THE CITY OF LOGAN, WEST VIRGINIA

$2,284,839 Subordinate Sewerage System
Revenue Bonds, Series 1993

$76,161 Supplemental Subordinate Sewerage
System Revenue Bonds, Series 1993

Closing: March 29, 1993

THE CITY OF LOGAN, WEST VIRGINIA

$2,284,839 Subordinate Sewerage System
Revenue Bonds, Series 1993

$76,161 Supplemental Subordinate Sewerage System
Revenue Bonds, Series 1993

Closing: March 29, 1993

TRANSCRIPT OF PROCEEDINGS

I. Authorizing Documents

INDEX

1.1	Certified copy of Chapter 16, Article 13 of the Code of West Virginia, 1931, as amended.	1
1.2	Copy of the Charter of The City of Logan, West Virginia (the "City").	2
1.3	Copy of Rules and Order of Business of the Council of the City ("Council")	3
1.4	Oaths of office of Mayor, City Clerk and Council Members.	4
1.5	Ordinance creating the Sanitary Board of the City (the "Sanitary Board"), enacted by the Council on April 12, 1948.	5
1.6	Ordinance passed by the Council on February 11, 1964, authorizing $308,000 in aggregate principal amount of Sewer Revenue Bonds, dated March 1, 1964, of the City.	6
1.7	Ordinance passed by the Council on August 11, 1987, as supplemented on September 8, 1987, authorizing $623,087 in aggregate principal amount of Subordinate Sewerage System Revenue Bonds, Series 1987, and $152,833 in aggregate principal amount of Supplemental Subordinate Sewerage System Revenue Bonds, Series 1987.	7
1.8	Minutes of Council meeting held June 9, 1992, regarding passage of Rate Ordinance.	8

1.9		Rate Ordinance passed by the Council on June 9, 1992.	9
1.10		Affidavit of Publication regarding Notice of Rate Ordinance, published May 28 and June 4, 1992.	10
1.11		Certified copy of tariff filed with Public Service Commission.	11
1.12		Sanitary Board Resolution authorizing petition, adopted June 22, 1992 (see No. 1.13 for Exhibit A).	12
1.13		Sanitary Board Petition dated June 22, 1992 (without Exhibit I - see No. 1.16).	13
1.14		Minutes of Council meeting held July 14, 1992, regarding first reading of Ordinance.	14
1.15		Minutes of meeting held by Council on July 21, 1992, regarding second reading and passage of Ordinance, and adoption of Resolution with respect to abstract and public hearing.	15
1.16	✶	Amendatory and Supplemental Bond and Note Ordinance (the "Ordinance") adopted by the Council on July 21, 1992 (see No. 1.21 for Exhibit B and No. 1.22 for Exhibit C).	16
1.17		Resolution adopted by Council on July 21, 1992, authorizing publication of an abstract and notice of the Ordinance.	17
1.18		Minutes of the August 11, 1992, meeting of Council wherein the Resolution putting the Ordinance into effect was adopted.	18
1.19		Resolution adopted by Council on August 11, 1992, putting Ordinance into effect.	19
1.20		Affidavit of publication of the abstract and notice of the Ordinance published in The Logan Banner.	20
1.21		West Virginia Water Development Authority (the "WDA") Loan Agreement, dated March 29, 1993.	21
1.22		WDA Supplemental Loan Agreement, dated March 29, 1993.	22

1.23	Minutes of March 23, 1993, Special Meeting including the Supplemental Resolution authorizing sale of the above-referenced Bonds.	23
1.24	Copy of the Public Service Commission Final Order granting the City a Certificate of Convenience and Necessity dated August 6, 1992.	24
1.25	EPA Grant Agreement with Part B Approval.	25
1.26	Accountant's Certificate regarding Coverage and Parity Bonds.	26
1.27	Consent and Waiver.	27
1.28	Amended Application for a Construction Loan.	28
1.29	Form of Resolution adopted by Council on August 11, 1992, regarding $500,000 line of credit.	29
	II. Certificates and Receipts	
2.1	General Certificate signed by the Mayor, City Clerk and Attorney of the City.	30
2.2	Certificate of City Clerk as to Truth and Accuracy of Documents Delivered.	31
2.3	Certificate as to Non-Arbitrage.	32
2.4	Certificate of Consulting Engineer.	33
2.5	Certificate of City regarding Issuance of Parity Debt.	34
2.6	Registrar's Agreement.	35
2.7	Acceptance of Duties of Depository Bank.	36
2.8	Request and Authorization as to Authentication and Delivery of the Bonds.	37
2.9	Certificate of Registration of Bonds.	38
2.10	Receipt for Bonds.	39
2.11	Receipt for Bond Proceeds.	40

2.12	NPDES Permit (cover page).	41
2.13	IRS Form 8038-G.	42
2.14	Municipal Bond Commission New Issue Form.	43
2.15	Requisition as to Loan to Governmental Agency.	44
2.16	Assignment Separate from Bond.	45
2.17	Disbursement Request Form.	46

III. Opinions

3.1	Opinion of Jackson & Kelly, Bond Counsel, regarding Subordinate Bonds dated March 29, 1993.	47
3.2	Opinion of Jackson & Kelly, Bond Counsel, regarding Supplemental Bonds dated March 29, 1993.	48
3.3	Opinion as to Arbitrage, dated March 29, 1993.	49
3.4	Opinion of Counsel to City, dated March 29, 1993.	50
3.5	Opinion of Public Service Commission Counsel dated March 29, 1993.	51

The pre-closing of the sale of $2,284,839 in aggregate principal amount of Subordinate Sewerage System Revenue Bonds, Series 1993, and $76,161 in aggregate principal amount of Supplemental Subordinate Sewerage System Revenue Bonds, Series 1992, both dated March 29, 1993, of The City of Logan, West Virginia, to the West Virginia Water Development Authority will take place at the offices of the West Virginia Water Development Authority, Dunbar, West Virginia, at 9:00 A.M., prevailing time, on March 26, 1993, and the closing will take place at 9:00 A.M., prevailing time, on March 29, 1993. All transactions at such closing will be deemed to have taken place simultaneously on March 26, 1993, and no document shall be deemed to have been delivered unless and until all transactions are complete and all documents are delivered.

ABB00606

State of West Virginia

CERTIFICATE

I, Ken Hechler, Secretary of State of the State of West Virginia, hereby certify that

THIS IS A TRUE COPY OF CHAPTER 16, ARTICLE 13 OF THE WEST VIRGINIA CODE AND CHAPTER 16, ARTICLE 13 OF THE 1992 CUMULATIVE SUPPLEMENT TO THE WEST VIRGINIA CODE AS INDICATED BY THE RECORDS OF THIS OFFICE.

Given under my hand and the Great Seal of the State of West Virginia, on this

TWENTY-FIFTH *day of*

MARCH *19* 93

Ken Hechler

Secretary of State.

ARTICLE 13.

SEWAGE WORKS OF MUNICIPAL CORPORATIONS AND SANITARY DISTRICTS.

