenses shall not constitute compliance with the covenant to adopt an Annual Budget unless failure to adopt an Annual Budget be for a reason beyond the control of the Issuer. Each such Budget of Current Expenses shall be mailed immediately to each Bondholder.

Section 4.10. Covenant to Proceed and Complete. The Issuer hereby covenants to proceed as promptly as possible with the construction of the Project to completion thereof in accordance with the plans and specifications prepared by the Consulting Engineer and on file with the Secretary on the date of adoption hereof, subject to permitted changes.

Section 4.11. 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 each Bondholder shall have the right at all reasonable times to inspect the System and all records, accounts and data of the Issuer relating thereto.

The Issuer shall, at least once a year, cause said books, records and accounts of the System to be properly audited by an independent competent firm of certified public accountants and shall mail a copy of such audit report to each Bondholder.

Section 4.12. Maintenance of System. The Issuer covenants that it will continuously operate, in an economical and efficient manner, and maintain the System as a revenue-producing utility as herein provided so long as the Bonds are outstanding.

Section 4.13. No Competition. The Issuer will not permit competition with the System within its boundaries or within the territory served by it and will not grant or cause, consent to or allow the granting of any franchise, permit or other authorization for any person, firm, corporation, public or private body, agency or instrumentality whatsoever to provide any of the services supplied by the System within the boundaries of the Issuer or within the territory served by the System.

Section 4.14. Concerning Arbitrage. The proceeds of sale of the BAN and the Bond will not be invested in such a way as to violate the regulations of the Internal Revenue Service of the Treasury Department of the United States of America in connection with the arbitrage provisions of Section 103(c) of the Internal Revenue Code of 1954, as amended.

ARTICLE V

RATES, ETC.

Section 5.01. Initial Schedule of Rates and Charges; Rules. A. The schedule of rates and charges for the services and facilities of the System shall be as set forth in Ordinance No. 192 of the City of Keyser, entitled "AN ORDINANCE TO ESTABLISH INCREASED RATES AND CHARGES FOR WATER SERVICE TO BE FURNISHED BY THE CITY OF KEYSER AFTER CERTAIN PROPOSED IMPROVEMENTS HAVE BEEN MADE TO ITS WATER TREATMENT AND DISTRIBUTION SYSTEM AND SAME HAVE BEEN PLACED IN OPERATION," and enacted on January 2, 1980.

ARTICLE VI

MISCELLANEOUS

Section 6.01. Modification or Amendment. No material modification or amendment of this Bond Legislation, or of any Bond Legislation amendatory hereof or supplemental hereto, may be made without the consent in writing of each Bondholder.

Section 6.02. Delivery of Bond No. 1. The Mayor is hereby authorized and directed to cause Bond No. 1, hereby awarded to the Purchaser pursuant to prior agreement, to be delivered to the Purchaser as soon as the Purchaser will accept such delivery.

Section 6.03. Severability of Invalid Provision. If any one or more of the covenants, agreements or provisions hereof should be held contrary to any express provision of law or contrary to the policy of express law, although not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separable from the remaining covenants, agreements or provisions hereof, and shall in no way affect the validity of all the other provisions hereof or the Bond.

Section 6.04. Conflicting Provisions Repealed. All ordinances, resolutions and orders, or parts thereof, in conflict with the provisions hereof are, to the extent of such conflicts, hereby repealed; provided that this Section shall not be applicable to the Loan Resolution (Form FmHA 442-47).

Section 6.05. Table of Contents and Headings. The Table of Contents and headings of the articles, sections and subsections hereof are for convenience only and shall neither control nor affect in any way the meaning or construction of any of the provisions hereof.

Section 6.06. Effective Time. This Bond Legislation shall take effect following public hearing hereon in accordance with the Act.

Section 6.07. 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, together with Section 5.01 hereof in its entirety, shall be published once a week for two successive weeks within a period of fourteen consecutive days, with at least six full days intervening between each publication, in Mineral Daily News - Tribune, a newspaper published and of general circulation in the City of Keyser, together with a notice stating that this Bond Legislation has been adopted and that the Issuer contemplates the issuance of the Bond, and that any person interested may appear before the Governing Body upon a date certain, not less than ten days subsequent to the date of the second publication of the said abstract and notice, and present protests. At such hearing, all

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

Passed on First Reading January 31, 1980

Passed on Second and Final Reading Following Public Hearing Held February 20, 1980

Mayor

City Clerk

(Form of Bond)

WATER REVENUE BOND, SERIES 1980

CITY OF KEYSER

$3,146,000

No. 1 Date:_____

FOR VALUE RECEIVED, the CITY OF KEYSER (herein called "Borrower") promises to pay to the order of the United States of America, acting through the Farmers Home Administration, United States Department of Agriculture (the "Government"), at its National Finance Office, St. Louis, Missouri 63103, or at such other place as the Government may hereafter designate in writing, through the West Virginia Municipal Bond Commission, the principal sum of Three Million One Hundred Forty-Six Thousand Dollars ($3,146,000), plus interest on the unpaid principal balance at the rate of five per cent (5%) per annum. The said principal and interest shall be paid in the following installments on the following dates: Installments of interest only on the first day of each month for the first twenty-four months after the date hereof and $15,447, covering principal and interest, thereafter on the first day of each month, except that the final installment shall be paid at the end of forty (40) years from the date of this Bond, and except that prepayments may be made as provided hereinbelow. The consideration herefor shall support any agreement modifying the foregoing schedule of payments.

If the total amount of the loan is not advanced at the time of loan closing, the loan shall be advanced to Borrower as requested by Borrower and approved by the Government and interest shall accrue on the amount of each advance from its actual date as shown on the reverse hereof.

Every payment made on any indebtedness evidenced by this Bond shall be applied first to interest computed to the effective date of the payment and then to principal.

Prepayments of scheduled installments, or any portion thereof, may be made at any time at the option of Borrower. Refunds and extra payments, as defined in the regulations of the Farmers Home Administration according to the source of funds involved, shall, after payment of interest, be applied to the installments last to become due under this Bond and shall not affect the obligation of Borrower to pay the remaining installments as scheduled herein.

If the Government at any time assigns this Bond and insures the payment thereof, Borrower shall continue to make payments to the Government as collection agent for the holder.

While this Bond is held by an insured lender, prepayments as above authorized made by Borrower may, at the option of the Government, be remitted by the Government to the holder promptly or, except for final payment, be retained by the Government and remitted to the holder on either a calendar quarter basis or an annual installment due date basis. The effective date of every payment made by Borrower, except payments retained and remitted by the Government on an annual installment due date basis, shall be the date of the United States Treasury check by which the Government remits the payment to the holder. The effective date of any prepayment retained and remitted by the Government to the holder on an annual installment due date basis shall be the date of the prepayment by Borrower and the Government will pay the interest to which the holder is entitled accruing between the effective date of any such prepayment and the date of the Treasury check to the holder.

Any amount advanced or expended by the Government for the collection hereof or to preserve or protect any security herefor, or otherwise under the terms of any security or other instrument executed in connection with the loan evidenced hereby, at the option of the Government shall become a part of and bear interest at the same rate as the principal of the debt evidenced hereby and be immediately due and payable by Borrower to the Government without demand. Borrower agrees to use the loan evidenced hereby solely for purposes authorized by the Government.

Borrower hereby certifies that it is unable to obtain suficient credit elsewhere to finance its actual needs at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in or near its community for loans for similar purposes and periods of time.

This Bond, together with any additional bonds ranking on a parity herewith which may be issued and outstanding for the purpose of providing funds for financing costs of construction and acquisition of additions, extensions and improvements to the waterworks system (the "System") of the Borrower, is payable solely from the revenues to be derived from the operation of the System after there have been first paid from such revenues the reasonable current costs of operation and maintenance of the System. This Bond does not in any manner constitute an indebtedness of the Borrower within the meaning of any constitutional or statutory provision or limitation.

This Bond has been issued under and in full compliance with an Ordinance duly enacted by Borrower and the Constitution and statutes of the State of West Virginia, including, among others, Article 19 of Chapter 8 of the West Virginia Code (herein called the "Act").

If at any time it shall appear to the Government that Borrower may be able to obtain a loan from a responsible cooperative or private credit source at reasonable rates and terms for loans for similar purposes and periods of time, Borrower will, at the Government's request, apply for and accept such loan in sufficient amount to repay the Government.

This Bond is given as evidence of a loan to Borrower made or insured by the Government pursuant to the Consolidated Farmers Home Rural Development Act. This Bond shall be subject to the present regulations of the Farmers Home Administration and to its future regulations not inconsistent with the express provisions hereof.

This Bond is on a parity in all respects with the Prior Bonds defined in said Ordinance.

CITY OF KEYSER
(Name of Borrower)

[CORPORATE SEAL]

(Signature of Executive Official)

Mayor
(Title of Executive Official)

Box 70
(Post Office Box No. or Street Address)

Keyser, West Virginia 26726
(City, State and Zip Code)

ATTEST:

(Signature of Attesting Official)

City Clerk
(Title of Attesting Official)

RECORD OF ADVANCES

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

TOTAL $ _____

ASSIGNMENT

Pay to the Order of _____

_____

UNITED STATES OF AMERICA
FARMERS HOME ADMINISTRATION

By _____

_____
(Title)

CITY OF KEYSER WATER REVENUE BONDS
SERIES 1998

BOND ORDINANCE

CITY OF KEYSER

BOND ORDINANCE

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE WATERWORKS SYSTEM OF THE CITY OF KEYSER AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF AND AUTHORIZING THE REFINANCING AND REFUNDING OF PRIOR BONDS OF THE CITY OF KEYSER THROUGH THE ISSUANCE BY THE CITY OF KEYSER OF NOT MORE THAN FOUR MILLION DOLLARS ($4,000,000.00) IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 1998; PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE HOLDERS OF SUCH WATER REVENUE BONDS, SERIES 1998; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE OF SUCH WATER REVENUE BONDS, SERIES 1998 TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; AND ADOPTING OTHER PROVISIONS RELATING THERETO.

BE IT ORDAINED BY THE COMMON COUNCIL OF THE CITY OF KEYSER:

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

Section 1.01. Authority for this Resolution. This Ordinance (together with any order, ordinance or resolution supplemental hereto or amendatory hereof, the "Bond Legislation") is enacted pursuant to the provisions of Chapter 8, Article 19 of the West Virginia Code of 1931, as amended (the "Enabling Act") and Chapter 13, Article 2E of the West Virginia Code of 1931, as amended (the "Refunding Act") (the Enabling Act and the Refunding Act are hereinafter collectively referred to as the "Act"), and other applicable provisions of law.

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

A. The City of Keyser (the "Issuer") is a municipal corporation of the State of West Virginia in Mineral County of said State.

B. It is deemed necessary and desirable for the health and welfare of the inhabitants of the Issuer that there be constructed certain extensions, additions, betterments and improvements to the Issuer's existing waterworks system, including the extensions, additions,

betterments and improvements described in Exhibit A hereto (collectively, the "Project") (the Issuer's existing waterworks system, the Project and any further additions thereto or extensions thereof is herein called the "System") in accordance with the plans and specifications prepared by Vanscoy Engineering & Surveying, Consulting Engineers, which plans and specifications have heretofore been filed with the Issuer.

C. It is also deemed necessary and desirable for the health and welfare of the inhabitants of the Issuer that the Refunded Bonds, as hereinafter defined, be refinanced and refunded with the proceeds of the Series 1998 Bonds, as hereinafter defined, in order to achieve substantial debt service savings.

D. 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 Bonds, Prior Bonds and all Sinking Funds, Reserve Accounts and other payments provided for herein, all as such terms are hereinafter defined.

E. It is further deemed necessary for the Issuer to issue its Series 1998 Bonds in the total aggregate principal amount of not more than $4,000,000, in one series, being the Series 1998 Bonds (the "Series 1998 Bonds") to permanently finance the costs of acquisition and construction of the Project and to refinance and refund the Refunded Bonds, as hereinafter defined. Said costs shall be deemed to include the cost of all property rights, easements and franchises deemed necessary or convenient therefor; interest upon the Series 1998 Bonds prior to and during construction and acquisition and for a period not exceeding 6 months after completion of construction of the Project; amounts which may be deposited in the Reserve Account; engineering and legal expenses; expenses for estimates of costs and revenues, expenses for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the enterprise, administrative expense, commitment fees, fees of the Authority (as hereinafter defined), discount, initial fees for the services of registrars, paying agents, depositories or trustees or other costs in connection with the sale of the Bonds and 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 Bonds or the repayment of indebtedness incurred by the Issuer for such purposes, shall be deemed Costs of the Project, as hereinafter defined, and, provided further, that all principal of and interest and redemption premium on the Refunded Bonds, as well as all other costs relating to the refinancing and refunding of the Refunded Bonds shall also be deemed Costs of the Project, as hereinafter defined.

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

G. It is in the best interest of the Issuer that its Series 1998 Bonds be issued and sold to the Authority (as hereinafter defined) pursuant to the terms and provisions of a loan agreement to be entered into between the Issuer and the Authority, in form satisfactory to the Issuer and the Authority, as shall be approved by a supplemental resolution.

H. There are outstanding obligations of the Issuer which will rank on parity with the Series 1998 Bonds as to liens and sources of and security for payment, which obligations are designated and have the lien positions, together with the Series 1998 Bonds, as follows:

Designation	Lien Position
Waterworks Improvement Revenue Note dated September 19, 1961, issued in the original aggregate principal amount of $200,000 (the "Series 1961 Note")	First Lien
Water Revenue Bond, Series 1980, dated February 26, 1980, issued in the original aggregate principal amount of $3,146,000 (the "Series 1980 Bond")	First Lien
Water Revenue Bonds, Series 1998 (the "Series 1998 Bonds")	First Lien

The Series 1998 Bonds shall be issued on a parity with the Series 1980 Bond and the Series 1961 Note with respect to liens, pledges and sources of and security for payment and in all other respects.

I. Less than 50% of the proceeds of the Bonds will be used to refinance and refund the Refunded Bonds.

J The Issuer has complied with all requirements of West Virginia law relating to authorization of the planning, development, design, acquisition, construction and operation of the Project and the System, the refinancing and refunding of the Refunded Bonds, and issuance of the Series 1998 Bonds or will have so complied prior to issuance of any thereof, including, among other things, the approval of the Project and the financing thereof by the West Virginia Infrastructure and Jobs Development Council, and the obtaining of a Certificate of Public Convenience and Necessity from the Public Service Commission of West Virginia by final order, the time for rehearing and appeal of which has expired prior to the issuance of the Bonds or has been waived by all necessary parties.

K. The Issuer has received the written consent of Rural Development, United States Department of Agriculture (formerly, the Farmers Home Administration) as the sole

Bondholder of the Series 1980 Bond and the Series 1961 Note to the issuance of the Series 1998 Bonds on a parity with the Series 1980 Bond and the Series 1961 Note as further described in H. above and waiving certain other requirements of the Prior Bonds Ordinances.

L. The Issuer has determined that the refunding of the Refunded Bonds will result in a savings of at least $300,000 and the Issuer has received or will receive prior to the issuance of the Series 1998 Bonds, the certificate of Blair & Company, Certified Public Accountants, accountants for the Issuer, certifying that such savings have been achieved, based upon their review, comparison and analysis of the net interest cost in dollars of the refunding portion of the Series 1998 Bonds and the net interest cost in dollars of the Refunded Bonds, and assuming for the purposes of such calculation the allocation of the earliest principal payments on the Series 1998 Bonds to the refunding portion of the Series 1998 Bonds.

M. The Issuer is a governmental unit which has general taxing powers to finance operations of or facilities of the nature of the Project and the System; 95% or more of the Net Proceeds of the Series 1998 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 1998 Bonds are to be issued.

N. The Project has been approved by the West Virginia Infrastructure and Jobs Development Council as required under Chapter 31, Article 15A of the West Virginia Code of 1931, as amended.

Section 1.03. Bond Legislation Constitutes Contract. In consideration of the acceptance of the 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, as the case may be, all which shall be of equal rank and without preference, priority or distinction between any one Bond of a series and any other Bonds of the same series by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

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

"Act" means the Enabling Act and the Refunding Act.

"Authority" means the West Virginia Water Development Authority, or any other agency of the State of West Virginia that succeeds to the functions of the Authority, which is expected to be the original purchaser of the Series 1998 Bonds, provided that the Issuer must satisfy the legal and other requirements of the Program.

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

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

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

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

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

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

"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.

"Bonds" means the Series 1998 Bonds and, where appropriate, any bonds on a parity therewith authorized to be issued hereunder or by another ordinance of the Issuer.

"Closing Date" means the date upon which there is an exchange of the Series 1998 Bonds for the proceeds representing the purchase price of the Series 1998 Bonds from the Authority.