Sec.
16-13-1. Acquisition, operation, etc., of works; acquisition of property; issuance of bonds.
16-13-2. Sanitary board to supervise and control construction, etc., of works; appointment of board; definitions.
16-13-3. Powers of sanitary board; contracts; employees; compensation thereof; extensions and improvements; replacement of damaged public works.
16-13-4. Payment of preliminary expenses of surveys, etc.
16-13-5. Ordinance necessary before acquisition or construction of works.
16-13-6. Publication and hearing upon ordinance.
16-13-7. Acquisition by condemnation or purchase.
16-13-8. Cost of works.
16-13-9. Contracts and obligations incurred to be paid for solely by revenue bonds.
16-13-10. Interest on and redemption of bonds; form; statement on face of bond; negotiability; exemption from taxation; registration; execution; sale; disposition of surplus proceeds; additional and temporary bonds.
16-13-11. Additional bonds to extend or improve works.
16-13-12. Additional bonds for extension, etc., of works to have equal priority with original bonds.
16-13-13. Application of revenue from bonds; lien.
16-13-14. Securing bonds by trust indenture.
16-13-15. Sinking fund; transfer of balance of net revenues.
16-13-16. Rates for service; change or readjustment; hearing; lien and recovery; discontinuance of services.
16-13-17. Municipality subject to established rates.
16-13-18. Supervision of works by sanitary board; organization of board; qualifications, terms and compensation of members.
16-13-18a. Publication of financial statement.
16-13-19. Contract with other municipalities for service of works; powers of lessee as to rates; intercepting sewers.
16-13-20. Discharge of lien on property acquired.
16-13-21. Action on certificates or attached coupons; receivers.
16-13-22. Powers conferred in addition to existing powers; jurisdiction outside corporate limits.
16-13-22a. Grants, loans and advances.
16-13-22b. Contracts for abatement of pollution.
16-13-22c. Refunding bonds.
16-13-22d. Subordination of bonds.
16-13-22e. Operating contract.
16-13-22f. Exemption of bonds from taxation.
16-13-22g. Covenants with bondholders.
16-13-23. Article deemed full authority for construction, etc., of works and issue of bonds; alternative method; powers of state department of health unaffected.
16-13-23a. Additional powers of municipality upon receipt of order to cease pollution.
16-13-24. Article to be construed liberally.

Editor's notes. — For redesignation of department of health as division of health, within the department of health and human resources, see § 5F-2-1.

Constitutionality. — See Brewer v. City of Point Pleasant, 114 W. Va. 572, 172 S.E. 717 (1934); Stevenson v. City of Bluefield, 39 F. Supp. 462 (S.D.W. Va. 1941); West Virginia Water Serv. Co. v. Cunningham, 143 W. Va. 1, 98 S.E.2d 891 (1957).

Obligations incurred by a city under the authority of this article permitting the issuance of revenue bonds for the construction of sewers are not to be deemed "debts" within the constitutional inhibition. United States v. City of Charleston, 149 F. Supp. 866 (S.D.W. Va. 1957), commented on in 60 W. Va. L. Rev. 105 (1957).

Legislative intent to protect municipalities from general obligations. — It appears clear that the legislature recognized the need for municipal utility systems; however, it did not wish the municipality to become generally obligated for the building or acquisition of the

system. Financing is provided for primarily by revenue bonds, and bondholders are assured of a safe investment through the collection of sufficient user charges to service the bonds and maintain the assets of the system. Op. Att'y Gen., April 3, 1979.

No conflict with statutory limitations on expenditure of tax funds. — There is no conflict between this article, authorizing a city to incur expenses which are to be payable solely from the proceeds of revenue bonds, and the general statutory limitations on the expenditure of money and incurring of obligations with respect to funds produced by tax levies. United States v. City of Charleston, 149 F. Supp. 866 (S.D.W. Va. 1957), commented on in 60 W. Va. L. Rev. 105 (1957).

Limitation imposed by article read into agreement with federal works administrator. — Where a city made an agreement with the federal works administrator under the War Mobilization and Reconversion Act of 1944 with regard to advances of money to the city for the purpose of plan preparation for construction of a proposed sewage treatment and disposal system, the limitation imposed by this article would be read into the agreement, since the parties are presumed to know the extent of the city's authority to make a binding contract. United States v. City of Charleston, 149 F. Supp. 866 (S.D.W. Va. 1957), commented on in 60 W. Va. L. Rev. 105 (1957).

Municipality may not compel nonresidents to connect with a municipal sewer extended without its corporate limits. 48 Op. Att'y Gen. 19 (1958).

Ordinance held valid. — An ordinance of a municipal corporation, creating a sanitary board and authorizing such sanitary board to enter into contracts for the construction of a sewage system, was within the police power of the State delegated to municipalities by this chapter. West Virginia Water Serv. Co. v. Cunningham, 143 W. Va. 1, 98 S.E.2d 891 (1957).

§ 16-13-1. Acquisition, operation, etc., of works; acquisition of property; issuance of bonds.

Any municipal corporation and/or sanitary district in the state of West Virginia is hereby authorized and empowered to own, acquire, construct, equip, operate and maintain within and/or without the corporate limits of such municipal corporation, a sewage collection system and/or a sewage treatment plant or plants, intercepting sewers, outfall sewers, force mains, pumping stations, ejector stations, and all other appurtenances necessary or useful and convenient for the collection and/or treatment, purification and disposal, in a sanitary manner, of the liquid and solid waste, sewage, night soil and industrial waste of such municipal corporation and/or sanitary district, including acquisition of the municipal sewerage system resulting from the severance of a combined waterworks and sewerage system pursuant to section one-b [§ 8-20-1b], article twenty, chapter eight of this code, and shall have authority to acquire by gift, grant, purchase, condemnation, or otherwise, all necessary lands, rights-of-way and property therefor, within and/or without the corporate limits of such municipal corporation and/or sanitary district, and to issue revenue bonds to pay the cost of such works and property; and any such municipality may serve and supply the facilities of such sewerage system within the corporate limits of such municipality and within the area extending twenty miles beyond the corporate limits of such municipality: Provided, That such municipality shall not serve or supply the facilities of such sewerage system within the corporate limits of any other municipality without the consent of the governing body thereof. No obligations shall be incurred by any such municipality and/or sanitary district in such construction or acquisition except such as is payable solely from the funds provided

under the authority of this article. (1933, Ex. Sess., c. 25, § 1; 1955, c. 132; 1986, c. 118.)

Sections read together. — This section should be read and construed with former § 8-4-20 and §§ 16-13-2, 16-13-16, 24-1-1, 24-2-1, and 24-2-3. Delardas v. Morgantown Water Comm'n, 148 W. Va. 776, 137 S.E.2d 426 (1964).

Use of territory in adjoining state authorized. — By this section and § 16-13-22 the legislature intended, insofar as it could, to confer upon such municipalities as might find its exercise convenient, the right to make necessary and appropriate arrangements for the disposal of their sewage, even where that course involved the use of territory in an adjoining state. Bernard v. City of Bluefield, 117 W. Va. 556, 186 S.E. 298 (1936).

Quoted in State ex rel. City of Wheeling v. Renick, 145 W. Va. 640, 116 S.E.2d 763 (1960).

Cited in City of Beckley v. Craighead, 125 W. Va. 484, 24 S.E.2d 908 (1943).

§ 16-13-2. Sanitary board to supervise and control construction, etc., of works; appointment of board; definitions.

The construction, acquisition, improvement, equipment, custody, operation and maintenance of any such works for the collection, treatment or disposal of sewage and the collection of revenues therefrom for the service rendered thereby, shall be under the supervision and control of a sanitary board appointed by the governing body as set forth in section eighteen [§ 16-13-18] of this article. The term "works" as used in this article shall be construed to mean and include a works for the collection and/or treatment, purification and disposal of sewage, in its entirety or any integral part thereof. The term "municipality" as used in this article shall be construed to mean any municipal corporation, incorporated city, town, village or sanitary district in the State of West Virginia. The term "governing body" as used in this article shall be construed to mean the mayor and council or other legally constituted governing body of any municipality. The term "board" when hereinafter used in this article shall be construed to mean the sanitary board as set up in section eighteen of this article. (1933, Ex. Sess., c. 25, § 2.)

Sections read together. — This section should be read and construed with former § 8-4-20 and §§ 16-13-1, 16-13-16, 24-1-1, 24-2-1 and 24-2-3. Delardas v. Morgantown Water Comm'n, 148 W. Va. 776, 137 S.E.2d 426 (1964).

Quoted in State ex rel. City of Wheeling v. Renick, 145 W. Va. 640, 116 S.E.2d 763 (1960).

Cited in United States v. City of Charleston, 149 F. Supp. 866 (S.D.W. Va. 1957).

§ 16-13-3. Powers of sanitary board; contracts; employees; compensation thereof; extensions and improvements; replacement of damaged public works.

The board shall have power to take all steps and proceedings and to make and enter into all contracts or agreements necessary or incidental to the performance of its duties and the execution of its powers under this article: Provided, That any contract relating to the financing of the acquisition or construction of any such works, or any trust indenture as hereinafter provided

for, shall be approved by the governing body of such municipality before the same shall be effective. The board may employ engineers, architects, inspectors, superintendents, managers, collectors, attorneys, and such other employees as in its judgment may be necessary in the execution of its powers and duties, and may fix their compensation, all of whom shall do such work as the board shall direct. All such compensation and all expenses incurred in carrying out the provisions of this article shall be paid solely from funds provided under the authority of this article, and the board shall not exercise or carry out any authority or power herein given it so as to bind said board of said municipality beyond the extent to which money shall have been or may be provided under the authority of this article. No contract or agreement with any contractor or contractors for labor and/or material, exceeding in amount the sum of five thousand dollars, shall be made without advertising for bids, which bids shall be publicly opened and award made to the best bidder, with power in the board to reject any or all bids. After the construction, installation, and completion of the works, or the acquisition thereof, the board shall operate, manage and control the same and may order and complete any extensions, betterments and improvements of and to the works that the board may deem expedient, if funds therefor be available or are made available as provided in this article, and shall establish rules and regulations for the use and operation of the works, and of other sewers and drains connected therewith so far as they may affect the operation of such works, and do all things necessary or expedient for the successful operation thereof. The sanitary board may declare an emergency situation in the event of collector line breaks or vital treatment plant equipment failure and shall be exempted from competitive bidding requirements and enter into direct purchase agreements or contracts for such expenses. All public ways or public works damaged or destroyed by the board in carrying out its authority under this article shall be restored or repaired by the board and placed in their original condition, as nearly as practicable, if requested so to do by proper authority, out of the funds provided by this article. (1933, Ex. Sess., c. 25, § 3; 1989, c. 133.)

Effect of amendment of 1989. — The amendment substituted "five thousand" for "one thousand" in the fourth sentence; and added the present sixth sentence.

Contractor is not entitled to governmental immunities of municipality. — A contractor under contract with the sanitary board of a municipality for construction of a sewage treatment and disposal system is not entitled to the governmental immunities of the municipality incident to the construction project. West Virginia Water Serv. Co. v. Cunningham, 143 W. Va. 1, 98 S.E.2d 891 (1957).

And is liable on contract with third party. — Where a contract between a municipal sanitary board and a contractor, providing for the construction of a sanitary sewage system, provides inter alia that "existing surface, overhead or subsurface structures damaged or destroyed by reason of the contractor's operations shall be promptly repaired or replaced in a satisfactory manner at the cost and expense of the contractor," and the contractor by job order requests enters into a contract with an existing water company to remove certain of the latter's water pipes which interfere with the construction of the sewage system, the contractor, in a notice of motion for judgment proceeding instituted by the water company, is liable for the expense so incurred. West Virginia Water Serv. Co. v. Cunningham, 143 W. Va. 1, 98 S.E.2d 891 (1957).

Stated in State ex rel. City of Wheeling v. Renick, 145 W. Va. 640, 116 S.E.2d 763 (1960).

§ 16-13-4. Payment of preliminary expenses of surveys, etc.

All necessary preliminary expenses actually incurred by the board of any municipality in the making of surveys, estimates of costs and of revenue, employment of engineers or other employees, the giving of notices, taking of options and all other expenses of whatsoever nature, necessary to be paid prior to the issue and delivery of the revenue bonds pursuant to the provisions of this article, may be met and paid in the following manner. Said board may from time to time certify such items of expense to the clerk or recorder of said municipality, directing him to pay the several amounts thereof, and thereupon said clerk or recorder shall at once draw a warrant or warrants upon the treasurer of said municipality, which warrant or warrants shall be paid out of the general funds of said municipality not otherwise appropriated, without a special appropriation being made therefor by the governing body; or, in case there are no general funds of such municipality not otherwise appropriated, the clerk or recorder shall recommend to the governing body the temporary transfer from other funds of such municipality of a sufficient amount to meet such items of expense, or the making of a temporary loan for such purpose, and such governing body shall thereupon at once make such transfer of funds, or authorize such temporary loan in the same manner that other temporary loans are made by such municipality: Provided, however, That the fund or funds of such municipality from which such payments are made shall be fully reimbursed and repaid by said board out of the first proceeds of the sale of revenue bonds hereinafter provided for, and before any other disbursements are made therefrom, and the amount so advanced to pay such preliminary expenses, shall be a first charge against the proceeds resulting from the sale of such revenue bonds until the same has been repaid as herein provided. (1933, Ex. Sess., c. 25, § 4.)

A municipality is authorized to incur obligations for the purpose of defraying preliminary expenses of sewer projects, provided repayment of such obligations is to be made solely from the proceeds of revenue bonds, and not in any way from tax levies. United States v. City of Charleston, 149 F. Supp. 866 (S.D.W. Va. 1957), commented on in 60 W. Va. L. Rev. 105 (1957).

And may obtain advances by any procedure it may see fit to adopt. — Money used in preliminary engineering work prior to actually beginning construction of a sewage disposal system need not be handled by the sanitary board in accordance with the provisions of §§ 16-13-1, 16-13-18 and this section. The sanitary board is an agency of the city. This article merely requires that the construction and maintenance of the project be under the supervision and control of the sanitary board. A method is provided whereby the sanitary board may meet its own necessary preliminary expenses; but the city, in the early stages of the project, during that period in which the city has not even decided to go ahead with the work, and when there is no sanitary board in existence, is not prevented by any provision in the article from obtaining advances for plan preparation by any procedure which it may see fit to adopt. United States v. City of Charleston, 149 F. Supp. 866 (S.D.W. Va. 1957), commented on in 60 W. Va. L. Rev. 105 (1957).

United States entitled to recover advances made by federal works agency. — The United States was held entitled to recover from a city the amount of three advances of money made to the city by the federal works agency for the purpose of plan preparation for construction of a proposed sewage treatment and disposal system, and the city sanitary board was ordered to issue a requisition to the trustees, into whose hands proceeds of future bond issues came, to repay such advances out of any funds in its hands comprising proceeds of revenue bond issues. United States v. City of Charleston, 149 F. Supp. 866 (S.D.W. Va. 1957), commented on in 60 W. Va. L. Rev. 105 (1957).

§ 16-13-5. Ordinance necessary before acquisition or construction of works.

Before any municipality shall construct or acquire any works under this article, the governing body shall upon petition of the board, enact an ordinance or ordinances which shall: (a) Set forth a brief and general description of the works and, if the same are to be constructed, a reference to the preliminary report which shall heretofore have been prepared and filed by an engineer chosen by the board as aforesaid; (b) set forth the cost thereof estimated by the engineer chosen as aforesaid; (c) order the construction or acquisition of such works; (d) direct that revenue bonds of the municipality shall be issued pursuant to this article in such an amount as may be found necessary to pay the cost of the works; and (e) contain such other provisions as may be necessary in the premises. (1933, Ex. Sess., c. 25, § 5.)

Quoted in United States v. City of Charleston, 149 F. Supp. 866 (S.D.W. Va. 1957).

Stated in State ex rel. City of Wheeling v. Renick, 145 W. Va. 640, 116 S.E.2d 763 (1960).

§ 16-13-6. Publication and hearing upon ordinance.

After such ordinance shall have been adopted, an abstract of the ordinance, determined by the governing body to contain sufficient information as to give notice of the contents of such ordinance, together with the following described notice, shall be published as a Class II legal advertisement in compliance with the provisions of article three [§ 59-3-1 et seq.], chapter fifty-nine of this Code, and the publication area for such publication shall be the municipality. The notice shall state that said ordinance has been adopted, and that the municipality contemplates the issuance of the bonds described in the ordinance, and that any person interested may appear before the governing body upon a certain date, which shall not be less than ten days subsequent to the first date of publication of such abstract and notice which shall not be prior to the last date of publication of such 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: Provided, however, That if at such a hearing written protest is filed by thirty percent or more of the owners of real estate situate in said municipality, then the governing body of said municipality shall not take further action unless four fifths of the qualified members of the said governing body assent thereto. (1933, Ex. Sess., c. 25, § 6; 1967, c. 105; 1981, 1st Ex. Sess., c. 2.)