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

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

"Consulting Engineers" means Vanscoy Engineers & Surveying, Keyser, West Virginia, or any qualified engineer or firm of professional engineers, licensed by the State, who shall not be a regular, full-time employee of the State or any of its agencies, commissions or political

subdivisions, that shall at any time hereafter be retained by the Issuer as Consulting Engineers for the System in accordance with Chapter 5G, Article 1 of the West Virginia Code of 1931, as amended.

"Costs" or "Costs of the Project" means those costs described in Section 1.02E 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 Reserve" means the Depreciation Reserve established by Section 5.01 hereof.

"Enabling Act" means Chapter 8, Article 19 of the West Virginia Code of 1931, as amended and in effect on the date of adoption hereof.

"Event of Default" means any occurrence or event specified in Section 9.01.

"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 in aid of design, acquisition or construction of the Project.

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

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

"Loan Agreement" shall mean the Loan Agreement to be entered into between the Authority and the Issuer providing for the purchase of the Series 1998 Bonds from the Issuer by the Authority and the execution and delivery by the Issuer are authorized and directed by Section 3.11 hereof and by the Supplemental Resolution.

"Mayor" means the Mayor of the Issuer.

"Net Proceeds" means the face amount of the Series 1998 Bonds, plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds deposited in the Series 1998 Bonds Reserve Account, if any. 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 1998 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 1998 Bonds and is not acquired in order to carry out the governmental purpose of the Series 1998 Bonds.

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

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

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

"Paying Agent" means the Commission, or such other entity or authority as may be designated by the Issuer.

"Prior Bonds" means the Series 1980 Bond and the Series 1961 Note.

"Prior Ordinances" means collectively the Series 1961 Note Ordinance and the Series 1980 Bond Ordinance.

"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 of 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 extensions, additions, betterments and improvements to the Issuer's existing waterworks system, including the extensions, additions, betterments and improvements described in Exhibit A hereto.

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

(a) Government Obligations;

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

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

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

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

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

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

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

(i) Obligations of States or political subdivisions or agencies thereof, the interest on which is 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, City Administrator or City Clerk of the Issuer.

"Refunded Bonds" means the Issuer's Water Revenue Bond, Series 1984, dated October 3, 1984, issued in the original principal amount of $304,000, of which approximately $283,000 remain Outstanding, which Refunded Bonds are to be refunded with a portion of the proceeds of the Series 1998 Bonds.

"Refunding Act" means Chapter 13, Article 2E of the West Virginia Code of 1931, as amended and in effect on the date of adoption hereof.

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

"Registrar" means the Bond Registrar.

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

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

"Series 1961 Note" means the Issuer's Waterworks Improvement Revenue Note, dated September 19, 1961, issued in the original principal amount of $200,000.

"Series 1961 Note Ordinance" means the Ordinance enacted by the Issuer on September 19, 1961 authorizing the issuance of the Series 1961 Note.

"Series 1980 Bond" means the Issuer's Water Revenue Bond, Series 1980, dated February 26, 1980, issued in the original aggregate principal amount of $3,146,000.

"Series 1980 Bond Ordinance" means the Ordinance enacted by the Issuer on February 20, 1980 authorizing the issuance of the Series 1980 Bond.

"Series 1998 Bonds" or "Bonds originally authorized hereby" or similar phrases mean, collectively, the not more than $4,000,000, in aggregate principal amount of the Issuer's Water Revenue Bonds, Series 1998 issued for the purpose of permanently financing a portion of the Costs

of the Project, refinancing and refunding the Refunded Bonds, and for such other purposes permitted and authorized by this Bond Legislation.

"Series 1998 Bonds Reserve Account" means the Series 1998 Bonds Reserve Account established in the Series 1998 Bonds Sinking Fund pursuant to Section 5.02 hereof.

"Series 1998 Bonds Reserve Requirement" means, as of any date of calculation, the maximum amount of principal and interest which will become due on the Series 1998 Bonds in the then current or any succeeding year.

"Series 1998 Bonds Sinking Fund" means the Series 1998 Bonds Sinking Fund established by Section 5.02 hereof.

"State" means the State of West Virginia.

"Supplemental Resolution" means any resolution, ordinance or order of the Issuer supplementing or amending this Ordinance and, when preceded by the article "the," refers specifically to the Supplemental Resolution authorizing the sale of the Series 1998 Bonds; provided, that any matter intended by this Ordinance to be included in the Supplemental Resolution with respect to the Series 1998 Bonds and not so included may be included in another Supplemental Resolution.

"Surplus Revenues" means the Net Revenues not required by the Bond Legislation to be set aside and held for the payment of or security for the Bonds or any other obligations of the Issuer, as further defined in Section 5.03(B) hereof.

"System" means the complete existing waterworks system now owned by the Issuer, consisting of a waterworks system in its entirety or any integral part thereof, including some or all of mains, hydrants, meters, valves, standpipes, storage tanks, pump tanks, pumping stations, intakes, wells, impounding reservoirs, pumps, machinery, purification plants and softening apparatus and all other facilities necessary, appropriate, useful, convenient or incidental in connection with or to a water supply system, and shall include the Project and any further extensions, additions, betterments and improvements thereto hereafter acquired or constructed for said waterworks system from any sources whatsoever, both within and without the Issuer.

"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 $4,452,926 (which amount includes $286,000 for the estimated cost of the refinancing and refunding of the Refunded Bonds as described in Article IV hereof) 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 foregoing Project costs, including without limitation costs associated with the issuance of the Series 1998 Bonds, shall be paid with the proceeds of the Series 1998 Bonds; a Small Cities Block Grant in the amount of $633,500 and anticipated earnings in the amount of $60,000 on proceeds of the Series 1998 Bonds while on deposit in the Bond Construction Trust Fund pending disbursement for Costs of the Project. The proceeds of the Bonds hereby authorized shall be applied as provided in Article VI hereof.

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 1998 Bonds, funding a reserve account for the Series 1998 Bonds, paying Costs of the Project not otherwise provided for, refinancing and refunding the Refunded Bonds and thereby discharging the Ordinance relating to such Refunded Bonds and paying certain costs of issuance of the Series 1998 Bonds and related costs, or any or all of such purposes, as determined by the Supplemental Resolution, there shall be issued negotiable Series 1998 Bonds of the Issuer, in an aggregate principal amount of not more than $4,000,000. Said Series 1998 Bonds shall be issued in one or more series to be designated "Water Revenue Bonds, Series 1998," in the aggregate principal amount of not more than $4,000,000, and shall have such terms as set forth hereinafter and in the Supplemental Resolution. The proceeds of the Bonds remaining after the funding of the Series 1998 Bonds Reserve Account (if funded from the Bond proceeds), capitalization of interest, if any, and refinancing and refunding the Refunded Bonds, shall be deposited in or credited to the Bond Construction Trust Fund established by Section 5.01 hereof.

Section 3.02. Terms of Bonds. The Bonds shall be issued in such principal amounts not to exceed $4,000,000 in the aggregate; 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 or as specifically provided in the Loan Agreement. The Bonds shall be payable as to principal at the office of the Paying Agent, in any coin or currency which, on the dates of payment of principal is legal tender for the payment of public or private debts under the laws of the United States of America. Interest on the Bonds shall be paid by check or draft of the Paying Agent mailed to the Registered Owner thereof at the address as it appears on the books of the Bond Registrar, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner thereof.

Unless otherwise provided by the Supplemental Resolution, the Series 1998 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 1998 Bonds, and shall mature in principal installments, all as provided in the Supplemental Resolution. The Bonds shall be exchangeable at the option and expense of the Registered Owner for another fully registered Bond or Bonds of the same series in aggregate principal amount equal to the amount of said Bonds then Outstanding and being exchanged, with principal installments or maturities, as applicable, corresponding to the dates of payment of principal installments of said Bonds; provided, that the Authority shall not be obligated to pay any expenses of such exchange.

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

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

Section 3.04. Authentication and Registration. No Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Bond Legislation unless and until the Certificate of Authentication and Registration on such Bond, substantially in the 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 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 Bond shall be incontestable in the hands of a bona fide holder for value.

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

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

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

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

Section 3.07. Bonds not to be Indebtedness of the Issuer. The Series 1998 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 1998 Bonds Sinking Fund and the Series 1998 Bonds Reserve Account. No holder or holders of any of the Series 1998 Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 1998 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 1998 Bonds shall be secured forthwith equally and ratably with each other by a first lien on the Gross Revenues derived from the System, on a parity with the lien on the Gross Revenues in favor of the Holders of the Prior Bonds. Such Gross Revenues in an amount sufficient to pay the principal of and interest on and other payments for the Bonds and the Prior Bonds and to make the payments into the sinking funds, the reserve accounts, and any renewal and replacement fund, either existing or hereinafter established are hereby irrevocably pledged to the payment of the principal of and interest on the Bonds and Prior Bonds as the same become due.

Section 3.09. Delivery of Bonds. The Issuer shall execute and deliver the Series 1998 Bonds to the Bond Registrar, and the Bond Registrar shall authenticate, register and deliver the Series 1998 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 1998 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 1998 Bonds to the original purchasers;

C. An executed and certified copy of the Bond Legislation;

D. An executed copy of the Loan Agreement; and

E. The unqualified approving opinion of bond counsel on the Series 1998 Bonds.

Section 3.10. Form of Series 1998 Bonds. The text of the Series 1998 Bonds shall be in substantially the following form, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted hereby, or by any Supplemental Resolution adopted prior to the issuance thereof;

[Form of Series 1998 Bond]

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF KEYSER
WATER REVENUE BOND,
SERIES 1998

No. R-_____ $_____

KNOW ALL MEN BY THESE PRESENTS: That CITY OF KEYSER, a municipal corporation of the State of West Virginia in Mineral 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 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 _____. 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 _____, _____, 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 _____, 1998.

This Bond is issued (i) to permanently finance a portion of the costs of acquisition and construction of certain extensions, additions, betterments and improvements to the existing waterworks system of the Issuer (the "Project"); (ii) to refinance and refund certain prior obligations of the Issuer; (iii) to pay a portion of the interest on the Bonds during the construction of the Project and for not more than six (6) months thereafter; 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 or improvements thereto is herein called the "System." This Bond is issued under the

authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 8, Article 19 and Chapter 13, Article 2E of the West Virginia Code of 1931, as amended (collectively, the "Act"), and an Ordinance duly enacted by the Issuer on _____, 1998 and a Supplemental Resolution duly adopted by the Issuer on _____, 1998 (collectively called the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other securities provided for the Bonds of this Series (the "Bonds") under the Bond Legislation.

THIS BOND IS ISSUED ON PARITY WITH RESPECT TO LIENS, PLEDGES AND SOURCES OF AND SECURITY FOR PAYMENT WITH THE ISSUER'S WATER REVENUE BOND, SERIES 1980, DATED FEBRUARY 26, 1980, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $3,146,000 (THE "SERIES 1980 BOND") AND THE ISSUER'S WATER IMPROVEMENT REVENUE NOTE DATED SEPTEMBER 19, 1961, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $200,000 (THE "SERIES 1961 NOTE") (THE SERIES 1980 BOND AND SERIES 1961 NOTE ARE COLLECTIVELY REFERRED TO HEREIN AS 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 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 1998 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 1998 Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% (125% so long as the Series 1980 Bond remains Outstanding) of the maximum amount payable in any year for principal of and interest on the Bonds and the Prior Bonds, and all other obligations secured by a lien on or payable from such revenues prior to or on a parity with the Bonds provided however, that so long as there exists in the Series 1998 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, including without limitation the Prior Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110% (but shall remain 125% so long as the Series 1980 Bond remains Outstanding). 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.

The Issuer covenants and agrees that the Project shall not contribute to excessive erosion or conversion of wetlands.

All money received from the sale of this Bond, after reimbursement and repayment of all amounts advanced for preliminary expenses as provided by law, shall be applied solely to the payment of the Costs of the Project and the refinancing and refunding 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 KEYSER has caused this Bond to be signed by its Mayor and its corporate seal to be hereunto affixed and attested by its Recorder, and has caused this Bond to be dated _____, 19_____.

CITY OF KEYSER

[SEAL]

_____
Mayor

ATTEST:

_____
Recorder

(Form of)

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 1998 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: _____,

_____,
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: _____, 19_____.

_____

In the presence of:

_____

Section 3.11. Sale of Series 1998 Bonds; Approval and Ratification of Execution of Loan Agreement with Authority. The Series 1998 Bonds shall be sold to the Authority, pursuant to the terms and conditions of the Loan Agreement. If not so authorized by previous resolution, the Mayor is specifically authorized and directed to execute the Loan Agreement, 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

AUTHORIZATION OF REFINANCING AND REFUNDING OF REFUNDED BONDS

Section 4.01. Authorization of Refinancing and Refunding of Refunded Bonds. There is hereby authorized, pursuant to the Refunding Act and other provisions of law, the refinancing and refunding of the Prior Bonds at an estimated cost of $286,000. The Refunded Bonds, or any portion thereof, may be paid in full upon the issuance of the Series 1998 Bonds with proceeds of the Series 1998 Bonds or such proceeds may be placed into escrow in a manner such that the principal of and interest on such escrowed proceeds shall be sufficient to pay the principal of and interest on the Refunded Bonds, or any part thereof, as the same become due and payable, all as may be provided in the Supplemental Resolution. Without limiting the generality of the foregoing, the payment of the principal, interest and redemption premium, if any, required to refinance and refund the Refunded Bonds is hereby authorized and directed in order to cause the Ordinance authorizing the issuance of the Refunded Bonds and the lien thereof to be discharged and released simultaneously with the issuance of the Series 1998 Bonds. In connection therewith, the Governing Body of the Issuer specifically determines that such refinancing and refunding of the Refunded Bonds will achieve savings in the amount of at least $300,000, assuming for purposes of this calculation the allocation of the earliest principal payments on the Series 1998 Bonds to the refunding portion of the Series 1998 Bonds.

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 Ordinances) with and shall be held by the Depository Bank separate and apart from all other funds or accounts of the Depository Bank and from each other:

1. Revenue Fund (established by the Series 1980 Bond Ordinance);

2. Bond Construction Trust Fund;

3. Depreciation Reserve (established by the Series 1980 Bond Ordinance); and

4. Rebate Fund.

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

1. Series 1998 Bonds Sinking Fund;

2. Within the Series 1998 Bonds Sinking Fund, the Series 1998 Bonds Reserve Account;

3. Keyser Water Bond Sinking Fund (established by the Series 1980 Bond Ordinance);

4. Note Sinking Fund ("Sinking Fund No. 1" established by the Series 1980 Bond Ordinance); and

5. Reserve Account (established by the Series 1980 Bond Ordinance).

Revised By Supplemental

Section 5.03. System Revenues; Flow of Funds.

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

Revised by Supplemental

1. The Issuer shall first on the first day of each month, transfer from the Revenue Fund and pay to the respective offices and places designated in the Series 1980 Bond, the Series 1961 Note and the respective Prior Ordinances relating thereto the amounts required by the Series 1980 Bond, the Series 1961 Note and the respective Prior Ordinances relating thereto for payment of principal of and interest on the Series 1980 Bond and the Series 1961 Note and simultaneously (i) on the first day of each month, commencing 7 months prior to the first date of payment of interest on the Series 1998 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 1998 Bonds Sinking Fund, a sum equal to 1/6th of the amount of interest which will become due on said Series 1998 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 1998 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 simultaneously (ii) on the first day of each month, commencing 13 months prior to the first date of payment of principal on the Series 1998 Bonds, apportion and set apart out of the Revenue Fund and remit to the Commission for deposit in the Series 1998 Bonds Sinking Fund, a sum equal to 1/12th of the amount of principal which will mature and become due on said Series 1998 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 1998 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. In the event moneys in the Revenue Fund are insufficient to make all the payments in this subsection 5.03.A(1), then the Issuer shall make pro rata payments on the Series 1961 Note, the Series 1980 Bond and the Series 1998 Bonds first to interest and then to principal, based upon the respective principal amounts then Outstanding.

2. The Issuer shall next on the first day of each month, transfer from the Revenue Fund and deposit with the Commission in the Reserve Fund the amounts required by the Series 1980 Bond Ordinance to be deposited therein and simultaneously shall also on the first day of each month, commencing the month following the completion of the Project, if not fully funded upon issuance of the Series 1998 Bonds, simultaneously apportion and set apart out of the Revenue Fund and remit to the Commission for deposit in the Series 1998 Bonds Reserve Account, an amount equal to 1/120 of the Series 1998 Bonds Reserve Requirement; provided, that no further payments shall be made into the Series 1998 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 1998 Bonds Reserve Requirement, and provided further, that in the event that there are not sufficient moneys available to make all deposits required by this subsection 5.03.A(2), then the Issuer shall make the deposits required by this subsection on a pro rata basis.

3. The Issuer shall next on the first day of each month, pay from the moneys in the Revenue Fund all current Operating Expenses.

4. The Issuer shall next, from the moneys remaining in the Revenue Fund, on the first day of each month prior to and including the month in which the Project is completed transfer to the Depreciation Reserve the amounts required by the Series 1980 Bond Ordinance to be deposited therein, and, commencing the month following the completion of the Project, on the first day of each month transfer from the moneys remaining in the Revenue Fund to the Depreciation Reserve the greater of (i) the amounts required by the Series 1980 Bond Ordinance to be deposited therein, or (ii) a sum equal to 2 1/2% of the Gross Revenues each month, exclusive of any payments for account of any reserve account. Moneys in the Depreciation Reserve shall be used first to make up deficiencies for monthly payments of the principal of and interest on the Series 1961 Note, the Series 1980 Bond and/or the Series 1998 Bonds as the same become due, and next to restore to the Reserve Fund or the Series 1998 Bonds Reserve Account any sum or sums transferred therefrom, and provided that in the event there are not sufficient moneys in the Depreciation Reserve to make the transfer required by this sentence, such transfers shall be made on a pro rata basis. Thereafter, and provided that payments into the Reserve Fund and the Series 1998 Bonds Reserve Account are current and in accordance with the foregoing provisions, moneys in the Depreciation Reserve may be withdrawn by the Issuer and used for extraordinary repairs and for replacements of equipment and for improvements and capital equipment for the System, or any part thereof.

Moneys in the Series 1998 Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest on the Series 1998 Bonds as the same shall become due. Moneys in the Series 1998 Bonds Reserve Account shall be used only for the purpose of paying principal of and interest on the Series 1998 Bonds, as the same shall come due, when other moneys in the Series 1998 Bond Sinking Fund are insufficient therefor, and for no other purpose except for permitted transfers to the Rebate Fund.

Moneys in the Reserve Fund, the Keyser Water Bond Sinking Fund and the Note Sinking Fund shall only be used in accordance with the Prior Ordinances.

Except to the extent transferred to the Rebate Fund at the request of the Issuer, all investment earnings on moneys in the Series 1998 Sinking Fund and the Series 1998 Reserve Account shall be returned, not less than once each year on the 1st day of October, 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 1998 Bonds, and then to the next ensuing principal payment due thereon.

Except with respect to transfers to the Rebate Fund, any withdrawals from the Series 1998 Bonds Reserve Account which result in a reduction in the balance of the Series 1998 Bonds Reserve Account to below the Series 1998 Bonds Reserve Requirement shall be subsequently restored from the first Gross Revenues available after all required payments have been made in full, for payment of the debt service on the Series 1961 Note and the Series 1980 Bond and to the Series 1998 Bonds Sinking Fund for payment of debt service on the Series 1998 Bonds; provided, if there

is also a deficiency in the Reserve Fund such first Gross Revenues shall be allocated on a pro rata basis to eliminate such deficiencies in the Reserve Fund and the Series 1998 Bonds Reserve Account.

As and when additional Bonds ranking on a parity with the Prior Bonds and the Series 1998 Bonds are issued, provision shall be made for additional payments into the respective sinking fund sufficient to pay the interest on such additional parity Bonds and accomplish retirement thereof at maturity and to accumulate a balance in the appropriate reserve account in a amount equal to the maximum amount of principal and interest which will become due in any year for the account of the Bonds of such series, including such additional parity Bonds.

The Issuer shall not be required to make any further payments into the Series 1998 Bonds Sinking Fund, or into the Series 1998 Bonds Reserve Account therein when the aggregate amount of funds in said Sinking Fund and Series 1998 Bonds Reserve Account are at least equal to the aggregate principal amount of the Series 1998 Bonds issued pursuant to this Bond Legislation then Outstanding and all interest to accrue until the maturity thereof.

Principal and interest payments, and any payments made for the purpose of funding a deficiency in any Reserve Account, shall be made pro rata with respect to the Series 1961 Note, the Series 1980 Bond and the Series 1998 Bonds in accordance with the respective principal amounts then Outstanding.

The Commission is hereby designated as the fiscal agent for the administration of the Series 1998 Bonds Sinking Fund and the Series 1998 Bonds Reserve Account created hereunder, and all amounts required for said accounts shall be remitted to the Commission from the Revenue Fund by the Issuer at the times provided herein. If required by the Authority in writing at any time, the Issuer shall make the necessary arrangements whereby required payments into the Series 1998 Bonds Sinking Fund and the Series 1998 Bonds Reserve Account shall be automatically debited from the Revenue Fund and electronically transferred to the Commission on the dates required hereunder.

The payments into the Series 1998 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 Saturday, 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 1998 Bonds Sinking Fund and the Series 1998 Bonds Reserve Account shall be invested and reinvested by the Commission in accordance with Section 8.01 hereof.

Except with respect to transfers to the Rebate Fund, the Series 1998 Bonds Sinking Fund, including the Series 1998 Bonds Reserve Account therein, shall be used solely and only for, and are hereby pledged for, the purpose of servicing the Series 1998 Bonds.

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 on the Series 1961 Note and the Series 1980 Bond and into the Series 1998 Sinking Fund, including the Series 1998 Bonds Reserve Account therein, and the Reserve Fund and the Depreciation Reserve 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 their respective charges, fees and expenses then due. In case of payments to the Commission under this paragraph, the Issuer shall, if required by the Authority at any time, make the necessary arrangements whereby such required payments shall be automatically deducted from the Revenue Fund and transferred to the Commission on the dates required.

D. The moneys in excess of the sum insured by the maximum amounts insured by FDIC in the Revenue Fund, the Reserve Account, the Depreciation Reserve and the Rebate 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.

H. All Tap Fees shall be deposited by the Issuer, as received, in the Revenue Fund and may be used for any lawful purpose of the System.

ARTICLE VI

BOND PROCEEDS; CONSTRUCTION DISBURSEMENTS

Revised by Supplemental

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 1998 Bonds, the following amounts shall be first deducted and deposited in the order set forth below:

A. From the proceeds of the Series 1998 Bonds, there shall first be deposited with the Commission in the Series 1998 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 1998 Bonds for the period commencing on the date of issuance of the Bonds and ending 6 months after the estimated date of completion of construction of the Project.

B. Next, from the proceeds of the Series 1998 Bonds, there shall be deposited with the Commission in the Series 1998 Bonds Reserve Account the sum, if any, set forth in the Supplemental Resolution for funding of the Series 1998 Bonds Reserve Account.

C. Next from the proceeds of the Series 1998 Bonds, there shall be paid to Holders of the Refunded Bonds and/or an escrow agent, as provided in the Supplemental Resolution, the sum necessary, when added to any other monies available therefor, to refinance and refund the Refunded Bonds, including any accrued interest and redemption premiums thereon.

D. Next, from the proceeds of the Series 1998 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, together with 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 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. Except with respect to any transfers to the Rebate Fund, 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 1998 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 1998 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 any 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 Bond Construction Trust Fund, including any accounts therein, shall be invested and reinvested in Qualified Investments at the written direction of the Issuer.

After completion of the Project, as certified by the Consulting Engineers, the Depository Bank shall transfer any moneys remaining in the Bond Construction Trust Fund to the Series 1998 Bonds Reserve Account, and when fully funded the Depository Bank 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 1998 Bonds be deposited in the Series 1998 Bonds Reserve Account. The Issuer shall thereafter, apply such moneys in full, first to the next ensuing interest payment, due on the Series 1998 Bonds and thereafter to the next ensuing principal payment due thereon.

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ARTICLE VII

ADDITIONAL COVENANTS OF THE ISSUER

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

Section 7.02. Bonds not to be Indebtedness of the Issuer. The Bonds shall not be or constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory limitation of indebtedness, but shall be payable solely from the funds pledged for such payment by this Bond Legislation. No Holder or Holders of any Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay said Bonds or the interest thereon.

Section 7.03. Bond Secured by Pledge of Gross Revenues; Lien Position with Respect to Prior Bonds. The payment of the debt service of the Series 1998 Bonds issued hereunder shall be secured forthwith equally and ratably by a first lien on the Gross Revenues derived from the operation of the System, on parity with the lien on said Gross Revenues in favor of the Holders of the Series 1961 Note and the Series 1980 Bond. The Gross Revenues derived from the System, in an amount sufficient to pay the principal of and interest on the Bonds and the Prior Bonds and to make the payments into the Sinking Funds, including the Reserve Accounts therein, and all other payments provided for in the Bond Legislation and the Prior Ordinances are hereby irrevocably pledged, in the manner provided herein, to the payment of the principal of and interest on the Bonds and the Prior 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, a copy of which is attached hereto as Exhibit B and incorporated herein, shall be as set forth in Ordinance No. 245 of the City of Keyser, which rates have been previously enacted by the Issuer on October 27, 1997 and are hereby ratified, and which rates are incorporated herein by reference as a part hereof.

Section 7.05. Sale of the System. Except as otherwise required by law, the System may not be sold, mortgaged, leased or otherwise disposed of except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to pay fully all the Bonds Outstanding, or to effectively defease this Bond Legislation in accordance with Section 10.01 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 Series 1998 Bonds Sinking Fund, and, with the written permission of the Authority, or in the event the Authority is no longer a Bondholder, the Issuer shall direct the Commission to apply such proceeds to the payment of principal at maturity of and interest on the Bonds. Any balance remaining after the payment of all the Bonds and interest thereon shall be remitted to the Issuer by the Commission unless necessary for the payment of other obligations of the Issuer payable out of the revenues of the System.

The foregoing provision notwithstanding, the Issuer shall have and hereby reserves the right to sell, lease or otherwise dispose of any of the property comprising a part of the System hereinafter determined in the manner provided herein to be no longer necessary, useful or profitable in the operation thereof. Prior to any such sale, lease or other disposition of such property, if the amount to be received therefor, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, is not in excess of $10,000, the Issuer shall, by resolution, determine that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then provide for the sale of such property. The proceeds of any such sale shall be deposited in the Depreciation Reserve. If the amount to be received from such sale, lease or other disposition of said property, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, shall be in excess of $10,000 but not in excess of $50,000, the Issuer shall first, determine upon consultation with the Consulting Engineers that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then, if it be so advised, by resolution duly adopted, authorize such sale, lease or other disposition of such property upon public bidding. The proceeds derived from any such sale, lease or other disposition of such property, aggregating during such Fiscal Year in excess of $10,000 and not in excess of $50,000, shall be deposited in the Depreciation Reserve. Such payment of such proceeds into the Depreciation Reserve shall not reduce the amounts required to be paid into said fund by other provisions of this Bond Legislation. No sale, lease or other disposition of the properties of the System shall be made by the Issuer if the proceeds to be derived therefrom, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, shall be in excess of $50,000 and insufficient to pay all Bonds then Outstanding without the prior approval and consent in writing of the Holders, or their duly authorized representatives, of over 50% in amount of the Bonds then outstanding and the Consulting Engineers. The Issuer shall prepare the form of such approval and consent for execution by the then Holders of the Bonds for the disposition of the proceeds of the sale, lease or other disposition of such properties of the System.

Notwithstanding anything in this Section 7.05 to the contrary, so long as any of the Prior Bonds remain Outstanding, the System shall not be sold, mortgaged, leased, or otherwise disposed of without complying with the provisions of the respective Prior Ordinances applicable to such Outstanding Prior Bonds.

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 7.07, so long as any

of the Series 1998 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 1998 Bonds. All obligations issued by the Issuer after the issuance of the Series 1998 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 1998 Bonds; provided, that no such subordinate obligations shall be issued unless all payments required to be made into the sinking funds, reserve accounts and the Depreciation Reserve at the time of the issuance of such subordinate obligations have been made and are current. Except as provided above, the Issuer shall not create, or cause or permit to be created, any debt, lien, pledge, assignment, encumbrance or any other charge having priority over or being on a parity with the lien of the Series 1998 Bonds, and the interest thereon, upon any of the income and revenues of the System pledged for payment of the Series 1998 Bonds and the interest thereon in this Bond Legislation, or upon the System or any part thereof.

Notwithstanding anything in this Bond Legislation to the contrary, so long as any of the Prior Bonds remain Outstanding, the Issuer shall not issue any other obligations whatsoever payable from the revenues of the System without complying with the provisions of the respective Prior Ordinances applicable to such Outstanding Prior Bonds.

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

Section 7.07. Parity Bonds.

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 1998 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 one or more series of Prior Bonds or 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 reciting the conclusion that the Net Revenues actually derived, subject to the adjustments hereinafter provided for, from the System during any 12 consecutive months, within the 18 months immediately preceding the date of the actual issuance of such Parity Bonds, plus the

estimated average increased annual Net Revenues to be received in each of the 3 succeeding years after the completion of the improvements to be financed by such Parity Bonds, shall not be less than 115% of the largest aggregate amount that will mature and become due in any succeeding Fiscal Year for principal of and interest on the following:

(1) The Bonds and Prior Bonds then Outstanding;

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

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

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

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

Parity Bonds shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien of which on the revenues of the System is subject to the prior and superior lien of the Series 1998 Bonds on such revenues. The Issuer shall not issue any obligations whatsoever payable from the revenues of the System, or any part thereof, which rank

prior to or, except in the manner and under the conditions provided in this section, equally, as to lien on and source of and security for payment from such revenues, with the Series 1998 Bonds.

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

B. Notwithstanding the foregoing, or any provision of Section 7.06 to the contrary, additional Parity Bonds may be issued solely for the purpose of completing the Project as described in the application to the Authority submitted as of the date of the Loan Agreement without regard to the restrictions set forth in this Section 7.07, if there is first obtained by the Issuer the written consent of the Authority and the Holders of the Prior Bonds to the issuance of bonds on a parity with the Series 1998 Bonds.

Section 7.08. Books; Records and Facilities. The Issuer shall keep complete and accurate records of the costs of acquiring, constructing and installing the Project. The Issuer shall permit the Authority, or its agents and representatives, to inspect all books, documents, papers and records relating to the Project and the System at all reasonable times for the purpose of audit and examination. The Issuer shall submit to the Authority such documents and information as it may reasonably require in connection with the acquisition, construction and installation of the Project, the operation and maintenance of the System and the administration of the loan or any Grants or other sources of financing for the Project.

The Issuer shall permit the Authority, or its agents and representatives, to inspect all records pertaining to the operation of the System at all reasonable times following completion of construction of the Project and commencement of operation thereof, or, if the Project is an improvement to an existing system, at any reasonable time following commencement of construction.

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

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

remote from the direct supervision of the Governing Body shall be reported to such agent of the Issuer as the Governing Body shall direct.

The Issuer shall file with the Consulting Engineers and the Authority, or any other original purchaser of the 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 with respect to said Bonds and Prior Bonds and the status of all said funds and accounts.

C. The amount of any Bonds, Prior 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 in compliance with the applicable OMB Circular and the Single Audit Act or successor thereto in effect at the time, to the extent required, 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 Act, the Loan Agreement and this Bond Legislation, and that the Issuer's revenues are adequate to meet the Issuer's Operating Expenses and debt service requirements.

The Issuer shall permit the Authority, or its agents and representatives, to enter and inspect the Project site and Project facilities at all reasonable times. Prior to, during and after completion of construction of the Project, the Issuer shall also provide the Authority, or its agents and representatives, with access to the System site and System facilities as may be reasonably necessary to accomplish all of the powers and rights of the Authority with respect to the System pursuant to the Act.

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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 and under the Prior Ordinances. 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

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schedule of rates or charges from time to time in effect shall be sufficient, together with other revenues of the System (i) to provide for all reasonable expenses of operation, repair and maintenance of the System and (ii) to leave a balance each year equal to at least 115% (125% so long as the Series 1980 Bond remains Outstanding) of the maximum amount required in any year for payment of principal of and interest on the Series 1998 Bonds, Prior Bonds and all other obligations secured by a lien on or payable from such revenues prior to or on a parity with the Series 1998 Bonds; provided that, in the event that amounts equal to or in excess of the Series 1998 Bonds Reserve Requirement are on deposit in the Series 1998 Bonds Reserve Account and reserve accounts for obligations on a parity with the Series 1998 Bonds (including the Prior Bonds) are funded at least at the requirement therefor, such balance each year need only equal at least 110% (but shall remain 125% so long as the Series 1980 Bond remains Outstanding) of the maximum amount required in any year for payment of principal of and interest on the Series 1998 Bonds, Prior Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 1998 Bonds. In any event, the Issuer shall not reduce the rates or charges for services set forth in the rate schedule 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. The Issuer, by the unanimous consent and approval of the Governing Body, may amend the budget during the subject Fiscal Year provided that the budget remains balanced after such amendment. If the budget is so amended, a copy of the amended budget shall be submitted to the Authority within 15 days of the adoption of such amendment. After the adoption of any such amendment, the budget, as amended, shall be the budget of the Issuer for the balance of the subject Fiscal Year. No expenditures for the operation and maintenance of the System shall be made in any Fiscal Year in excess of the amounts provided therefor in such budget without a written finding and recommendation by the Consulting Engineers, which finding and recommendation shall state in detail the purpose of and necessity for such increased expenditures for the operation and maintenance of the System, and no such increased expenditures shall be made until the Issuer shall have approved such finding and recommendation by a resolution duly adopted. No increased expenditures in excess of 10% of the amount of such budget shall be made except upon the further certificate of the Consulting Engineers that such increased expenditures are necessary for the continued operation of the System. The Issuer shall mail copies of such annual budget, any amendments thereto 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, any amendments thereto and resolutions be furnished him or her and shall make available such budgets, any amendments thereto and all resolutions authorizing increased expenditures for operation and maintenance of the System at all reasonable times to any Holder of any Bonds or anyone acting for and in behalf of such Holder of any Bonds.