§ 16-13-7. Acquisition by condemnation or purchase.

Every such municipality shall have power to condemn any such works to be acquired and any land, rights, easements, franchises and other property, real or personal, deemed necessary or convenient for the construction of any such works, or for extensions, improvements, or additions thereto, and in connection therewith may have and exercise all the rights, powers and privileges of eminent domain granted to municipal corporations under the laws relating

thereto. Title to property condemned shall be taken in the name of the municipality. Proceedings for such appropriation of property shall be under and pursuant to the provisions of chapter fifty-four [§ 54-1-1 et seq.], of the Code of West Virginia, one thousand nine hundred thirty-one, and acts amendatory and supplemental thereto: Provided, That the municipality shall be under no obligation to accept and pay for any property condemned, and shall in no event pay for any property condemned or purchased, except from the funds provided pursuant to this article; and in any proceedings to condemn, such orders may be made as may be just to the municipality and to the owners of the property to be condemned, and an undertaking or other security may be required securing such owners against any loss or damage to be sustained by reason of the failure of the municipality to accept and pay for the property, but such undertaking or security shall impose no liability upon the municipality except such as may be paid from the funds provided under the authority of this article. In event of the acquisition by purchase the board may obtain and exercise an option from the owner or owners of said property for the purchase thereof, or may enter into a contract for the purchase thereof, and such purchase may be made upon such terms and conditions, and in such manner as the board may deem proper. In event of the acquisition of any works already constructed by purchase or condemnation, the board at or before the time of the adoption of the ordinance described in section five [§ 16-13-5] hereof, shall cause to be determined what repairs, replacements, additions, and betterments will be necessary in order that such works may be effective for their purpose, and an estimate of the cost of such improvements shall be included in the estimate of the cost required by section five hereof, and such improvement shall be made upon the acquisition of the works and as a part of the cost thereof. (1933, Ex. Sess., c. 25, § 7.)

§ 16-13-8. Cost of works.

The cost of the works shall be deemed to include the cost of acquisition or construction thereof, the cost of all property, rights, easements, and franchises deemed necessary or convenient therefor and for the improvements determined upon as provided in this article; interest upon bonds prior to and during construction or acquisition and for six months after completion of construction or of acquisition of the improvement last mentioned; engineering and legal expenses; expense for estimates of cost and of revenues; expenses for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the enterprise, administrative expense, and such other expenses as may be necessary or incident to the financing herein authorized and the construction or acquisition of the works and the placing of the works in operation and the performance of the things herein required or permitted in connection with any thereof. (1933, Ex. Sess., c. 25, § 8.)

Expenses incurred in "determining the feasibility or practicability of the enterprise". — It is foreseen, as shown in this section, that a city may probably incur expenses in "determining the feasibility or practicability of the enterprise." Such determination would of course be made prior to the issuance of any revenue bonds, and probably before the creation of a sanitary board. It might often result in a rejection of the project altogether, in which event no revenue bonds would be issued, and any obligation incurred by the city might prove to be uncollectible. On the other hand, if the project be undertaken by the city, whatever loans may have been made on the faith of the revenue bonds would or should be included in the cost of the works and repaid out of the proceeds of the bonds. United States v. City of Charleston, 149 F. Supp. 866 (S.D.W. Va. 1957), commented on in 60 W. Va. L. Rev. 105 (1957).

Advances from the United States to a city for the purpose of plan preparation for construction of a proposed sewage treatment and disposal system represent a part of the cost of the works which should have been repaid out of the first proceeds received from the sale of the first issue of revenue bonds. Such repayment would not in any way increase the cost of the works; it was the very first item of expense incurred in connection with the works. Under the agreement between the city and the United States, it was a liability from the moment construction of the sewage treatment and disposal plant was begun. No disadvantage would result to bondholders as a result of the payment of this just debt out of the proceeds of a future revenue bond issue. United States v. City of Charleston, 149 F. Supp. 866 (S.D.W. Va. 1957), commented on in 60 W. Va. L. Rev. 105 (1957).

§ 16-13-9. Contracts and obligations incurred to be paid for solely by revenue bonds.

Nothing in this article contained shall be so construed as to authorize or permit any municipality to make any contract or to incur any obligation of any kind or nature except such as shall be payable solely from the funds provided under this article. Funds for the payment of the entire cost of the works, exclusive of any portions of the cost that may be defrayed out of any grant or contribution, shall be provided by the issuance of revenue bonds of the municipality, the principal and interest of which shall be payable solely from the fund herein provided for such payment, and said bonds shall not, in any respect, be a corporate indebtedness of such municipality, within the meaning of any statutory or constitutional limitations thereon. All the details of such bonds shall be determined by ordinance or ordinances of the municipality. (1933, Ex. Sess., c. 25, § 9; 1949, c. 93.)

Cross references. — See notes to § 16-13-8.

The provisions of this article become a part of the contract between the municipality and the bondholders as effectually as if written verbatim in the bonds. The bondholders are bound by their contract in this instance just as firmly as in any other legal contract. Consequently, the bonds do not create a corporate indebtedness of the municipality. Brewer v. City of Point Pleasant, 114 W. Va. 572, 172 S.E. 717 (1934); United States v. City of Charleston, 149 F. Supp. 866 (S.D.W. Va. 1957), commented on in 60 W. Va. L. Rev. 105 (1957).

Contractual obligation between municipalities not relieved by inability of town to sell revenue bonds. — Under the provisions of §§ 16-13-19 and 16-13-23a, a city and a town may enter into a contract whereby the city agreed to construct a sewage disposal facility and the town agreed to contribute to the cost of the construction of the facility in return for the right to use the facility, and the fact that the town was unable to sell revenue bonds because it was not allowed to have part ownership in the treatment plant or interceptor sewers did not relieve the town of its contractual obligation when the city offered to buy the revenue bonds issued by the town. Since the contracts were authorized by statute and were thus not ultra vires, even if the contracts were not formally approved by ordinance, the municipalities were estopped from asserting any invalidity of the contracts on such ground. City of Morgantown v. Town of Star City, 156 W. Va. 529, 195 S.E.2d 166 (1973).

§ 16-13-10. Interest on and redemption of bonds; form; statement on face of bond; negotiability; exemption from taxation; registration; execution; sale; disposition of surplus proceeds; additional and temporary bonds.

Such revenue bonds shall bear interest at not more than twelve percent per annum, payable at such times, and shall mature at such time or times as may be determined by ordinance. Such bonds may be made redeemable before maturity at the option of the municipality, to be exercised by said board, at not more than the par value thereof and a premium of five percent, under such terms and conditions as may be fixed by the ordinance authorizing the issuance of the bonds. The principal and interest of the bonds may be made payable in any lawful medium. Said ordinance shall determine the form of the bonds, either coupon or registered, shall set forth any registration and conversion privileges, and shall fix the denomination or denominations of such bonds and the place or places of payment of the principal and interest thereof, which may be at any bank or trust company within or without the State. The bonds shall contain a statement on their face that the municipality shall not be obligated to pay the same or the interest thereon except from the special fund provided from the net revenues of the works. All such bonds shall be, and shall have and are hereby declared to have all the qualities and incidents of, negotiable instruments under the Uniform Commercial Code of the State. Said bonds shall be exempt from all taxation, state, county and municipal. Such bonds shall be executed by the proper legally constituted authorities of the municipality, and be sealed with the corporate seal of the municipality, and in case any of the officers whose signatures appear on the bonds or coupons shall cease to be such officers, before delivery of such bonds, such signatures shall nevertheless be valid and sufficient for all purposes the same as if they had remained in office until such delivery. Such bonds shall be sold at a price not lower than a price, which when computed upon standard tables of bond values, will show a net return of not more than thirteen per centum per annum to the purchaser upon the amount paid therefor, and the proceeds derived therefrom shall be used exclusively for the purposes for which said bonds are issued and same may be sold at one time or in parcels as funds are needed. Any surplus of bond proceeds over and above the cost of the works shall be paid into the sinking fund hereinafter provided. If the proceeds of the bonds, by error of calculation or otherwise, shall be less than the cost of the works, additional bonds may in like manner be issued to provide the amount of such deficit and, unless otherwise provided in said ordinance authorizing the issuance of the bonds first issued or in the trust indenture hereinafter authorized, shall be deemed to be of the same issue and shall be entitled to payment without preference or priority of the bonds first issued. Prior to the preparation of the definitive bonds, temporary bonds may under like restrictions be issued with or without coupons, exchangeable for definitive bonds

upon the issuance of the latter. (1933, Ex. Sess., c. 25, § 10; 1970, c. 11; 1980, c. 33; 1981, 1st Ex. Sess., c. 2.)