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

Section 7.11. Engineering Services and Operating Personnel. The Issuer will obtain a certificate of the Consulting Engineers in the form attached to the Loan Agreement, stating, among other things, that the Project has been or will be constructed in accordance with the approved plans, specifications and designs as submitted to the Authority, the Project is adequate for the purposes for which it was designed, the funding plan as submitted to the Authority is sufficient to pay the costs of acquisition and construction of the Project, and all permits required by federal and state laws for construction of the Project have been obtained.

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

The Issuer agrees that qualified operating personnel properly certified by the State will be employed to operate the System so long as any of the Series 1998 Bonds are Outstanding.

Section 7.12. No Competing Franchise. To the extent legally allowable, the Issuer will not grant or cause, consent to or allow the granting of, any franchise or permit to any person, firm, corporation, body, agency or instrumentality whatsoever for the providing of any services which would compete with services provided by the System.

Section 7.13. Enforcement of Collections. The Issuer will diligently enforce and collect all fees, rentals or other charges for the services and facilities of the System, and take all steps, actions and proceedings for the enforcement and collection of such fees, rentals or other charges which shall become delinquent to the full extent permitted or authorized by the Act, the rules and regulations of the Public Service Commission of West Virginia and other laws of the State of West Virginia.

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

regulations promulgated by the Public Service Commission of West Virginia, discontinue and shut off the services of the System to all users of the services of the System delinquent in payment of charges for the service of the System and will not restore such services until all delinquent charges for the services of the System, plus reasonable interest and penalty charges for the restoration of service, have been fully paid and the Issuer shall take all further actions to enforce collections to the maximum extent permitted by law.

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

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

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

(2) PUBLIC LIABILITY INSURANCE, with limits of not less than $1,000,000 per occurrence to protect the Issuer and the Authority from claims for bodily injury and/or death and not less than $500,000 per occurrence from claims for damage to property of others which may arise from the operation of the System, and insurance with the same limits to protect the Issuer from claims arising out of operation or ownership of motor vehicles of or for the System.

(3) WORKERS' COMPENSATION COVERAGE FOR ALL EMPLOYEES OF OR FOR THE SYSTEM ELIGIBLE THEREFOR: AND PERFORMANCE AND PAYMENT BONDS, such bonds to be in the amounts of 100% of the construction contract and to be required of each contractor contracting directly with the Issuer, and such payment bonds will be filed with the Clerk of The County Commission of the County in which such work is to be performed prior to commencement of construction of the Project in compliance with West Virginia Code Chapter 38, Article 2, Section 39.

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

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

(6) FIDELITY BONDS, will be provided 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 workers' 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 interest 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. The Issuer will complete the Project as promptly as possible and operate and maintain the System in good condition and in compliance with all federal and state requirements and standards.

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

Section 7.18. Compliance with Loan Agreement and Law. The Issuer agrees to comply with all the terms and conditions of the Loan Agreement, the Act and all applicable laws, rules and regulations issued by the Authority, or other State, federal or local bodies in regard to the acquisition and construction of the Project and the operation, maintenance and use of the System.

Section 7.19. Tax Covenants. The Issuer hereby further covenants and agrees as follows:

A. PRIVATE BUSINESS USE LIMITATION. The Issuer shall assure that (i) not in excess of 10% of the Net Proceeds of the Series 1998 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 1998 Bonds during the term thereof is, under the terms of the Series 1998 Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for a Private Business Use or in payments in respect of property used or to be used for a Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for a Private Business Use; and (ii) that, in the event that both (A) in excess of 5% of the Net Proceeds of the Series 1998 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 1998 Bonds during the term thereof is, under the terms of the Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for said Private Business Use or in payments in respect of property used or to be used for said Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for said Private Business Use, then said excess over said 5% of Net Proceeds of the Series 1998 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 1998 Bonds are for the purpose of financing more than one project, a portion of the Project, and shall not exceed the proceeds used for the governmental use of that portion of the Project to which such Private Business Use is related, all of the foregoing to be determined in accordance with the Code.

B. PRIVATE LOAN LIMITATION. The Issuer shall assure that not in excess of the lesser of 5% of the Net Proceeds of the Series 1998 Bonds or $5,000,000 are used, directly or indirectly, to make or finance a loan (other than loans constituting Nonpurpose Investments) to persons other than state or local government units.

C. FEDERAL GUARANTEE PROHIBITION. The Issuer shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause the Series 1998 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 that tax-exempt status of the Series 1998 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 1998 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. The Issuer shall deliver or cause the Consulting Engineer to deliver all certificates required by the Loan Agreement, including without limitation the certificates required by Sections 4.1(b)(xviii) and 6.8 of the Loan Agreement.

Section 7.20. Statutory Mortgage Lien. For the further protection of the Holders of the 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 Bonds and shall be for the equal benefit of all Holders of each respective series of Bonds; provided, however, that the statutory mortgage lien in favor of the Holders of the Series 1998 Bonds shall be on parity with the statutory mortgage lien in favor of the Holders of the Series 1961 Note and the Series 1980 Bond.

Section 7.21. Covenants with Respect to Erosion and Wetlands. The Issuer covenants and agrees that the Project shall not contribute to excessive erosion or conversion of wetlands.

Section 7.22. Securities Laws Compliance. The Issuer will provide the Authority, in a timely manner, with any and all information that may be requested of it (including its annual audit report, financial statements, related information and notices of changes in usage and customer base) so that the Authority may comply with the provisions of SEC Rule 15c2-12 (17 CFR Part 240).

ARTICLE VIII

INVESTMENT OF FUNDS; NON ARBITRAGE

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

Any investment shall be held in and at all times deemed a part of the fund or account in which such moneys were originally held, and the interest accruing thereon and any profit or loss realized from such investment shall be credited or charged to the appropriate fund or account, except as otherwise provided with respect to the Rebate Fund. The investments held for any fund or account shall be valued at the lower of cost or then current market value, or at the redemption price thereof if then redeemable at the option of the holder, including the value of accrued interest and giving effect to the amortization of discount, or at par if such investment is held in the "Consolidated Fund." The Commission, 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 during which the respective banks hold any such funds, accounts or investments (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 1998 Bonds are Outstanding and as long thereafter as necessary to comply with the Code and assure the exclusion of interest on the Series 1998 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 1998 Bonds which would cause the Series 1998 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 1998 Bonds) so that the

interest on the Series 1998 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; Tax Certificate and Rebate. In accordance with Section 148(f)(4)(D) of the Code, the Issuer covenants that it is a governmental unit with general taxing powers; that no part of the Series 1998 Bonds are private activity bonds; that 95% or more of the Net Proceeds of the Series 1998 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 1998 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 1998 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.

The Issuer shall deliver a certificate of arbitrage, a tax certificate or other similar certificate to be prepared by nationally recognized bond counsel or tax counsel relating to payment of arbitrage rebate (or the exemption therefrom) and other tax matters as a condition to issuance of the Series 1998 Bonds. In addition, the Issuer covenants to comply with all Regulations from time to time in effect and applicable to the Series 1998 Bonds as may be necessary in order to fully comply with Section 148(f) of the Code, and covenants to take such actions, and refrain from taking such actions, as may be necessary to fully comply with such Section 148(f) of the Code and such Regulations, regardless of whether such actions may be contrary to any of the provisions of this Bond Legislation.

Notwithstanding the provisions of the first paragraph of this Section 8.03, if the Issuer is subject to the rebate requirements of Section 148(f) of the Code, and not exempted from such requirements, the Issuer shall calculate, annually, the rebatable arbitrage, determined in accordance with Section 148(f) of the Code. Upon completion of each such annual calculation, unless otherwise agreed by the Authority, the Issuer shall deposit, or cause to be deposited, in the Rebate Fund such sums as are necessary to cause the aggregate amount on deposit in the Rebate Fund to equal the sum determined to be subject to rebate to the United States, which, notwithstanding anything herein to the contrary, shall be paid from investment earnings on the underlying fund or account established hereunder and on which such rebatable arbitrage was earned or from other lawfully available sources. Notwithstanding anything herein to the contrary, the Rebate Fund shall be held free and

clear of any lien or pledge hereunder and used only for payment of rebatable arbitrage to the United States. The Issuer shall pay, or cause to be paid, to the United States, from the Rebate Fund, the rebatable arbitrage in accordance with Section 148(f) of the Code and such Regulations. In the event that there are any amounts remaining in the Rebate Fund following all such payments required by the preceding sentence, the Depository Bank shall pay said amounts to the Issuer to be used for any lawful purpose of the System. The Issuer shall remit payments to the United States in the time and at the address prescribed by the Regulations as the same may be in time to time in effect with such reports and statements as may be prescribed by such Regulations. In the event that, for any reason, amounts in the Rebate Fund are insufficient to make the payments to the United States which are required, the Issuer shall assure that such payments are made by the Issuer to the United States, on a timely basis, from any funds lawfully available therefor. In addition, the Issuer shall cooperate with the Authority in preparing rebate calculations and in all other respects in connection with rebates and hereby consents to the performance of all matters in connection with such rebates by the Authority at the expense of the Issuer. To the extent not so performed by the Authority, the Issuer and the Depository Bank (at the expense of the Issuer) may provide for the employment of independent attorneys, accountants or consultants compensated on such reasonable basis as the Issuer or the Depository Bank may deem appropriate in order to assure compliance with this Section 8.03. The Issuer shall keep and retain, or cause to be kept and retained, records of the determinations made pursuant to this Section 8.03 in accordance with the requirements of Section 148(f) of the Code and such Regulations. In the event the Issuer fails to make such rebates as required, the Issuer shall pay any and all penalties and other amounts, from lawfully available sources, and obtain a waiver from the Internal Revenue Service, if necessary, in order to maintain the exclusion of interest on the Series 1998 Bonds from gross income for federal income tax purposes.

The Issuer shall submit to the Authority within 15 days following the end of each Bond Year a certified copy of its rebate calculation and certificate with respect thereto or, if the Issuer qualifies for the small governmental issue exception to rebate, or any other exception therefrom, then the Issuer shall submit to the Authority a certificate stating that it is exempt from such rebate provisions and that no event has occurred to its knowledge during the Bond Year which would make the Series 1998 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.

The Issuer shall furnish to the Authority such information with respect to earnings on all funds constituting "gross proceeds" (as that term is defined in the Code) of the Series 1998 Bonds from time to time as the Authority may request.

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 Bond; 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; or

(4) If a default occurs under either or both of the Prior Ordinances.

Section 9.02. Remedies. Upon the happening and continuance of any Event of Default, any Registered Owner of a Bond may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his or her rights and, in particular, (i) bring suit for any unpaid principal or interest then due, (ii) by mandamus or other appropriate proceeding enforce all rights of such Holders of the Bonds, 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 Holders of the Bonds, and (v) by action or bill in equity enjoin any acts in violation of the Bond Legislation with respect to the Bonds, or the rights of such Registered Owners.

Section 9.03. Appointment of Receiver. Any Holder 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 Holder 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 avenues 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 Holder 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 Holders of the Bonds. Such receiver shall have no power to sell, assign, mortgage or otherwise dispose of any assets of any kind or character belonging or pertaining to the System, but the authority of such receiver shall be limited to the possession, operation and maintenance of the System for the sole purpose of the protection of both the Issuer and Registered Owners of such Bonds, and the curing and making good of any Event of Default with respect thereto under the provisions of this Bond Legislation, and the title to and ownership of said System shall remain in the Issuer, and no court shall have any jurisdiction to enter any order or decree permitting or requiring such receiver to sell, assign, mortgage or otherwise dispose of any assets of the System.

ARTICLE X

DEFEASANCE

Section 10.01. Defeasance of Series 1998 Bonds. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the respective Holders of all Series 1998 Bonds, the principal of and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Bond Legislation, then with respect to the Series 1998 Bonds only, 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 1998 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 1998 Bonds from gross income for federal income tax purposes.

Series 1998 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 1998 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 1998 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 1998 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 1998 Bonds; provided, that any cash received from such principal or interest payments on such securities deposited with the Commission or its agent, if not then needed for such purpose, shall, to the extent practicable, be reinvested in securities maturing at times and in amounts sufficient to pay when due the principal installments of and interest to become due on said Bonds on and prior to the next redemption date or the maturity dates thereof, and interest earned from such reinvestments shall be paid over to the Issuer as received by the Commission or its agent, free and clear of any trust, lien or pledge. For the purpose of this section, securities shall mean and include only Government Obligations.

ARTICLE XI

MISCELLANEOUS

Section 11.01. Amendment or Modification of Bond Legislation. Prior to the issuance of the Series 1998 Bonds, this Ordinance may be amended or supplemented in any way by Supplemental Resolution. Following issuance of the Series 1998 Bonds, no material modification or amendment of this Bond Legislation, or of any resolution amendatory or supplemental hereto, that would materially and adversely affect the respective rights of Registered Owners of the Bonds shall be made without the consent in writing of the Holders of 66-2/3% or more in principal amount of the Bonds so affected and then Outstanding; provided, that no change shall be made in the maturity of any Bond or Bonds or the rate of interest thereon, or in the principal amount thereof, or affecting the unconditional promise of the Issuer to pay such principal and interest out of the funds herein respectively pledged therefor without the consent of the respective Registered Owner thereof. No amendment or modification shall be made that would reduce the percentage of the principal amount of Bonds required for consent to the above-permitted amendments or modifications. Notwithstanding the foregoing, this Bond Legislation may be amended without the consent of any Bondholder as may be necessary to assure compliance with Section 148(f) of the Code relating to rebate requirements or otherwise as may be necessary to assure the excludability of interest on the Series 1998 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 Holders 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 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. Amendments to Maintain Tax Exemption. The Issuer hereby covenants to make any amendment or supplements to this Bond Legislation to enable the interest on the Bonds to remain exempt from federal income taxation, and to preserve and maintain such tax exemption until the maturity or redemption thereof without further consent of the Holders of the Bonds.

Section 11.06. Conflicting Provisions Repealed. All orders, ordinances, 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 the respective Prior Ordinances, or either of them, the respective Prior Ordinance or Prior Ordinances, as the case may be, shall control (unless less restrictive), so long as the Prior Bonds or any portion thereof are Outstanding.

Section 11.07. Covenant of Due Procedure, Etc. The Issuer covenants that all acts, conditions, things and procedures required to exist, to happen, to be performed or to be taken precedent to and in the enactment of this Ordinance do exist, have happened, have been performed and have been taken in regular and due time, form and manner as required by and in full compliance with the laws and Constitution of the State of West Virginia applicable thereto; and that the Mayor, the 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 11.08. Effective Time. This Ordinance shall take effect following public hearing hereon in accordance with the Act.

Section 11.09. Statutory Notice and Public Hearing. Upon enactment hereof, an abstract of this Ordinance, determined by the Issuer 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 14 consecutive days, with at least 6 full days intervening between each publication, in a newspaper of general circulation in the City of Keyser, together with a notice stating that this Ordinance has been adopted and that the Issuer contemplates the issuance of the Series 1998 Bonds, and that any person interested may appear before the Common Council upon a date certain, not less than 10 days subsequent to the date of the first publication of the said abstract and notice, and present protests, and that a certified copy of the Ordinance is on file in the office of the Recorder for review by interested parties during the office hours of the Recorder.

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

Passed on First Reading	August 13, 1998
Passed on Second Reading	August 27, 1998
Effective following public hearing held on	September 11, 1998

Mayor

ATTEST:

By: _____
Recorder

EXHIBIT A

DESCRIPTION OF PROJECT

An upgrade to the City of Keyser's existing water treatment plant and distribution system including without limitation the installation or construction of approximately 3,080 LF of 12-inch, 900 LF of 10-inch, 12,325 LF of 8-inch, and 17,330 LF of 6-inch water mains; One 40 gpm booster station; and all necessary valves, controls and appurtenances. The Project also includes improvements to the water treatment plant, including new doors and windows, new water pump, reconstruction of the existing raw water pumps, repair of the water intake weir and screen; and cleaning, painting and telemetry for the existing Keyser Industrial Park water storage tank and all necessary appurtenances thereto.