§ 16-13-11. Additional bonds to extend or improve works.

The governing body may provide by said ordinance authorizing the issuance of the bonds or in the trust indenture hereinafter referred to, that additional bonds may thereafter be authorized and issued, at one time or from time to time under such limitations and restrictions as may be set forth in said ordinance and/or trust indenture, for the purpose of extending, improving or bettering the works when deemed necessary in the public interest, such additional bonds to be secured and be payable from the revenues of the works equally with all other bonds issued pursuant to said ordinance without preference or distinction between any one bond and any other definite bonds upon the issuance of the latter. (1933, Ex. Sess., c. 25, § 11.)

§ 16-13-12. Additional bonds for extension, etc., of works to have equal priority with original bonds.

The governing body may provide by said ordinance authorizing the issuance of the bonds or in the trust indenture hereinafter referred to, that additional bonds may thereafter be authorized and issued, at one time or from time to time, under such limitations and restrictions as may be set forth in said ordinance and/or trust indenture, for the purpose of extending, improving or bettering the works when deemed necessary in the public interest, such additional bonds to be secured and be payable from the revenues of the works equally with all other bonds issued pursuant to said ordinance without preference or distinction between any one bond and any other bond by reason of priority of issuance or otherwise. (1933, Ex. Sess., c. 25, § 12.)

§ 16-13-13. Application of revenue from bonds; lien.

All moneys received from any bonds issued pursuant to this article, after reimbursements and repayment to said municipality of all amounts advanced for preliminary expenses as provided in section four [§ 16-13-4] of this article, shall be applied solely to the payment of the cost of the work, extensions, improvements or betterments, or to the appurtenant sinking fund and there shall be and hereby is created and granted a lien upon such moneys, until so applied, in favor of the holders of the bonds or the trustees hereinafter provided for. (1933, Ex. Sess., c. 25, § 13.)

Quoted in United States v. City of Charleston, 149 F. Supp. 866 (S.D.W. Va. 1957).

§ 16-13-14. Securing bonds by trust indenture.

In the discretion of the governing body such bonds may be secured by a trust indenture by and between the municipality and a corporate trustee, which may be any trust company or bank having the powers of a trust company within the State of West Virginia but no such trust indenture shall convey or mortgage the works or any part thereof. The ordinance authorizing the revenue bonds and fixing the details thereof may provide that such trust indenture may contain such provisions for protecting and enforcing the rights and remedies of the bondholders as may be reasonable and proper, not in violation of law, including covenants setting forth the duties of the municipality and the board in relation to the construction or acquisition of the works and the improvement, operation, repair, maintenance and insurance thereof, and the custody, safeguarding and application of all moneys, and may provide that the works shall be contracted for, constructed and paid for under the supervision and approval of consulting engineers employed or designated by the board and satisfactory to the original bond purchasers, successors, assigns or nominees, who may be given the right to require the security given by contractors and by any depository of the proceeds of bonds or revenues of the works or other moneys pertaining thereto be satisfactory to such purchasers, successors, assigns or nominees. Such indenture may set forth the rights and remedies of the bondholders and/or such trustee, restricting the individual right of action of bondholders as is customary in trust indentures securing bonds and debentures of corporations. Except as in this article otherwise provided, the governing body may provide by ordinance or in such trust indenture for the payment of the proceeds of the sale of the bonds and the revenues of the works to such officer, board or depository as it may determine for the custody thereof, and for the method of disbursement thereof, with such safeguards and restrictions as it may determine. (1933, Ex. Sess., c. 25, § 14.)

§ 16-13-15. Sinking fund; transfer of balance of net revenues.

At or before the issuance of any such bonds the governing body shall by said ordinance create a sinking fund, to be remitted to and administered by the West Virginia municipal bond commission, for the payment of the bonds and the interest thereon and the payment of the charges of banks or trust companies for making payment of such bonds or interest, and shall set aside and pledge a sufficient amount of the net revenues of the works, hereby defined to mean the revenues of the works remaining after the payment of the reasonable expense of operation, repair and maintenance, such amount to be paid by the board into said sinking fund at intervals to be determined by ordinance prior to issuance of the bonds, for: (a) The interest upon such bonds as such interest shall fall due; (b) the necessary fiscal agency charges for paying bonds and interest; (c) the payment of the bonds as they fall due, or, if all bonds mature at one time, the proper maintenance of a sinking fund in such amounts as are necessary and sufficient for the payment thereof at such time;

(d) a margin for safety and for the payment of premiums upon bonds retired by call or purchase as herein provided, which margin, together with any unused surplus of such margin carried forward from the preceding year, shall equal ten percent of all other amounts so required to be paid into the sinking fund. Such required payments shall constitute a first charge upon all the net revenue of the works. Prior to the issuance of the bonds the board may by ordinance be given the right to use or direct the West Virginia municipal bond commission to use such sinking fund or any part thereof in the purchase of any of the outstanding bonds payable therefrom at the market price thereof, but not exceeding the price, if any, at which the same shall in the same year be payable or redeemable, and all bonds redeemed or purchased shall forthwith be cancelled and shall not again be issued. After the payments into such fund as herein required, the board may at any time in its discretion transfer all or any part of the balance of the net revenues, after reserving an amount deemed by the board sufficient for operation, repair and maintenance for an ensuing period of not less than twelve months and for depreciation, into the sinking fund or into a fund for extensions, betterments and additions to the works. The amounts of the balance of the net revenue as and when so set apart shall be remitted to the West Virginia municipal bond commission to be retained and paid out by said commission consistent with the provisions of this article and with the ordinance pursuant to which such bonds have been issued. The West Virginia municipal bond commission is hereby authorized to act as fiscal agent for the administration of such sinking fund, under any ordinance passed pursuant to the provisions of this article, and shall invest all such sinking funds as provided by general law. Notwithstanding the foregoing, payments of principal and interest on any bonds owned by the United States of America or any agency or department thereof may be made by the governing body directly thereto. (1933, Ex. Sess., c. 25, § 15; 1933, 2nd Ex. Sess., c. 48; 1986, c. 118.)

§ 16-13-16. Rates for service; change or readjustment; hearing; lien and recovery; discontinuance of services.