EXHIBIT B

SCHEDULE OF RATES AND CHARGES

CHS/154788

Exibit B

S. O. Form 3
1M

P. S. C. W. Va. No. 14
Canceling P. S. C. W. Va. No. 13

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

OF

Keyser, West Virginia
(Location of Office)

Rates, Rules and Regulations for Furnishing

WATER

AT

Keyser and vicinity, Mineral County, West Virginia.

Filed with THE PUBLIC SERVICE COMMISSION

OF

WEST VIRGINIA

Issued September 11, 1997 Effective November 1, 1997

Passed by City Council.

Issued by CITY OF KEYSER
(Name of Utility)

By [signature]
Mayor

AVAILABILITY OF SERVICE

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

(A)

RATE

Effective 45 days from passage by the City of Keyser:

First	2,000 gallons used per month	$3.72	per 1,000 gallons
Next	5,000 gallons used per month	$3.55	per 1,000 gallons
Next	50,000 gallons used per month	$3.48	per 1,000 gallons
Next	50,000 gallons used per month	$3.35	per 1,000 gallons
All over	107,000 gallons used per month	$1.84	per 1,000 gallons

Effective upon substantial completion of system improvements as adopted by resolution by the City of Keyser:

First	2,000 gallons used per month	$5.30	per 1,000 gallons
Next	5,000 gallons used per month	$5.06	per 1,000 gallons
Next	50,000 gallons used per month	$4.96	per 1,000 gallons
Next	50,000 gallons used per month	$4.78	per 1,000 gallons
All over	107,000 gallons used per month	$2.63	per 1,000 gallons

(A)

MINIMUM CHARGE

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

Effective 45 days from passage by the City of Keyser:

5/8 x 3/4 inch meter	$	7.44	per month
3/4 inch meter		11.16	per month
1 inch meter		18.60	per month
1-1/2 inch meter		37.20	per month
2 inch meter		59.52	per month
3 inch meter		111.60	per month
4 inch meter		186.00	per month
6 inch meter		372.00	per month
8 inch meter		595.20	per month

Effective upon substantial completion of system improvements as adopted by resolution by the City of Keyser:

5/8 x 3/4 inch meter	$	10.60	per month
3/4 inch meter		15.90	per month
1 inch meter		26.50	per month
1-1/2 inch meter		53.00	per month
2 inch meter		84.80	per month
3 inch meter		159.00	per month
4 inch meter		265.00	per month
6 inch meter		530.00	per month
8 inch meter		848.00	per month

(C)

DELAYED PAYMENT PENALTY

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

(A) Indicates advance
(C) Indicates change

(A) RESALE RATE

The water rate charged to all resale customers including, but not limited to, New Creek Water Association, Inc., the Town of McCoole, or County of Allegany, State of Maryland, or any subsidiary thereof, or any other public or private entity or person who acquires water for the primary purpose of resale though lines and systems owned by them shall be:

Effective 45 days from passage by the City of Keyser:
$1.965 per 1,000 gallons used per month.

Effective upon substantial completion of system improvements as adopted by resolution by the City of Keyser:
$2.125 per 1,000 gallons used per month.

(N) SECURITY DEPOSIT

There will be a $100.00 deposit collected from each new customer to secure payment of bills for water, sewer, or water and sewer services. Deposits are refundable as provided under the Rules and Regulations of the Public Service Commission of West Virginia.

(N) DISCONNECT FOR NON-PAYMENT

If any bill is not paid for water or sewer fees within Thirty (30) days after date thereof, the City may disconnect water service to said customer for non-payment of bill, but must first make a diligent effort to induce the customer to pay same and no disconnect shall be effected until after at least twenty-four (24) hours written notice to customer, all in accordance with Public Service Commission Rules and Regulations.

RECONNECTION FEES

Service will not be restored until all amounts in arrears, including penalties plus a reconnection fee of $30.00 have been paid.

SERVICE CONNECTION CHARGE

A tap fee of Four Hundred Twenty-Five Dollars ($425.00) shall be charged for a 5/8" x 3/4" or a 3/4" meter, and paid in advance, for the initial connection of each new customer location to the water system, which charge shall include the cost of the meter installation. For meters 1" and larger in size, the service connection fee shall be the actual cost of the installation, including meter.

(A) Indicates advance
(N) Indicates n-w

AVAILABILITY OF SERVICE

Unmetered fire protection service, whether for yard hydrants, inside hydrants or sprinkler systems shall be available at the following rates:

(C) RATE

The rate for an unmetered connection to be used solely for fire protection shall be ~~$350.00 per quarter.~~ $116.67 a month.

WORTHLESS CHECK FEE

A service charge, which shall be in addition to any and all other applicable fees and charges, of Fifteen ($15.00) Dollars shall be assessed and collected for all dishonored checks as permitted by West Virginia Code §61-3-39e. Said fee shall automatically increase to the maximum fee permissible under West Virginia Code §61-3-39e or any similar future counterpart thereof.

ADJUSTMENT OF BILLS

No allowance or adjustment of any water bill under this article shall be made for any leaks of any nature occurring on the user's side of the meter unless, in the discretion of the Supervisor for the Utility Board, an allowance or adjustment would prevent or rectify a gross inequity in charges to the customer.

LEAK ADJUSTMENT CLAUSE

The incremental cost of $0.40 per 1,000 gallons shall be used in the event of an allowed leak adjustment to any customer's bill.

ARTICLE SIX

(N) BILLS TO BE A LIEN UPON THE PREMISES SERVED; REQUIRED DEPOSIT; MISCELLANEOUS PROVISIONS APPLICABLE TO BOTH WATER & SEWERAGE SYSTEMS

Rates and charges provided in this ordinance, if not paid when due, shall be a lien upon the premises served by the system to the fullest extent permitted by law. If such rates or charges are not paid within thirty (30) days, the amount thereof, together with all reasonable and customary legal fees, may be recovered by the Utility Board in a civil action in the name of the City of Keyser, and in connection with such action said lien may be foreclosed against such lot, parcel of land or building, in accordance with the laws relating thereto, including, to the extent and where permissible by statute or law, landlord liability for tenant fees.

With each application for service for water and/or sewerage services, there shall be made to the Utility Board a deposit in the amount of One Hundred ($100.00) Dollars for water, sewage, or water and sewage services, as permitted under the Public Service Commission Rules and Regulations. Said deposit shall be returned to the customer, as required by said rules and regulations, with interest

(C) Indicates change
(N) Indicates new

at the minimum rate as permitted under said rules and regulations and, in the event, there is no minimum rate, then at the rate of 2% per annum.

(N) SERVICE TO TRAILER COURTS

House trailer courts shall be provided with a master meter. No bill shall be rendered for less than the minimum bill herein established for a five-eight by three-quarter (5/8 x 3/4) inch meter, multiplied by the number of units situated on the court site at the time the meter is read, the minimum bill for the size meter installed or the actual charge for water used, whichever is greater. House trailers (as used hereinabove) shall include both mobile and immobile units.

House trailers, either mobile or immobile, located on sites other than a park or court, shall be billed in the same manner as any other family or business unit.

Sewer bills shall be based upon the same minimums times the number of users or the actual water usage, whichever is greater.

ARTICLE SEVEN
SEVERABILITY CLAUSE

If any provision of this article is invalidated by any court of competent jurisdiction, the remaining provisions shall not be effected and shall continue in full force and effect.

ARTICLE EIGHT
EFFECTIVE DATE

The provisions of this ordinance shall become effective forty-five (45) days from the date of adoption by the City of Keyser.

ARTICLE NINE
PENALTY FOR VIOLATION OF THE USE ORDINANCE

Whoever violates any provision of Article Four, Rules and Regulations - Water, and Article Five, Rule and Regulations - Sewer, for which no other penalty is provided shall be fined not less than $100.00 nor more than $1,000.00, or imprisoned for not more than thirty (30) days, or both fined and imprisoned.

By Authority of the Mayor and City Council

(N) Indicates new

Keith R. Hargreaves

Mayor

Combined Water and Sewerage Tariff P.S.C. W.VA. NO. 1

superseding all prior Water and Sewerage Tariffs to the extent, and only to the extent, the aforegoing is inconsistent therewith.

CERTIFICATION

Certified a true copy of an Ordinance duly enacted by the City Council of the City of Keyser on the 11th day of September, 1998.

Dated: October 15, 1998.

Recorder, City of Keyser

[SEAL]

THE CITY OF KEYSER
WATER REVENUE BONDS,
SERIES 1998 A AND SERIES 1998 B

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNTS, DATES, MATURITIES, INTEREST RATES, PRINCIPAL PAYMENT SCHEDULES, SALE PRICES AND OTHER TERMS OF THE WATER REVENUE BONDS, SERIES 1998 A AND SERIES 1998 B OF THE CITY OF KEYSER; AUTHORIZING AND APPROVING LOAN AGREEMENTS RELATING TO SUCH BONDS AND THE SALE AND DELIVERY OF SUCH BONDS TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; DESIGNATING A BONDS REGISTRAR, DEPOSITORY BANK, AND PAYING AGENT; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

WHEREAS, the City Council (the "Governing Body") of the City of Keyser (the "Issuer") has duly and officially adopted an Ordinance, effective September 11, 1998 (the "Ordinance") entitled:

BOND ORDINANCE

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE WATERWORKS SYSTEM OF THE CITY OF KEYSER AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF AND AUTHORIZING THE REFINANCING AND REFUNDING OF PRIOR BONDS OF THE CITY OF KEYSER THROUGH THE ISSUANCE BY THE CITY OF KEYSER OF NOT MORE THAN FOUR MILLION DOLLARS ($4,000,000.00) IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 1998; PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE HOLDERS OF SUCH WATER REVENUE BONDS, SERIES 1998; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE OF SUCH WATER REVENUE BONDS, SERIES 1998 TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; AND ADOPTING OTHER PROVISIONS RELATING THERETO.

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

WHEREAS, the Ordinance provides for the issuance of Water Revenue Bonds, Series 1998 of the Issuer in one or more series (the "Bonds"), in an aggregate principal amount not to exceed $4,000,000 and has preliminarily authorized the execution and delivery of loan agreements relating to the Bonds (sometimes referred to herein as the "Loan Agreement"), by and between the Issuer and West Virginia Water Development Authority (the "Authority"), all in accordance with Chapter 8, Article 19 of the West Virginia Code of 1931, as amended (the "Act"); and in the Ordinance it is provided that the exact principal amounts, maturity dates, interest rates, interest and principal payment dates, sale prices and other terms of the Bonds should be established by a supplemental resolution pertaining to the Bonds; and that other matters relating to the Bonds be herein provided for;

WHEREAS, the Issuer has determined to issue the Bonds in two series, the first such series being the Issuer's Water Revenue Bonds, Series 1998 A to be issued in the original aggregate principal amount of $761,842, bearing interest at the rate of 6.25% per annum and maturing on October 1, 2035 (the "Series 1998 A Bonds") and the second such series being the Issuer's Water Revenue Bonds, Series 1998 B to be issued in the original aggregate principal amount of $2,997,584, bearing interest initially at the rate of 6.25% per annum, said rate to be adjusted upon the upcoming issuance of bonds by the Authority to a rate equal to the lesser of 6.25% per annum or the rate charged by the Authority for loans by the Authority from the pool to be funded with the proceeds of the Authority's upcoming bond issue, said Series 1998 B Bonds to mature on October 1, 2038 (the "Series 1998 B Bonds")(the Series 1998 A Bonds and the Series 1998 B Bonds are sometimes collectively referred to herein as the Bonds);

WHEREAS, the Series 1998 A Bonds and the Series 1998 B Bonds shall be on parity with respect to liens, pledges and sources of and security for payment with respect to each other and with respect to the Prior Bonds;

WHEREAS, the form of the Loan Agreement has been presented to the Issuer at this meeting for final ratification and approval;

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 finally ratified and approved and entered into by the Issuer, that the exact principal amounts, the prices, the maturity dates, the redemption provisions, the interest rates and the interest and principal payment dates of the Bonds be fixed hereby in the manner stated herein, and that other matters relating to the Bonds be herein provided for;

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

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

A. The Water Revenue Bonds, Series 1998 A of the Issuer, originally represented by a single bond, numbered AR-1, in the principal amount of $761,842. The Series 1998 A Bonds shall be dated the date of delivery thereof, shall finally mature on October 1, 2035, shall bear interest at the rate of 6.25% per annum payable semi-annually on April 1 and October 1 of each year, first interest payable April 1, 1999, 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 registered owner of the Series 1998 A Bonds, and shall be payable in installments of principal on October 1 of each of the years and in the amounts as set forth in the Debt Service Schedule attached thereto and to the Loan Agreement and incorporated therein by reference.

B. The Water Revenue Bonds, Series 1998 B of the Issuer, originally represented by a single bond, numbered BR-1, in the principal amount of $2,997,584. The Series 1998 B Bonds shall be dated the date of delivery thereof, shall finally mature on October 1, 2038, shall bear interest initially at the rate of 6.25% per annum, said rate to be adjusted upon the upcoming issuance of bonds by the Authority to a rate equal to the lesser of 6.25% per annum or the rate charged by the Authority for loans from the pool to be funded with the proceeds of the Authority's upcoming bond issue, said interest to be payable semi-annually on April 1 and October 1 of each year, first interest payable April 1, 1999, 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 registered owner of the Series 1998 B Bonds, and shall be payable in installments of principal on October 1 of each of the years and in the amounts as set forth in the Debt Service Schedule attached thereto and to the Loan Agreement and incorporated therein by reference, which Debt Service Schedule shall be amended if a rate less than 6.25% per annum becomes applicable to the Series 1998 B Bonds upon the issuance of the Authority's bonds, such amended Debt Service Schedule to provide for the amortization of the remaining principal of the Series 1998 B Bonds by the aforesaid maturity date of October 1, 2038 using the lower interest rate and providing for substantially level debt service with respect to the Bonds.

Section 2. Except as otherwise provided in this Supplemental Resolution, all other provisions relating to the Bonds shall be as provided in the Ordinance. In order to effectuate the issuance of the Bonds in two series, being the Series 1998 A Bonds and the Series 1998 B Bonds, all references in the Ordinance to the Series 1998 Bonds shall be construed to refer collectively to the Series 1998 A Bonds and the Series 1998 B Bonds where appropriate. Further, the Series 1998 A Bonds and the Series 1998 B Bonds shall be on parity with respect to liens, pledges and sources of and security for payment with respect to each other and with respect to the Prior Bonds. Finally, the Ordinance is supplemented and amended as follows to reflect the issuance of the Bonds in two series:

A The definitions in the Ordinance for "Series 1998 Bonds Reserve Account", "Series 1998 Bonds Reserve Requirement" and "Series 1998 Bonds Sinking Fund" shall be deleted and the following definitions shall be substituted therefor:

"Series 1998 A Bonds Reserve Account" means the Series 1998 A Bonds Reserve Account established in the Series 1998 A Bonds Sinking Fund pursuant to Section 5.02 hereof.

"Series 1998 A Bonds Reserve Requirement" means, as of any date of calculation, the maximum amount of principal and interest which will become due on the Series 1998 A Bonds in the then current or any succeeding year.

"Series 1998 A Bonds Sinking Fund" means the Series 1998 A Bonds Sinking Fund established by Section 5.02 hereof.

"Series 1998 B Bonds Reserve Account" means the Series 1998 B Bonds Reserve Account established in the Series 1998 B Bonds Sinking Fund pursuant to Section 5.02 hereof.

"Series 1998 B Bonds Reserve Requirement" means, as of any date of calculation, the maximum amount of principal and interest which will become due on the Series 1998 B Bonds in the then current or any succeeding year.

"Series 1998 B Bonds Sinking Fund" means the Series 1998 B Bonds Sinking Fund established by Section 5.02 hereof.

B Section 3.10 of the Ordinance shall be deleted and the following shall be substituted therefor:

Section 3.10. Form of Series 1998 Bonds. The text of the Series 1998 Bonds shall be in substantially the following forms, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted hereby, or by any Supplemental Resolution adopted prior to the issuance thereof;

[Form of Series 1998 A Bond]

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF KEYSER
WATER REVENUE BOND,
SERIES 1998 A

No. AR-_____ $_____

KNOW ALL MEN BY THESE PRESENTS: That CITY OF KEYSER, a municipal corporation of the State of West Virginia in Mineral 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 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 _____. 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 _____, _____, 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 _____, 1998.

This Bond is issued (i) to permanently finance a portion of the costs of acquisition and construction of certain extensions, additions, betterments and improvements to the existing waterworks system of the Issuer (the "Project"); (ii) to refinance and refund certain prior obligations of the Issuer; (iii) to pay a portion of the interest on the Bonds during the construction of the Project and for not more than six (6) months thereafter; 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 or improvements thereto is herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia,

including particularly Chapter 8, Article 19 and Chapter 13, Article 2E of the West Virginia Code of 1931, as amended (collectively, the "Act"), and an Ordinance duly enacted by the Issuer on _____, 1998 and a Supplemental Resolution duly adopted by the Issuer on _____, 1998 (collectively called the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other securities provided for the Bonds of this Series (the "Bonds") under the Bond Legislation.