The governing body shall have power, and it shall be its duty, by ordinance, to establish and maintain just and equitable rates or charges for the use of and the service rendered by such works, to be paid by the owner of each and every lot, parcel of real estate or building that is connected with and uses such works by or through any part of the sewerage system of the municipality, or that in any way uses or is served by such works, and may change and readjust such rates or charges from time to time. Such rates or charges shall be sufficient in each year for the payment of the proper and reasonable expense of operation, repair, replacements and maintenance of the works and for the payment of the sums herein required to be paid into the sinking fund. Revenues collected pursuant to this section shall be deemed the revenues of the works. No such rates or charges shall be established until after a public hearing, at which all the users of the works and owners of property served or

to be served thereby and others interested shall have an opportunity to be heard concerning the proposed rates or charges. After introduction of the ordinance fixing such rates or charges, and before the same is finally enacted, notice of such hearing, setting forth the proposed schedule of such rates or charges, shall be given by publication as a Class II-0 legal advertisement in compliance with the provisions of article three [§ 59-3-1 et seq.], chapter fifty-nine of this Code, and the publication area for such publication shall be the municipality. The first publication shall be made at least ten days before the date fixed in such notice for the hearing. After such hearing, which may be adjourned from time to time, the ordinance establishing rates or charges, either as originally introduced or as modified and amended, shall be passed and put into effect. A copy of the schedule of such rates and charges so established shall be kept on file in the office of the board having charge of the operation of such works, and also in the office of the clerk of the municipality, and shall be open to inspection by all parties interested. The rates or charges so established for any class of users or property served shall be extended to cover any additional premises thereafter served which fall within the same class, without the necessity of any hearing or notice. Any change or readjustment of such rates or charges may be made in the same manner as such rates or charges were originally established as hereinbefore provided: Provided, however, That if such change or readjustment be made substantially pro rata, as to all classes of service, no hearing or notice shall be required. The aggregate of the rates or charges shall always be sufficient for such expense of operation, repair and maintenance and for such sinking fund payments. All such rates or charges, if not paid when due, shall constitute a lien upon the premises served by such works. If any service rate or charge so established shall not be paid within thirty days after the same is due, the amount thereof, together with a penalty of ten percent, and a reasonable attorney's fee, may be recovered by the board in a civil action in the name of the municipality, 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: Provided, however, That where both water and sewer services are furnished by any municipality to any premises the schedule of charges may be billed as a single amount or individually itemized and billed for the aggregate thereof. Whenever any rates, rentals or charges for services or facilities furnished shall remain unpaid for a period of thirty days after 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. The board collecting such charges shall be obligated under reasonable rules and regulations, to shut off and discontinue both water and sewer services to all delinquent users of either water facilities, or sewer facilities, or both, and shall not restore either water facilities or sewer facilities to any delinquent user of either until all delinquent charges for both water facilities and sewer facilities, including reasonable interest and penalty charges, have been paid in full. (1933, Ex. Sess., c. 25, § 16; 1933, 2nd Ex. Sess., c. 48; 1959, c. 125; 1967, c. 105.)

Rules of Civil Procedure. — Abolition of procedural distinctions between law and equity, R.C.P. 2.

Textbooks. — Administrative Law in West Virginia (Neely), § 3.07.

Sections read together. — This section should be read and construed with former § 8-4-20 and §§ 16-13-1, 16-13-2, 24-1-1, 24-2-1, and 24-2-3. Delardas v. Morgantown Water Comm'n, 148 W. Va. 776, 137 S.E.2d 426 (1964).

Municipal sewer system is subject to jurisdiction of public service commission. 45 Op. Att'y Gen. 642 (1954).

Hence, municipality is required to file its rates with the commission for approval in accordance with § 24-2-1 et seq. 45 Op. Att'y Gen. 642 (1954).

Jurisdiction to enforce lien. — The fact that this section speaks of the enforcement of the lien in a "civil action" should not be construed as placing that jurisdiction in our courts of law simply because the word "action," strictly applied, does not usually refer to chancery practice. City of Beckley v. Craighead, 125 W. Va. 484, 24 S.E.2d 908 (1943).

Discrimination not shown. — Charges made against the users of a city sewage system were based upon the amount of water used upon the premises as indicating the extent to which the sewers were used. The charges were subject to a deduction of the amount of water retained on the premises, such amount to be determined by a meter installed by the consumer and used to record gallonage of water that had come on the property but had not been disposed of through the sewers. It was held that the method under which the charges were assessed was neither capricious nor unfair although certain users had been unable to install meters used to measure their deductions. Houchins v. City of Beckley, 127 W. Va. 306, 32 S.E.2d 286 (1944).

Applied in Brewer v. City of Point Pleasant, 114 W. Va. 572, 172 S.E. 717 (1934).

Quoted in State ex rel. City of Wheeling v. Renick, 145 W. Va. 640, 116 S.E.2d 763 (1960).

§ 16-13-17. Municipality subject to established rates.

The municipality shall be subject to the same charges and rates established as hereinbefore provided, or to charges and rates established in harmony therewith, for service rendered the municipality, and shall pay such rates or charges when due from corporate funds and the same shall be deemed to be a part of the revenues of the works as herein defined, and be applied as herein provided for the application of such revenues. (1933, Ex. Sess., c. 25, § 17.)

Quoted in West Virginia Water Serv. Co. v. Cunningham, 143 W. Va. 1, 98 S.E.2d 891 (1957).

§ 16-13-18. Supervision of works by sanitary board; organization of board; qualifications, terms and compensation of members.

The governing body shall provide by ordinance that the custody, administration, operation and maintenance of such works shall be under the supervision and control of a sanitary board, created as herein provided. Such sanitary board shall be composed of either the mayor of the municipality, or the city manager thereof, if said municipality shall have a city manager form of government, and two persons appointed by the governing body, one of whom, during the construction period, must be a registered professional engineer. The engineer member of the board need not be a resident of said municipality. After the construction of the plant has been completed, the engineer member may be succeeded by a person not an engineer. No officer or employee of the municipality, whether holding a paid or unpaid office, shall be eligible to appointment on said sanitary board until at least one year after the expiration

of the term of his public office. Said appointees shall originally be appointed for terms of two and three years respectively, and upon the expiration of each such term and each succeeding term, an appointment of a successor shall be made in like manner for a term of three years. Vacancies shall be filled for an unexpired term in the same manner as the original appointment. Each member shall give such bond, if any, as may be required by ordinance. Such mayor or city manager shall act as chairman of the sanitary board, which shall elect a vice-chairman from its members and shall designate a secretary and treasurer (but the secretary and the treasurer may be one and the same), who need not be a member or members of the sanitary board. The vice-chairman, secretary and treasurer shall hold office as such at the will of the sanitary board. The members of the sanitary board shall receive such compensation for their services, either as a salary or as payments for meetings attended, as the governing body may determine, and shall be entitled to payment for their reasonable expenses incurred in the performance of their duties. The governing body shall fix the reasonable compensation of the secretary and treasurer in its discretion, and shall fix the amounts of bond to be given by the treasurer. All compensation, together with the expenses in this section referred to, shall be paid solely from funds provided under the authority of this article. The sanitary board shall have power to establish bylaws, rules and regulations for its own government. (1933, Ex. Sess., c. 25, § 18; 1939, c. 96; 1953, c. 146; 1957, c. 137.)

Effect of article generally. — The effect of the provisions of this article is to authorize and empower a municipal corporation in this State to own, construct, equip, operate and maintain sewer systems, to place the construction, operation and management of such systems under the supervision and control of a sanitary board appointed by the governing body, to authorize such board to operate, manage and control them and to order and complete any extensions or betterments that the board may deem expedient. State ex rel. City of Wheeling v. Renick, 145 W. Va. 640, 116 S.E.2d 763 (1960).

There is no repugnancy between the provisions of this article and §§ 24-1-1, 24-2-1 or 24-3-1, and for these reasons, the provisions of this article do not operate to repeal any of those sections. State ex rel. City of Wheeling v. Renick, 145 W. Va. 640, 116 S.E.2d 763 (1960).

The provisions of this article do not revise the subject matter of §§ 24-1-1, 24-2-1 or 24-3-1, and they were not intended as a substitute for any of the provisions of those sections. State ex rel. City of Wheeling v. Renick, 145 W. Va. 640, 116 S.E.2d 763 (1960).

In conferring such power and authority upon a municipality by this article, the legislature did not create, or intend to create, any repugnancy or inconsistency between the provisions of this article and the pertinent provisions of chapter 24, or to repeal any of those provisions of that chapter. State ex rel. City of Wheeling v. Renick, 145 W. Va. 640, 116 S.E.2d 763 (1960).