THIS BOND IS ISSUED ON PARITY WITH RESPECT TO LIENS, PLEDGES AND SOURCES OF AND SECURITY FOR PAYMENT WITH THE ISSUER'S WATER REVENUE BONDS, SERIES 1998 B, ISSUED CONCURRENTLY HEREWITH IN THE AGGREGATE PRINCIPAL AMOUNT OF $2,997,584 (THE "SERIES 1998 B BONDS"), THE ISSUER'S WATER REVENUE BOND, SERIES 1980, DATED FEBRUARY 26, 1980, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $3,146,000 (THE "SERIES 1980 BOND") AND THE ISSUER'S WATER IMPROVEMENT REVENUE NOTE DATED SEPTEMBER 19, 1961, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $200,000 (THE "SERIES 1961 NOTE") (THE SERIES 1980 BOND AND SERIES 1961 NOTE ARE COLLECTIVELY REFERRED TO HEREIN AS 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 parity with the pledge of Gross Revenues in favor of the holders of the Series 1998 B Bonds and the Prior Bonds, and from moneys in the Reserve Account created under the Bond Legislation for the Bonds (the "Series 1998 A 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 1998 A Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% (125% so long as the Series 1980 Bond remains Outstanding) of the maximum amount payable in any year for principal of and interest on the Bonds, the Series 1998 B Bonds and the Prior Bonds, and all other obligations secured by a lien on or payable from such revenues prior to or on a parity with the Bonds provided however, that so long as there exists in the Series 1998 A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations Outstanding prior to or on a parity with the Bonds, including without limitation the Series 1998 B Bonds and the Prior Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110% (but shall remain 125%

so long as the Series 1980 Bond remains Outstanding). 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.

The Issuer covenants and agrees that the Project shall not contribute to excessive erosion or conversion of wetlands.

All money received from the sale of this Bond, after reimbursement and repayment of all amounts advanced for preliminary expenses as provided by law, shall be applied solely to the payment of the Costs of the Project and the refinancing and refunding 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 KEYSER has caused this Bond to be signed by its Mayor and its corporate seal to be hereunto affixed and attested by its Recorder, and has caused this Bond to be dated _____, 19_____.

CITY OF KEYSER

[SEAL]

_____
Mayor

ATTEST:

_____
Recorder

(Form of)

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 1998 A Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: _____,

_____,
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: _____, 19_____.

_____

In the presence of:

_____

[Form of Series 1998 B Bond]

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF KEYSER
WATER REVENUE BOND,
SERIES 1998 B

No. BR-_____ $_____

KNOW ALL MEN BY THESE PRESENTS: That CITY OF KEYSER, a municipal corporation of the State of West Virginia in Mineral 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 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 _____. 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 _____, _____, 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 _____, 1998.

This Bond is issued (i) to permanently finance a portion of the costs of acquisition and construction of certain extensions, additions, betterments and improvements to the existing waterworks system of the Issuer (the "Project"); (ii) to refinance and refund certain prior obligations of the Issuer; (iii) to pay a portion of the interest on the Bonds during the construction of the Project and for not more than six (6) months thereafter; 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 or improvements thereto is herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia,

including particularly Chapter 8, Article 19 and Chapter 13, Article 2E of the West Virginia Code of 1931, as amended (collectively, the "Act"), and an Ordinance duly enacted by the Issuer on _____, 1998 and a Supplemental Resolution duly adopted by the Issuer on _____, 1998 (collectively called the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other securities provided for the Bonds of this Series (the "Bonds") under the Bond Legislation.

THIS BOND IS ISSUED ON PARITY WITH RESPECT TO LIENS, PLEDGES AND SOURCES OF AND SECURITY FOR PAYMENT WITH THE ISSUER'S WATER REVENUE BONDS, SERIES 1998 A, ISSUED CONCURRENTLY HEREWITH IN THE AGGREGATE PRINCIPAL AMOUNT OF $761,842 (THE "SERIES 1998 A BONDS"), THE ISSUER'S WATER REVENUE BOND, SERIES 1980, DATED FEBRUARY 26, 1980, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $3,146,000 (THE "SERIES 1980 BOND") AND THE ISSUER'S WATER IMPROVEMENT REVENUE NOTE DATED SEPTEMBER 19, 1961, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $200,000 (THE "SERIES 1961 NOTE") (THE SERIES 1980 BOND AND SERIES 1961 NOTE ARE COLLECTIVELY REFERRED TO HEREIN AS 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 parity with the pledge of Gross Revenues in favor of the holders of the Series 1998 A Bonds and the Prior Bonds, and from moneys in the Reserve Account created under the Bond Legislation for the Bonds (the "Series 1998 B 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 1998 B Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% (125% so long as the Series 1980 Bond remains Outstanding) of the maximum amount payable in any year for principal of and interest on the Bonds, the Series 1998 A Bonds and the Prior Bonds, and all other obligations secured by a lien on or payable from such revenues prior to or on a parity with the Bonds provided however, that so long as there exists in the Series 1998 B Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations Outstanding prior to or on a parity with the Bonds, including without limitation the Series 1998 A Bonds and the Prior Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110% (but shall remain 125%

so long as the Series 1980 Bond remains Outstanding). 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.

The Issuer covenants and agrees that the Project shall not contribute to excessive erosion or conversion of wetlands.

All money received from the sale of this Bond, after reimbursement and repayment of all amounts advanced for preliminary expenses as provided by law, shall be applied solely to the payment of the Costs of the Project and the refinancing and refunding 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 KEYSER has caused this Bond to be signed by its Mayor and its corporate seal to be hereunto affixed and attested by its Recorder, and has caused this Bond to be dated _____, 19_____.

CITY OF KEYSER

[SEAL]

_____
Mayor

ATTEST:

_____
Recorder

(Form of)

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 1998 B Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: _____,

_____,
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: _____, 19_____.

_____

In the presence of:

_____

C. Sections 5.02 and 5.03 of the Ordinance shall be deleted and the following shall be substituted therefor.

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

1. Series 1998 A Bonds Sinking Fund;

2. Within the Series 1998 A Bonds Sinking Fund, the Series 1998 A Bonds Reserve Account;

3. Series 1998 B Bonds Sinking Fund;

4. Within the Series 1998 B Bonds Sinking Fund, the Series 1998 B Bonds Reserve Account;

5. Keyser Water Bond Sinking Fund (established by the Series 1980 Bond Ordinance);

6. Note Sinking Fund ("Sinking Fund No. 1" established by the Series 1980 Bond Ordinance); and

7. Reserve Account (established by the Series 1980 Bond Ordinance).

Section 5.03. System Revenues; Flow of Funds.

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

1. The Issuer shall first on the first day of each month, transfer from the Revenue Fund and pay to the respective offices and places designated in the Series 1980 Bond, the Series 1961 Note and the respective Prior Ordinances relating thereto the amounts required by the Series 1980 Bond, the Series 1961 Note and the respective Prior Ordinances relating thereto for payment of principal of and interest on the Series 1980 Bond and the Series 1961 Note and simultaneously (i) on the first day of each month, commencing 7 months prior to the first date of payment of interest on the Series 1998 A Bonds for which interest has not been capitalized, apportion and set apart out of the

Revenue Fund and remit to the Commission, for deposit in the Series 1998 A Bonds Sinking Fund, a sum equal to 1/6th of the amount of interest which will become due on said Series 1998 A Bonds on the next ensuing semiannual interest payment date; provided, that, in the event the period to elapse between the date of such initial deposit in the Series 1998 A Bonds Sinking Fund and the next semiannual interest payment date is less than 7 months, then such monthly payments shall be increased proportionately to provide, one month prior to the next semiannual interest payment date, the required amount of interest coming due on such date, and simultaneously (ii) on the first day of each month, commencing 13 months prior to the first date of payment of principal on the Series 1998 A Bonds, apportion and set apart out of the Revenue Fund and remit to the Commission for deposit in the Series 1998 A Bonds Sinking Fund, a sum equal to 1/12th of the amount of principal which will mature and become due on said Series 1998 A Bonds on the next ensuing principal payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 1998 A Bonds Sinking Fund and the next annual principal payment date is less than 13 months then such monthly payments shall be increased proportionately to provide, one month prior to the next annual principal payment date, the required amount of principal coming due on such date, and simultaneously (iii) on the first day of each month, commencing 7 months prior to the first date of payment of interest on the Series 1998 B 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 1998 B Bonds Sinking Fund, a sum equal to 1/6th of the amount of interest which will become due on said Series 1998 B 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 1998 B 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 simultaneously (iv) on the first day of each month, commencing 13 months prior to the first date of payment of principal on the Series 1998 B Bonds, apportion and set apart out of the Revenue Fund and remit to the Commission for deposit in the Series 1998 B Bonds Sinking Fund, a sum equal to 1/12th of the amount of principal which will mature and become due on said Series 1998 B Bonds on the next ensuing principal payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 1998 B Bonds Sinking Fund and the next annual principal payment date is less than 13 months then such monthly payments shall be increased proportionately to provide, one month prior to the next annual principal payment date, the required amount of principal coming due on such date. In the event moneys in the Revenue Fund are insufficient to make all the payments in this subsection 5.03.A(1),

then the Issuer shall make pro rata payments on the Series 1961 Note, the Series 1980 Bond, the Series 1998 A Bonds and the Series 1998 B Bonds first to interest and then to principal, based upon the respective principal amounts then Outstanding.

2. The Issuer shall next on the first day of each month, transfer from the Revenue Fund and deposit with the Commission in the Reserve Fund the amounts required by the Series 1980 Bond Ordinance to be deposited therein and simultaneously shall also on the first day of each month, commencing the month following the completion of the Project, if not fully funded upon issuance of the Series 1998 A Bonds, simultaneously apportion and set apart out of the Revenue Fund and remit to the Commission for deposit in the Series 1998 A Bonds Reserve Account, an amount equal to 1/120 of the Series 1998 A Bonds Reserve Requirement; provided, that no further payments shall be made into the Series 1998 A Bonds Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Series 1998 A Bonds Reserve Requirement, and simultaneously shall also on the first day of each month, commencing the month following the completion of the Project, if not fully funded upon issuance of the Series 1998 B Bonds, simultaneously apportion and set apart out of the Revenue Fund and remit to the Commission for deposit in the Series 1998 B Bonds Reserve Account, an amount equal to 1/120 of the Series 1998 B Bonds Reserve Requirement; provided, that no further payments shall be made into the Series 1998 B Bonds Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Series 1998 B Bonds Reserve Requirement, and provided further, that in the event that there are not sufficient moneys available to make all deposits required by this subsection 5.03.A(2), then the Issuer shall make the deposits required by this subsection on a pro rata basis.

3. The Issuer shall next on the first day of each month, pay from the moneys in the Revenue Fund all current Operating Expenses.

4. The Issuer shall next, from the moneys remaining in the Revenue Fund, on the first day of each month prior to and including the month in which the Project is completed transfer to the Depreciation Reserve the amounts required by the Series 1980 Bond Ordinance to be deposited therein, and, commencing the month following the completion of the Project, on the first day of each month transfer from the moneys remaining in the Revenue Fund to the Depreciation Reserve the greater of (i) the amounts required by the Series 1980 Bond Ordinance to be deposited therein, or (ii) a sum equal to 2 1/2% of the Gross Revenues each month, exclusive of any payments for account of any reserve account. Moneys in the Depreciation Reserve shall be

used first to make up deficiencies for monthly payments of the principal of and interest on the Series 1961 Note, the Series 1980 Bond, the Series 1998 A Bonds and/or the Series 1998 B Bonds as the same become due, and next to restore to the Reserve Fund, the Series 1998 A Bonds Reserve Account or the Series 1998 B Bonds Reserve Account any sum or sums transferred therefrom, and provided that in the event there are not sufficient moneys in the Depreciation Reserve to make the transfer required by this sentence, such transfers shall be made on a pro rata basis. Thereafter, and provided that payments into the Reserve Fund, the Series 1998 A Bonds Reserve Account and the Series 1998 B Bonds Reserve Account are current and in accordance with the foregoing provisions, moneys in the Depreciation Reserve may be withdrawn by the Issuer and used for extraordinary repairs and for replacements of equipment and for improvements and capital equipment for the System, or any part thereof.

Moneys in the Series 1998 A Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest on the Series 1998 A Bonds as the same shall become due. Moneys in the Series 1998 A Bonds Reserve Account shall be used only for the purpose of paying principal of and interest on the Series 1998 A Bonds, as the same shall come due, when other moneys in the Series 1998 A Bond Sinking Fund are insufficient therefor, and for no other purpose except for permitted transfers to the Rebate Fund.

Moneys in the Series 1998 B Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest on the Series 1998 B Bonds as the same shall become due. Moneys in the Series 1998 B Bonds Reserve Account shall be used only for the purpose of paying principal of and interest on the Series 1998 B Bonds, as the same shall come due, when other moneys in the Series 1998 B Bond Sinking Fund are insufficient therefor, and for no other purpose except for permitted transfers to the Rebate Fund.

Moneys in the Reserve Fund, the Keyser Water Bond Sinking Fund and the Note Sinking Fund shall only be used in accordance with the Prior Ordinances.

Except to the extent transferred to the Rebate Fund at the request of the Issuer, all investment earnings on moneys in the Series 1998 A Bonds Sinking Fund and the Series 1998 A Bonds Reserve Account shall be returned, not less than once each year on the 1st day of October, 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 1998 A Bonds, and then to the next ensuing principal payment due thereon.

Except to the extent transferred to the Rebate Fund at the request of the Issuer, all investment earnings on moneys in the Series 1998 B Bonds Sinking Fund and the Series 1998 B Bonds Reserve Account shall be returned, not less than once each year on the 1st day of October,

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 1998 B Bonds, and then to the next ensuing principal payment due thereon.

Except with respect to transfers to the Rebate Fund, any withdrawals from the Series 1998 A Bonds Reserve Account which result in a reduction in the balance of the Series 1998 A Bonds Reserve Account to below the Series 1998 A Bonds Reserve Requirement shall be subsequently restored from the first Gross Revenues available after all required payments have been made in full, for payment of the debt service on the Series 1961 Note and the Series 1980 Bond and to the Series 1998 A Bonds Sinking Fund for payment of debt service on the Series 1998 A Bonds and to the Series 1998 B Bonds Sinking Fund for payment of debt service on the Series 1998 B Bonds; provided, if there is also a deficiency in the Reserve Fund and/or the Series 1998 B Bonds Reserve Account such first Gross Revenues shall be allocated on a pro rata basis to eliminate such deficiencies in the Reserve Fund, the Series 1998 A Bonds Reserve Account and the Series 1998 B Bonds Reserve Account.

Except with respect to transfers to the Rebate Fund, any withdrawals from the Series 1998 B Bonds Reserve Account which result in a reduction in the balance of the Series 1998 B Bonds Reserve Account to below the Series 1998 B Bonds Reserve Requirement shall be subsequently restored from the first Gross Revenues available after all required payments have been made in full, for payment of the debt service on the Series 1961 Note and the Series 1980 Bond and to the Series 1998 A Bonds Sinking Fund for payment of debt service on the Series 1998 A Bonds and to the Series 1998 B Bonds Sinking Fund for payment of debt service on the Series 1998 B Bonds; provided, if there is also a deficiency in the Reserve Fund and/or the Series 1998 A Bonds Reserve Account such first Gross Revenues shall be allocated on a pro rata basis to eliminate such deficiencies in the Reserve Fund, the Series 1998 A Bonds Reserve Account and the Series 1998 B Bonds Reserve Account

As and when additional Bonds ranking on a parity with the Prior Bonds, the Series 1998 A Bonds and the Series 1998 B Bonds are issued, provision shall be made for additional payments into the respective sinking fund sufficient to pay the interest on such additional parity Bonds and accomplish retirement thereof at maturity and to accumulate a balance in the appropriate reserve account in a amount equal to the maximum amount of principal and interest which will become due in any year for the account of the Bonds of such series, including such additional parity Bonds.

The Issuer shall not be required to make any further payments into the Series 1998 A Bonds Sinking Fund, or into the Series 1998 A Bonds Reserve Account therein when the aggregate amount of funds in said Sinking Fund and Series 1998 A Bonds Reserve Account are at least equal to the aggregate principal amount of the Series 1998 A Bonds issued pursuant to this Bond Legislation then Outstanding and all interest to accrue until the maturity thereof.