Public service commission may order extension of service. — A public utility is under a duty to make reasonable extensions of its services in accordance with its franchise and charter obligations and the needs of the inhabitants within the territory covered by its franchise; and a public service commission may, where its action is not unlawful, arbitrary, or capricious, order an extension of service for the inhabitants of such territory. State ex rel. City of Wheeling v. Renick, 145 W. Va. 640, 116 S.E.2d 763 (1960).

Sanitary board may be incorporated and domesticated in adjoining state. — Since the incorporation of its sanitary board and its domestication in the state of Virginia was the only plan by which the power intended to be granted by the legislature to a city to construct a sewage disposal plant outside the State of West Virginia could be legally effectuated, the power to so incorporate its sanitary board was a necessary and incidental right to the main power granted. Bernard v. City of Bluefield, 117 W. Va. 556, 186 S.E. 298 (1936).

Member of city council may not serve as consulting engineer to the sanitary board on city sewer project. 49 Op. Att'y Gen. 60 (1961).

Mayor and city manager may not both be appointed to municipal sanitary board. — When a municipal corporation has a city

manager form of government, the municipality's governing board has the option of appointing either its mayor or its city manager (but not both) to the municipal sanitary board. 52 Op. Att'y Gen. 217 (1967).

As to scope of duties and responsibilities of city treasurer as they relate to possession of funds of a sanitary board, see 52 Op. Att'y Gen. 497 (1967).

Applied in Houchins v. City of Beckley, 127 W. Va. 306, 32 S.E.2d 286 (1944).

Cited in United States v. City of Charleston, 149 F. Supp. 866 (S.D.W. Va. 1957).

§ 16-13-18a. Publication of financial statement.

Every sanitary board shall prepare a financial statement and cause the same to be published as a Class I legal advertisement in compliance with the provisions of article three [§ 59-3-1 et seq.], chapter fifty-nine of this Code, and the publication area for such publication shall be the sanitary district. Such statement shall contain an itemized account of the receipts and expenditures of the board during the previous fiscal year, showing the source from which all money was derived, and the name of the person to whom an order was issued, together with the amount of such order, and why such order was issued, arranging the same under distinct heads, and including all money received and expended from the sale of bonds, and also a specific statement of the debts of such board, showing the purpose for which any debt was contracted, the amount of money in all funds at the end of the preceding year, and the amount of uncollected service charges. Such statement shall be prepared and published by the board as soon as practicable after the close of the fiscal year: Provided, That such statement for the fiscal year ending June thirtieth, one thousand nine hundred fifty-six, may be published any time during the year one thousand nine hundred fifty-seven. The statement shall be sworn to by the chairman and secretary and treasurer of the board. If a board fails or refuses to perform the duties hereinbefore named, every member of the board concurring in such failure or refusal shall be guilty of a misdemeanor, and, upon conviction thereof, shall be fined not less than one hundred nor more than five hundred dollars and the circuit court or criminal court and justices of the peace [magistrates], of the county where the offense was committed, shall have concurrent jurisdiction to try such offense. (1957, c. 138; 1967, c. 105.)

Editor's notes. — The bracketed word was inserted by the editor. See § 50-1-17.

§ 16-13-19. Contract with other municipalities for service of works; powers of lessee as to rates; intercepting sewers.

Any municipality operating a sewage collecting system and/or a sewage disposal plant or plants as defined in this article, or which as herein provided has ordered the construction or acquisition of such works (in this section called the owner), is hereby authorized to contract with one or more other municipal corporations or political subdivisions within the State (in this section called the lessee), and such lessees are hereby authorized to enter into such contracts with such owners, for the service of such works to such lessees

and their inhabitants, but only to the extent of the capacity of the works without impairing the usefulness thereof to the owners, upon such terms and conditions as may be fixed by the boards and approved by ordinances of the respective contracting parties: Provided, however, That no such contract shall be made for a period of more than forty years or in violation of the provisions of said ordinance authorizing bonds hereunder or in violation of the provisions of said trust indenture. The lessee shall by ordinance have power to establish, change and adjust rates and charges for the service rendered therein by the works against the owners of the premises served, in the manner hereinbefore provided for establishing, changing and adjusting rates and charges for the service rendered in the municipality where the works are owned and operated, and such rates or charges shall be collectible and shall be a lien as herein provided for rates and charges made by the owner. The necessary intercepting sewers and appurtenant works for connecting the works of the owner with the sewerage system of the lessee shall be constructed by the owner and/or the lessee upon such terms and conditions as may be set forth in said contract, and the cost or that part of the cost thereof which is to be borne by the owner may be paid as a part of the cost of the works from the proceeds of bonds issued under this article unless otherwise provided by said ordinance or trust indenture prior to the issuance of the bonds. The income received by the owner under any such contract shall, if so provided in said ordinance or trust indenture, be deemed to be a part of the revenues of the works as in this article defined and be applied as herein provided for the application of such revenues. (1933, Ex. Sess., c. 25, § 19; 1981, 1st Ex. Sess., c. 2.)

Applied in City of Morgantown v. Town of Star City, 156 W. Va. 529, 195 S.E.2d 166 (1973).

§ 16-13-20. Discharge of lien on property acquired.

No property shall be acquired under this article upon which any lien or other encumbrance exists, unless at the time such property is acquired a sufficient sum of money be deposited in trust to pay and redeem such lien or encumbrance in full. (1933, Ex. Sess., c. 25, § 20.)

§ 16-13-21. Action on certificates or attached coupons; receivers.

Any holder of any such certificates or any of the coupons attached thereto, and the trustee, if any, except to the extent the rights herein given may be restricted by said ordinance authorizing issuance of the bonds or by the trust indenture, may either at law or in equity, by suit, action, mandamus or other proceeding protect and enforce any and all rights granted hereunder or under such ordinance or trust indenture, and may enforce and compel performance of all duties required by this article or by such ordinance or trust indenture to be performed by the municipality issuing the bonds or by the board or any officer, including the making and collecting of reasonable and sufficient

charges and rates for service rendered by the works. If there be any failure to pay the principal or interest of any of the bonds on the date therein named for such payment, any court having jurisdiction of the action may appoint a receiver to administer the works on behalf of the municipality and the bondholders and/or trustee, except as so restricted, with power to charge and collect rates sufficient to provide for the payment of the expenses of operation, repair and maintenance and also to pay any bonds and interest outstanding and to apply the revenues in conformity with this article and the said ordinance and/or trust indenture. (1933, Ex. Sess., c. 25, § 21.)

Rules of Civil Procedure. — Abolition of procedural distinctions between law and equity, Rule 2.

Receivers, Rule 66.

Application of rules to extraordinary remedies, Rule 81(a)(5).

§ 16-13-22. Powers conferred in addition to existing powers; jurisdiction outside corporate limits.

The authority herein given shall be in addition to and not in derogation of any power existing in any municipality under any statutory or charter provisions which it may now have or hereafter adopt. For all purposes of this article, all municipal corporations shall have jurisdiction for ten miles outside the corporate limits thereof. (1933, Ex. Sess., c. 25, § 22.)

§ 16-13-22a. Grants, loans and advances.

Any municipality is authorized and empowered to accept loans or grants and procure loans or temporary advances evidenced by notes or other negotiable instruments issued in the manner, and subject to the privileges and limitations, set forth with respect to bonds authorized to be issued under the provisions of this article, for the purpose of paying part or all of the cost of acquisition or construction of said sewage works and the construction of betterments and improvements thereto, and for the other purposes herein authorized, from any authorized agency of the state or from the United States of America or any federal or public agency or department of the United States or any private agency, corporation or individual, which loans or temporary advances, including the interest thereon, may be repaid out of the proceeds of bonds authorized to be issued under the provisions of this article, the revenues of the said sewage works or grants to the municipality from any agency of the state or from the United States of America or any federal or public agency or department of the United States or any private agency, corporation or individual or from any combination of such sources of payment, and to enter into the necessary contracts and agreements to carry out the purposes hereof with any agency of the state, the United States of America or any federal or public agency or department of the United States, or with any private agency, corporation or individual. Any other provisions of this article to the contrary notwithstanding, interest on any such loans or temporary advances may be paid from the proceeds thereof until the maturity of such notes or other negotiable instrument.