The Issuer shall not be required to make any further payments into the Series 1998 B Bonds Sinking Fund, or into the Series 1998 B Bonds Reserve Account therein when the aggregate amount of funds in said Sinking Fund and Series 1998 B Bonds Reserve Account are at least equal to the aggregate principal amount of the Series 1998 B Bonds issued pursuant to this Bond Legislation then Outstanding and all interest to accrue until the maturity thereof.

Principal and interest payments, and any payments made for the purpose of funding a deficiency in any Reserve Account, shall be made pro rata with respect to the Series 1961 Note, the Series 1980 Bond, the Series 1998 A Bonds, and the Series 1998 B Bonds in accordance with the respective principal amounts then Outstanding.

The Commission is hereby designated as the fiscal agent for the administration of the Series 1998 A Bonds Sinking Fund, the Series 1998 A Bonds Reserve Account, the Series 1998 B Bonds Sinking Fund, and the Series 1998 B Bonds Reserve Account created hereunder, and all amounts required for said accounts shall be remitted to the Commission from the Revenue Fund by the Issuer at the times provided herein. If required by the Authority in writing at any time, the Issuer shall make the necessary arrangements whereby required payments into the Series 1998 A Bonds Sinking Fund, the Series 1998 A Bonds Reserve Account, the Series 1998 B Bonds Sinking Fund ,and the Series 1998 B Bonds Reserve Account shall be automatically debited from the Revenue Fund and electronically transferred to the Commission on the dates required hereunder.

The payments into the Series 1998 A Bonds Sinking Fund and the Series 1998 B 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 Saturday, 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 1998 A Bonds Sinking Fund, the Series 1998 A Bonds Reserve Account, the Series 1998 B Bonds Sinking Fund, and the Series 1998 B Bonds Reserve Account shall be invested and reinvested by the Commission in accordance with Section 8.01 hereof.

Except with respect to transfers to the Rebate Fund, the Series 1998 A Bonds Sinking Fund, including the Series 1998 A Bonds Reserve Account therein, shall be used solely and only for, and are hereby pledged for, the purpose of servicing the Series 1998 A Bonds.

Except with respect to transfers to the Rebate Fund, the Series 1998 B Bonds Sinking Fund, including the Series 1998 B Bonds Reserve Account therein, shall be used solely and only for, and are hereby pledged for, the purpose of servicing the Series 1998 B Bonds.

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 on the Series 1961 Note and the Series 1980 Bond and into the Series 1998 A Bonds Sinking Fund, including the Series 1998 A Bonds Reserve Account therein and into the Series 1998 B Bonds Sinking Fund, including the Series 1998 B Bonds Reserve Account therein, and the Reserve Fund and the Depreciation Reserve 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 their respective charges, fees and expenses then due. In case of payments to the Commission under this paragraph, the Issuer shall, if required by the Authority at any time, make the necessary arrangements whereby such required payments shall be automatically deducted from the Revenue Fund and transferred to the Commission on the dates required.

D. The moneys in excess of the sum insured by the maximum amounts insured by FDIC in the Revenue Fund, the Reserve Account, the Depreciation Reserve and the Rebate 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.

H. All Tap Fees shall be deposited by the Issuer, as received, in the Revenue Fund and may be used for any lawful purpose of the System.

D. Sections 6.01 and 6.02 of the Ordinance shall be deleted and the following shall be substituted therefor:

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 1998 Bonds, the following amounts shall be first deducted and deposited in the order set forth below:

A. From the proceeds of the Series 1998 A Bonds, there shall first be deposited with the Commission in the Series 1998 A Bonds Sinking Fund, the amount, if any, specified in the Supplemental Resolution as capitalized interest; provided, that such amount may not exceed the amount necessary to pay interest on the Series 1998 A Bonds for the period commencing on the date of issuance of the Series 1998 A Bonds and ending 6 months after the estimated date of completion of construction of the Project.

B. From the proceeds of the Series 1998 B Bonds, there shall first be deposited with the Commission in the Series 1998 B 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 1998 B Bonds for the period commencing on the date of issuance of the Series 1998 B Bonds and ending 6 months after the estimated date of completion of construction of the Project.

C. Next, from the proceeds of the Series 1998 A Bonds, there shall be deposited with the Commission in the Series 1998 A Bonds Reserve Account the sum, if any, set forth in the Supplemental Resolution for funding of the Series 1998 A Bonds Reserve Account.

D. Next, from the proceeds of the Series 1998 B Bonds, there shall be deposited with the Commission in the Series 1998 B Bonds Reserve Account the sum, if any, set forth in the Supplemental Resolution for funding of the Series 1998 B Bonds Reserve Account.

E. Next from the proceeds of the Series 1998 A Bonds, there shall be paid to Holders of the Refunded Bonds and/or an escrow agent, as provided in the Supplemental Resolution, the sum necessary, when added to any other monies available therefor, to refinance and refund the Refunded Bonds, including any accrued interest and redemption premiums thereon.

F. Next, from the proceeds of the Series 1998 A Bonds to the extent sufficient therefor and then from the proceeds of the Series 1998 B 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, together with interest accrued thereon to the date of such payment, not otherwise paid from funds of the Issuer.

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

H. 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. Except with respect to any transfers to the Rebate Fund, 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 1998 A Bonds and the Series 1998 B Bonds, each such series to be secured by its respective amount of unexpended proceeds, it being understood that such Costs are to be paid first from the proceeds of the Series 1998 A Bonds.

Section 6.02. Disbursements From the Bond Construction Trust Fund. Payments for Costs of the Project shall be made monthly. Except as provided in Section 6.01 hereof, disbursements from the Bond Construction Trust Fund (except for the costs of issuance of the Series 1998 A Bonds and the Series 1998 B 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 any 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 Bond Construction Trust Fund, including any accounts therein, shall be invested and reinvested in Qualified Investments at the written direction of the Issuer.

After completion of the Project, as certified by the Consulting Engineers, the Depository Bank shall transfer any moneys remaining in the Bond Construction Trust Fund to the Series 1998 B Bonds Reserve Account and when fully funded then to the Series 1998 A Bonds Reserve Account, and when fully funded the Depository Bank 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 1998 Bonds be deposited in the Series 1998 Bonds Reserve Account. The Issuer shall thereafter, apply such moneys in full, first to the next ensuing interest payment due on the Series 1998 B Bonds and then to the next ensuing interest payment due on the Series 1998 A Bonds and thereafter to the next ensuing principal payment due on the Series 1998 B Bonds and then to the next ensuing principal payment due on the Series 1998 A Bonds.

E. Section 7.09 of the Ordinance shall be deleted and the following shall be substituted therefor:

> 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 and under the Prior Ordinances. Such schedule of rates and charges shall be changed and readjusted whenever necessary so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant, with a margin for contingencies and temporary unanticipated reduction in income and revenues, the Issuer hereby covenants and agrees that the schedule of rates or charges from time to time in effect shall be sufficient, together with other revenues of the System (i) to provide for all reasonable expenses of operation, repair and maintenance of the System and (ii) to leave a balance each year equal to at least 115% (125% so long as the Series 1980 Bond remains Outstanding) of the maximum amount required in any year for payment of principal of and interest on the Series 1998 A Bonds, the Series 1998 B Bonds, the Prior Bonds and all other obligations secured by a lien on or payable from such revenues prior to or on a parity with the Series 1998 A Bonds and the Series 1998 B Bonds; provided that, in the event that amounts equal to or in excess of the Series 1998 A Bonds Reserve Requirement are on deposit in the Series 1998 A Bonds Reserve Account and amounts equal to or in excess of the Series 1998 B Bonds Reserve Requirement are on deposit in the Series 1998 B Bonds Reserve Account and reserve accounts for obligations on a parity with the Series 1998 A Bonds and Series 1998 B Bonds(including the Prior Bonds) are funded at least at the requirement therefor, such balance each year need only equal at least 110% (but shall remain 125% so long as the Series 1980 Bond remains Outstanding) of the maximum amount required in any year for payment of principal of and interest on the Series 1998 A Bonds, the Series 1998 B Bonds, the Prior Bonds and all other obligations secured by a lien on or payable from such revenues on a

parity with the Series 1998 A Bonds and the Series 1998 B Bonds. In any event, the Issuer shall not reduce the rates or charges for services set forth in the rate schedule described in Section 7.04.

Section 3. The Issuer does hereby authorize, ratify, approve and accept the form of the Loan Agreement, a copy of which is incorporated herein by reference, and the execution and delivery by the Mayor of the Loan Agreement for each of the two series of Bonds, and the performance of the obligations contained therein, on behalf of the Issuer are hereby authorized, approved and directed. 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 F&M Bank, West Virginia, Keyser, West Virginia, as Registrar for the Bonds and does approve and accept the Registrar's Agreement to be dated the date of delivery of the Bonds, by and between the Issuer and F&M Bank, West Virginia, in substantially the form attached hereto, and the execution and delivery by the Chairman of the Registrar's Agreement, and the performance of the obligations contained therein, on behalf of the Issuer are hereby authorized, approved and directed. CHGED TO OVB AS REGISTRA BY 3RD SUP. ORD

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 F&M Bank, West Virginia, Keyser, West Virginia, as Depository Bank under the Ordinance.

Section 7. The Series 1998 A Bonds proceeds in the amount of $56,336, or such other amount as determined by the Mayor to be appropriate after consultation with the Issuer's accountant, shall be deposited in the Series 1998 A Bonds Sinking Fund as capitalized interest.

Section 8. The Series 1998 A Bonds proceeds in the amount of $-0- shall be deposited in a Series 1998 A Bonds Reserve Account.

Section 9. The Series 1998 B Bonds proceeds in the amount of $221,664, or such other amount as determined by the Mayor to be appropriate after consultation with the Issuer's accountant, shall be deposited in the Series 1998 B Bonds Sinking Fund as capitalized interest.

Section 10. The Series 1998 B Bonds proceeds in the amount of $-0- shall be deposited in a Series 1998 B Bonds Reserve Account.

Section 11. The remaining proceeds of the Bonds shall be deposited in the Bond Construction Trust Fund for payment of Costs of the Project, including the payment of the principal of and interest and redemption premium, if any, on the Refunded Bonds in the approximate amount of $285,000 and the repayment of any temporary bank loans or Authority advances made or incurred with respect to the Project, including without limitation the temporary bank loan from F&M Bank, West Virginia in the approximate amount of $410,000, and payment of cost and issuance of the

Bonds, provided however, the disbursements from the Bond Construction Trust Fund shall be paid first with the proceeds of the Series 1998 A Bonds and then with the proceeds of the Series 1998 B Bonds.

Section 12. The Issuer hereby determines to pay, on the date of delivery of the Bonds and receipt of proceeds thereof, all borrowings, if any, of the Issuer heretofore incurred for the purpose of temporarily financing a portion of the cost of the Project, including, but not limited to, all borrowings from the West Virginia Water Development Authority.

Section 13. The Mayor and Recorder are hereby authorized and directed to execute and deliver such other documents, agreements, instruments and certificates required or desirable in connection with the Bonds hereby and by the Ordinance approved and provided for, to the end that the Bonds may be delivered to the Authority pursuant to the Loan Agreement on or about October 8, 1998, or as soon thereafter as practicable.

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

Section 15. The Issuer hereby determines that it is in the best interest of the Issuer to invest all monies in the funds and accounts established by the Ordinance held by the Depository Bank in Qualified Investments as directed in writing by the Mayor to the Depository Bank, and therefore the Issuer hereby authorizes and directs the Depository Bank to take such actions as may be necessary to cause such monies to be invested in such Qualified Investments, as directed by the Mayor. Monies in the Sinking Funds for the Bonds shall be invested by the Municipal Bond Commission in the West Virginia Restricted Consolidated Fund.

Section 16. The Issuer shall not permit at any time or times any of the proceeds of the Bonds or any other funds of the Issuer to be used directly or indirectly in a manner which would result in the exclusion of the Bonds from the treatment afforded by Section 103(a) of the Internal Revenue Code of 1986, as amended, and the temporary and permanent regulations promulgated thereunder or under any predecessor thereto (the "Code"), by reason of the classification of the Bonds as "private activity bonds" within the meaning of the Code. The Issuer will take all actions necessary to comply with the Code and treasury regulations promulgated or to be promulgated thereunder.

Section 17. 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 Bonds are private activity bonds; that 95% or more of the Net Proceeds of the Bonds are to be used for local governmental activities of the Issuer (or of a governmental unit the jurisdiction of which is entirely within the jurisdiction of the Issuer); and that the aggregate face amount of all the tax-exempt obligations (other than private activity bonds) issued by the Issuer during the calendar year in which the 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 Bonds. For purposes of this Section 17 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 17 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 Section 17 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 18. All contracts relating to the financing, acquisition and construction of the Project are hereby approved and the Mayor is hereby authorized and directed to execute and deliver all such contracts.

Section 19. This Supplemental Resolution shall be effective immediately following adoption hereof.

Adopted this 30th day of September, 1998.

CITY OF KEYSER

Keith R. Hayward

Mayor

CERTIFICATION

Certified a true copy of a Supplemental Resolution duly adopted by the City Council of the City of Keyser on the 30th day of September, 1998.

Dated: October 15, 1998.

[SEAL]

Recorder

SECOND SUPPLEMENTAL RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KEYSER

WHEREAS, the City Council of the City of Keyser (the "Issuer") has, by Ordinance enacted on September 11, 1998, as supplemented and amended by a Supplemental Resolution adopted by the Issuer on September 30, 1998 (collectivelly, the "Ordinance"), authorized the issuance of the Issuer's Water Revenue Bonds, Series 1998A in the aggregate principal amount of $761,842 and Water Revenue Bonds, Series 1998B in the aggregate principal amount of $2,997,584 (collectively, the "Bonds"); and

WHEREAS, in said Ordinance, F&M Bank, West Virginia, Keyser, West Virginia, was designated as Registrar for the Bonds and as Depository Bank under the Ordinance; and

WHEREAS, the City now desires to appoint American Trust Bank, N.A., Keyser, West Virginia, as Registrar for the Bonds and as Depository Bank under the Ordinance, provided that the Revenue Fund shall not be maintained at American Trust Bank, N.A., as Depository Bank, but shall remain at F&M Bank, West Virginia.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Keyser that the Ordinance be amended to provide that American Trust Bank, N.A. shall be the Registrar for the Bonds and the Depository Bank under the Ordinance and that the Revenue Fund shall not be maintained with American Trust Bank, N.A., as such Depository Bank, but shall remain at F&M Bank, West Virginia. To the extent not expressly amended herein, the Ordinance shall remain in full force and effect.

Duly adopted by the City Council of the City of Keyser, in Keyser, West Virginia, on October 8, 1998.

CITY OF KEYSER

By: Keith R. Hayworth
Its: Mayor

CHS-9468

THIRD SUPPLEMENTAL RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KEYSER

WHEREAS, the City Council of the City of Keyser (the "Issuer") has, by Ordinance enacted on September 11, 1998, as supplemented and amended by a Supplemental Resolution adopted by the Issuer on September 30, 1998 and a Second Supplemental Resolution adopted by the Issuer on October 8, 1998 (collectively, the "Ordinance"), authorized the issuance of the Issuer's Water Revenue Bonds, Series 1998A in the aggregate principal amount of $761,842 and Water Revenue Bonds, Series 1998B in the aggregate principal amount of $2,997,584 (collectively, the "Bonds"); and

WHEREAS, in said Second Supplemental Resolution, American Trust Bank, N.A., Keyser, West Virginia, was designated as Registrar for the Bonds and as Depository Bank under the Ordinance, provided that the Revenue Fund was not to be maintained at American Trust Bank, N.A., but was to remain at F&M Bank, West Virginia; and

WHEREAS, the City has been advised that "F & M Bank-West Virginia, Inc." is the correct corporate name for the Bank at which the Revenue Fund is to be maintained and desires to correct said name herein; and

WHEREAS, the City has been advised by American Trust Bank, N.A. that it is unable to accept the duties as Registrar for the Bonds but is able to serve as Depository Bank under the Ordinance, provided that the Revenue Fund will not be maintained at American Trust Bank, N.A., but will remain at F & M Bank-West Virginia, Inc.; and

WHEREAS, the City desires to appoint One Valley Bank, National Association, Charleston, West Virginia, as Registrar for the Bonds, it being understood that American Trust Bank, N.A., will serve as Depository Bank, provided that the Revenue Fund shall not be maintained at American Trust Bank, N.A., but shall remain at F & M Bank-West Virginia, Inc.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Keyser that the Ordinance be amended to provide that One Valley Bank, Charleston, West Virginia shall be the Registrar for the Bonds, that American Trust Bank, N.A. shall be the

Depository Bank under the Ordinance and that the Revenue Fund shall not be maintained with American Trust Bank, N.A., as such Depository Bank, but shall remain at F & M Bank-West Virginia, Inc.

BE IT FURTHER RESOLVED, that the Registrar's Agreement by and between the Issuer and One Valley Bank, National Association, substantially in the form attached hereto, is hereby approved and the Mayor is hereby authorized and directed to execute and deliver the Registrar's Agreement on behalf of the Issuer, with such modifications, amendments, additions and deletions as the Mayor may approve, such approval to be evidenced by his execution of the Registrar's Agreement.

To the extent not expressly amended herein, the Ordinance shall remain in full force and effect.

Duly adopted by the City Council of the City of Keyser, in Keyser, West Virginia, on October 14, 1998.

CITY OF KEYSER

By: Keith R. Hayward Jr.
Its: Mayor

GBB.GBB.0042499

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF KEYSER
WATER REVENUE BOND,
SERIES 1998A

No. AR-1 $761,842

KNOW ALL MEN BY THESE PRESENTS: That CITY OF KEYSER, a municipal corporation of the State of West Virginia in Mineral County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the West Virginia Water Development Authority (the "Authority") or registered assigns the sum of SEVEN HUNDRED SIXTY-ONE THOUSAND EIGHT HUNDRED FORTY-TWO DOLLARS ($761,842), 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 on each installment shall run from the original date of delivery of this Bond to the Authority and payment therefor and until payment of such installment, and such interest shall be payable on April 1 and October 1 in each year, beginning April 1, 1999. 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.

SPECIMEN

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 October 15, 1998.

This Bond is issued (i) to permanently finance a portion of the costs of acquisition and construction of certain extensions, additions, betterments and improvements to the existing waterworks system of the Issuer (the "Project"); (ii) to refinance and refund certain prior obligations of the Issuer; (iii) to pay a portion of the interest on the Bonds during the construction of the Project and for not more than six (6) months thereafter; 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 or improvements thereto is herein

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UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF KEYSER
WATER REVENUE BOND,
SERIES 1998A

No. AR-1 $761,842

KNOW ALL MEN BY THESE PRESENTS: That CITY OF KEYSER, a municipal corporation of the State of West Virginia in Mineral County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the West Virginia Water Development Authority (the "Authority") or registered assigns the sum of SEVEN HUNDRED SIXTY-ONE THOUSAND EIGHT HUNDRED FORTY-TWO DOLLARS ($761,842), 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 on each installment shall run from the original date of delivery of this Bond to the Authority and payment therefor and until payment of such installment, and such interest shall be payable on April 1 and October 1 in each year, beginning April 1, 1999. 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.

SPECIMEN

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 October 15, 1998.

This Bond is issued (i) to permanently finance a portion of the costs of acquisition and construction of certain extensions, additions, betterments and improvements to the existing waterworks system of the Issuer (the "Project"); (ii) to refinance and refund certain prior obligations of the Issuer; (iii) to pay a portion of the interest on the Bonds during the construction of the Project and for not more than six (6) months thereafter; 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 or improvements thereto is herein

called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 8, Article 19 and Chapter 13, Article 2E of the West Virginia Code of 1931, as amended (collectively, the "Act"), and an Ordinance duly enacted by the Issuer on September 11, 1998, a Supplemental Resolution duly adopted by the Issuer on September 30, 1998, a Second Supplemental Resolution duly adopted by the Issuer on October 8, 1998, and a Third Supplemental Resolution duly adopted by the Issuer on October 14, 1998 (collectively called the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other securities provided for the Bonds of this Series (the "Bonds") under the Bond Legislation.

THIS BOND IS ISSUED ON PARITY WITH RESPECT TO LIENS, PLEDGES AND SOURCES OF AND SECURITY FOR PAYMENT WITH THE ISSUER'S WATER REVENUE BONDS, SERIES 1998 B, ISSUED CONCURRENTLY HEREWITH IN THE AGGREGATE PRINCIPAL AMOUNT OF $2,997,584 (THE "SERIES 1998 B BONDS"), THE ISSUER'S WATER REVENUE BOND, SERIES 1980, DATED FEBRUARY 26, 1980, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $3,146,000 (THE "SERIES 1980 BOND") AND THE ISSUER'S WATER IMPROVEMENT REVENUE NOTE DATED SEPTEMBER 19, 1961, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $200,000 (THE "SERIES 1961 NOTE") (THE SERIES 1980 BOND AND SERIES 1961 NOTE ARE COLLECTIVELY REFERRED TO HEREIN AS THE "PRIOR BONDS").

SPECIMEN

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 parity with the pledge of Gross Revenues in favor of the holders of the Series 1998 B Bonds and the Prior Bonds, and from moneys in the Reserve Account created under the Bond Legislation for the Bonds (the "Series 1998 A 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 1998 A Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and

to leave a balance each year equal to at least 115% (125% so long as the Series 1980 Bond remains Outstanding) of the maximum amount payable in any year for principal of and interest on the Bonds, the Series 1998 B Bonds and the Prior Bonds, and all other obligations secured by a lien on or payable from such revenues prior to or on a parity with the Bonds provided however, that so long as there exists in the Series 1998 A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations Outstanding prior to or on a parity with the Bonds, including without limitation the Series 1998 B Bonds and the Prior Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110% (but shall remain 125% so long as the Series 1980 Bond remains Outstanding). 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.

SPECIMEN

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.

The Issuer covenants and agrees that the Project shall not contribute to excessive erosion or conversion of wetlands.

All money received from the sale of this Bond, after reimbursement and repayment of all amounts advanced for preliminary expenses as provided by law, shall be applied solely to the payment of the Costs of the Project and the refinancing and refunding 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 KEYSER has caused this Bond to be signed by its Mayor and its corporate seal to be hereunto affixed and attested by its City Administrator, and has caused this Bond to be dated October 15, 1998.

CITY OF KEYSER

SPECIMEN

Mayor

[SEAL]

ATTEST:

SPECIMEN

City Administrator

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 1998 A Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: October 15, 1998.

ONE VALLEY BANK, NATIONAL ASSOCIATION,
as Registrar

SPECIMEN

By _____
Its: Authorized Officer

EXHIBIT A

SCHEDULE OF ANNUAL DEBT SERVICE

SPECIMEN

West Virginia Water Development Authority

(1995 Series B Bond Proceeds)
City of Keyser, 1998 Series A
$761,842 Loan, 6.25% Interest Rate

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Interest	Total P+I
4/01/1999	-	-	21,955.86	21,955.86
10/01/1999	7,383.10	6.250%	23,807.56	31,190.66
4/01/2000	-	-	23,576.84	23,576.84
10/01/2000	5,992.85	6.250%	23,576.84	29,569.69
4/01/2001	-	-	23,389.56	23,389.56
10/01/2001	6,367.40	6.250%	23,389.56	29,756.96
4/01/2002	-	-	23,190.58	23,190.58
10/01/2002	6,765.36	6.250%	23,190.58	29,955.94
4/01/2003	-	-	22,979.17	22,979.17
10/01/2003	7,188.20	6.250%	22,979.17	30,167.37
4/01/2004	-	-	22,754.53	22,754.53
10/01/2004	7,637.46	6.250%	22,754.53	30,391.99
4/01/2005	-	-	22,515.86	22,515.86
10/01/2005	8,114.80	6.250%	22,515.86	30,630.66
4/01/2006	-	-	22,262.28	22,262.28
10/01/2006	8,621.97	6.250%	22,262.28	30,884.25
4/01/2007	-	-	21,992.84	21,992.84
10/01/2007	9,160.85	6.250%	21,992.84	31,153.69
4/01/2008	-	-	21,706.56	21,706.56
10/01/2008	9,733.40	6.250%	21,706.56	31,439.96
4/01/2009	-	-	21,402.39	21,402.39
10/01/2009	10,341.74	6.250%	21,402.39	31,744.13
4/01/2010	-	-	21,079.21	21,079.21
10/01/2010	10,988.10	6.250%	21,079.21	32,067.31
4/01/2011	-	-	20,735.84	20,735.84
10/01/2011	11,674.85	6.250%	20,735.84	32,410.69
4/01/2012	-	-	20,371.00	20,371.00
10/01/2012	12,404.53	6.250%	20,371.00	32,775.53
4/01/2013	-	-	19,983.36	19,983.36
10/01/2013	13,179.82	6.250%	19,983.36	33,163.18
4/01/2014	-	-	19,571.49	19,571.49
10/01/2014	14,003.55	6.250%	19,571.49	33,575.04
4/01/2015	-	-	19,133.88	19,133.88
10/01/2015	14,878.78	6.250%	19,133.88	34,012.66
4/01/2016	-	-	18,668.91	18,668.91
10/01/2016	15,808.70	6.250%	18,668.91	34,477.61
4/01/2017	-	-	18,174.89	18,174.89
10/01/2017	16,796.74	6.250%	18,174.89	34,971.63
4/01/2018	-	-	17,649.99	17,649.99
10/01/2018	17,846.54	6.250%	17,649.99	35,496.53
4/01/2019	-	-	17,092.29	17,092.29
10/01/2019	18,961.95	6.250%	17,092.29	36,054.24
4/01/2020	-	-	16,499.73	16,499.73
10/01/2020	20,147.07	6.250%	16,499.73	36,646.80
4/01/2021	-	-	15,870.13	15,870.13
10/01/2021	21,406.26	6.250%	15,870.13	37,276.39

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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: _____, 19_____.

SPECIMEN

In the presence of:

SPECIMEN

LITHO IN U.S.A.

GOODES 342

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF KEYSER
WATER REVENUE BOND,
SERIES 1998B

No. BR-1 $2,997,584

KNOW ALL MEN BY THESE PRESENTS: That CITY OF KEYSER, a municipal corporation of the State of West Virginia in Mineral County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the West Virginia Water Development Authority (the "Authority") or registered assigns the sum of TWO MILLION NINE HUNDRED NINETY-SEVEN THOUSAND FIVE HUNDRED EIGHTY-FOUR DOLLARS ($2,997,584.00), in installments on October 1 of each year, as set forth from time to time 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 not to exceed six and one-quarter percent (6.25%) per annum. As contemplated by the Bond Legislation, as hereinafter defined, the Schedule of Annual Debt Service may be modified upon the issuance of bonds by the Authority.

SPECIMEN

The interest on each installment shall run from the original date of delivery of this Bond to the Authority and payment therefor, and until payment of such installment, and such interest shall be payable on April 1 and October 1 in each year, beginning April 1, 1999. 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 October 15, 1998.

This Bond is issued (i) to permanently finance a portion of the costs of acquisition and construction of certain extensions, additions, betterments and improvements to the existing waterworks system of the Issuer (the "Project"); (ii) to refinance and refund certain prior obligations of the Issuer; (iii) to pay a portion of the interest on the Bonds during

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the construction of the Project and for not more than six (6) months thereafter; 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 or improvements thereto is herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 8, Article 19 and Chapter 13, Article 2E of the West Virginia Code of 1931, as amended (collectively, the "Act"), and an Ordinance duly enacted by the Issuer on September 11, 1998, a Supplemental Resolution duly adopted by the Issuer on September 30, 1998, a Second Supplemental Resolution duly adopted by the Issuer on October 8, 1998, and a Third Supplemental Resolution duly adopted by the Issuer on October 14, 1998 (collectively called the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other securities provided for the Bonds of this Series (the "Bonds") under the Bond Legislation.

THIS BOND IS ISSUED ON PARITY WITH RESPECT TO LIENS, PLEDGES AND SOURCES OF AND SECURITY FOR PAYMENT WITH THE ISSUER'S WATER REVENUE BONDS, SERIES 1998 A, ISSUED CONCURRENTLY HEREWITH IN THE AGGREGATE PRINCIPAL AMOUNT OF $761,842 (THE "SERIES 1998 A BONDS"), THE ISSUER'S WATER REVENUE BOND, SERIES 1980, DATED FEBRUARY 26, 1980, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $3,146,000 (THE "SERIES 1980 BOND") AND THE ISSUER'S WATER IMPROVEMENT REVENUE NOTE DATED SEPTEMBER 19, 1961, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $200,000 (THE "SERIES 1961 NOTE") (THE SERIES 1980 BOND AND SERIES 1961 NOTE ARE COLLECTIVELY REFERRED TO HEREIN AS 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 parity with the pledge of Gross Revenues in favor of the holders of the Series 1998 A Bonds and the Prior Bonds, and from moneys in the Reserve Account created under the Bond Legislation for the Bonds (the "Series 1998 B 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 1998 B Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and

maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% (125% so long as the Series 1980 Bond remains Outstanding) of the maximum amount payable in any year for principal of and interest on the Bonds, the Series 1998 A Bonds and the Prior Bonds, and all other obligations secured by a lien on or payable from such revenues prior to or on a parity with the Bonds provided however, that so long as there exists in the Series 1998 B Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations Outstanding prior to or on a parity with the Bonds, including without limitation the Series 1998 A Bonds and the Prior Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110% (but shall remain 125% so long as the Series 1980 Bond remains Outstanding). 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.

SPECIMEN

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.

The Issuer covenants and agrees that the Project shall not contribute to excessive erosion or conversion of wetlands.

All money received from the sale of this Bond, after reimbursement and repayment of all amounts advanced for preliminary expenses as provided by law, shall be applied solely to the payment of the Costs of the Project and the refinancing and refunding 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 KEYSER has caused this Bond to be signed by its Mayor and its corporate seal to be hereunto affixed and attested by its City Administrator, and has caused this Bond to be dated October 15, 1998.

CITY OF KEYSER

SPECIMEN

Mayor

[SEAL]

ATTEST:

SPECIMEN

City Administrator

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 1998 B Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: October 15, 1998.

ONE VALLEY BANK, NATIONAL ASSOCIATION,
as Registrar

By _____
Its: Authorized Officer

EXHIBIT A

SCHEDULE OF ANNUAL DEBT SERVICE

SPECIMEN

West Virginia Water Development Authority

(Supplemental Fund)

City of Keyser, 1998 Series B

$2,997,584 Loan, 6.25% Interest Rate

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Interest	Total P+I
4/01/1999	-	-	86,388.71	86,388.71
10/01/1999	25,001.00	6.250%	93,674.50	118,675.50
4/01/2000	-	-	92,893.22	92,893.22
10/01/2000	19,278.00	6.250%	92,893.22	112,171.22
4/01/2001	-	-	92,290.78	92,290.78
10/01/2001	20,483.00	6.250%	92,290.78	112,773.78
4/01/2002	-	-	91,650.69	91,650.69
10/01/2002	21,763.00	6.250%	91,650.69	113,413.69
4/01/2003	-	-	90,970.59	90,970.59
10/01/2003	23,123.00	6.250%	90,970.59	114,093.59
4/01/2004	-	-	90,248.00	90,248.00
10/01/2004	24,568.00	6.250%	90,248.00	114,816.00
4/01/2005	-	-	89,480.25	89,480.25
10/01/2005	26,104.00	6.250%	89,480.25	115,584.25
4/01/2006	-	-	88,664.50	88,664.50
10/01/2006	27,735.00	6.250%	88,664.50	116,399.50
4/01/2007	-	-	87,797.78	87,797.78
10/01/2007	29,469.00	6.250%	87,797.78	117,266.78
4/01/2008	-	-	86,876.88	86,876.88
10/01/2008	31,311.00	6.250%	86,876.88	118,187.88
4/01/2009	-	-	85,898.41	85,898.41
10/01/2009	33,268.00	6.250%	85,898.41	119,166.41
4/01/2010	-	-	84,858.78	84,858.78
10/01/2010	35,347.00	6.250%	84,858.78	120,205.78
4/01/2011	-	-	83,754.19	83,754.19
10/01/2011	37,556.00	6.250%	83,754.19	121,310.19
4/01/2012	-	-	82,580.56	82,580.56
10/01/2012	39,903.00	6.250%	82,580.56	122,483.56
4/01/2013	-	-	81,333.59	81,333.59
10/01/2013	42,397.00	6.250%	81,333.59	123,730.59
4/01/2014	-	-	80,008.69	80,008.69
10/01/2014	45,047.00	6.250%	80,008.69	125,055.69
4/01/2015	-	-	78,600.97	78,600.97
10/01/2015	47,863.00	6.250%	78,600.97	126,463.97
4/01/2016	-	-	77,105.25	77,105.25
10/01/2016	50,854.00	6.250%	77,105.25	127,959.25
4/01/2017	-	-	75,516.06	75,516.06
10/01/2017	54,032.00	6.250%	75,516.06	129,548.06
4/01/2018	-	-	73,827.56	73,827.56
10/01/2018	57,409.00	6.250%	73,827.56	131,236.56
4/01/2019	-	-	72,033.53	72,033.53
10/01/2019	60,997.00	6.250%	72,033.53	133,030.53
4/01/2020	-	-	70,127.38	70,127.38
10/01/2020	64,810.00	6.250%	70,127.38	134,937.38
4/01/2021	-	-	68,102.06	68,102.06
10/01/2021	68,860.00	6.250%	68,102.06	136,962.06

SPECIMEN

MISSING pages

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: _____, 19_____.

SPECIMEN

In the presence of:

SPECIMEN