In no event shall any such loan or temporary advance be a general obligation of the municipality and such loans or temporary advances, including the interest thereon, shall be paid solely from the sources specified in this section. (1949, c. 93; 1961, c. 107; 1980, c. 59; 1981, 1st Ex. Sess., c. 2; 1986, c. 118.)

Stated in United States v. City of Charleston, 149 F. Supp. 866 (S.D.W. Va. 1957).

§ 16-13-22b. Contracts for abatement of pollution.

When determined by its legislative body to be in the public interest and necessary for the protection of the public health, any municipality is authorized to enter into and perform contracts, whether long-term or short-term, with any industrial establishment for the provision and operation by the municipality of sewerage facilities to abate or reduce the pollution of waters caused by discharges of industrial wastes by the industrial establishment and the payment periodically by the industrial establishment to the municipality of amounts at least sufficient, in the determination of such legislative body, to compensate the municipality for the cost of providing (including payment of principal and interest charges, if any), and of operating and maintaining the sewerage facilities serving such industrial establishment. (1949, c. 93.)

§ 16-13-22c. Refunding bonds.

Any municipality is authorized to issue refunding revenue bonds to refund, pay or discharge all or any part of its outstanding revenue bonds, including interest thereon, if any, in arrears or about to become due. The relevant provisions in this article pertaining to revenue bonds shall be equally applicable in the authorization and issuance of refunding revenue bonds, including their terms and security, the ordinance, the trust indenture, rates, or other aspects of the bonds. (1949, c. 93.)

§ 16-13-22d. Subordination of bonds.

Notwithstanding any other provisions to the contrary in this article, any municipality authorizing the issuance of bonds under this article in an effort to aid in the abatement or reduction of the pollution of any waters or streams may provide in the ordinance authorizing the issuance of the bonds and in any trust indenture pertaining thereto that such bonds, or any additional bonds that may thereafter be issued to extend or improve the works, shall, to the extent and in the manner prescribed, be subordinated and be junior in standing, with respect to the payment of principal and interest and the security thereof, to such other bonds as are designated in the ordinance. (1949, c. 93.)

§ 16-13-22e. Operating contract.

Any such municipality may enter into contracts or agreements with any persons, firms or corporations for the operation and management of the facilities and properties of said sewerage system, or any part thereof, for such period of time and under such terms and conditions as shall be agreed upon between such municipality and such persons, firms or corporations. Such municipality shall have power to provide in the resolution authorizing the issuance of bonds hereunder, or in any trust indenture, securing such bonds, that such contracts or agreements shall be valid and binding upon the municipality as long as any of said bonds, or interest thereon, are outstanding and unpaid. (1955, c. 132.)

§ 16-13-22f. Exemption of bonds from taxation.

Said bonds and the interest thereon, together with all properties and facilities of said municipality owned or used in connection with sewerage system, and all the moneys, revenues and other income of such municipality derived from such sewerage system shall be exempt from all taxation by the State of West Virginia or any county, municipality, political subdivision or agency thereof. (1955, c. 132.)

§ 16-13-22g. Covenants with bondholders.

Any resolution authorizing the issuance of bonds hereunder, or any trust indenture with any bank or trust company within or without the State, for the security of said bonds, may contain covenants with the holders of such bonds as to:

(a) The purpose or purposes to which the proceeds of sale of such bonds, or the revenues derived from said sewerage system, may be applied and the securing, use and disposition thereof, including, if deemed desirable, the appointment of a trustee or depositary for any of such funds;

(b) The pledging of all or any part of the revenues derived from the ownership, operation or control of such sewerage systems, including any part thereof heretofore or hereafter constructed or acquired or derived from any other sources, to the payment of the principal of or interest thereon of bonds issued hereunder and for such reserve or other funds as may be deemed necessary or desirable;

(c) The fixing, establishing and collecting of such fees, rentals or other charges for the use of the services and facilities of such sewerage system, including the parts thereof heretofore or hereafter constructed or acquired and the revision of same from time to time, as will always provide revenues at least sufficient to provide for all expenses of operation, maintenance and repair of such sewerage system, the payment of the principal of and interest on all bonds or other obligations payable from the revenues of such sewerage system, and all reserve and other funds required by the terms of the ordinance authorizing the issuance of such bonds;

(d) The transfer from the general funds of the municipality to the account or accounts of such sewerage system of an amount equal to the cost of furnishing the municipality or any of its departments, boards or agencies with the services and facilities of such sewerage system;

(e) Limitations or restrictions upon the issuance of additional bonds or other obligations payable from the revenue of such sewerage system, and the rank or priority, as to lien and source and security for payment from the revenues of such sewerage system, between bonds payable from such revenues;

(f) The manner and terms upon which all bonds and other obligations issued hereunder may be declared immediately due and payable upon the happening of a default in the payment of the principal of or interest thereon, or in the performance of any covenant or agreement with bondholders, and the manner and terms upon which such defaults may be declared cured and the acceleration of the maturity of such bonds rescinded and repealed;

(g) Budgets for the annual operation, maintenance and repair of such sewerage system and restrictions and limitations upon expenditures for such purposes, and the manner of adoption, modification, repeal or amendment thereof, including the approval of such budgets by consulting engineers designated by holders of bonds issued hereunder;

(h) The amounts of insurance to be maintained upon such sewerage system, or any part thereof, and the use and disposition of the proceeds of any insurance;

(i) The keeping of books of account, relating to such undertakings and the audit and inspection thereof, and the furnishing to the holders of bonds issued hereunder or their representatives, reports prepared, certified, or approved by accountants designated or approved by the holders of bonds issued hereunder;

(j) Such other additional covenants as shall be deemed necessary or desirable for the security of the holders of bonds issued hereunder, notwithstanding that such other covenants are not expressly enumerated hereunder, it being the intention hereof to grant to such municipalities the power to make any and all covenants or agreements necessary in order to secure greater marketability for bonds issued hereunder as fully and to the same extent as such covenants or agreements could be made by a private corporation rendering similar services and facilities and to grant such municipalities full and complete power to enter into any contracts, covenants or agreements with holder of bonds issued hereunder not inconsistent with the Constitution of the State of West Virginia. (1955, c. 132.)

§ 16-13-23. Article deemed full authority for construction, etc., of works and issue of bonds; alternative method; powers of state department of health unaffected.

This article, shall, without reference to any other statute, be deemed full authority for the construction, acquisition, improvement, equipment, maintenance, operation and repair of the works herein provided for and for the

issuance and sale of the bonds by this article authorized, and shall be construed as an additional and alternative method therefor and for the financing thereof, and no petition or election or other or further proceeding in respect to the construction or acquisition of the works or to the issuance or sale of bonds under this article and no publication of any resolution, ordinance, notice or proceeding relating to such construction or acquisition or to the issuance or sale of such bonds shall be required except such as are prescribed by this article, any provisions of other statutes of the State to the contrary notwithstanding: Provided, however, That all functions, powers and duties of the state department of health shall remain unaffected by this article. (1933, Ex. Sess., c. 25, § 23.)

Quoted in State ex rel. City of Wheeling v. Renick, 145 W. Va. 640, 116 S.E.2d 763 (1960).

§ 16-13-23a. Additional powers of municipality upon receipt of order to cease pollution.

Notwithstanding any other provision contained in this article, and in addition thereto, the governing body of any municipal corporation which has received or which hereafter receives an order issued by the chief of the division of water resources or the state water resources board requiring such municipal corporation to cease the pollution of any stream or waters, is hereby authorized and empowered to fix, establish and maintain, by ordinance, just and equitable rates or charges for the use of the services and facilities of the existing sewer system of such municipal corporation, and/or for the use of the services and facilities to be rendered upon completion of any works and system necessary by virtue of said order, to be paid by the owner, tenant or occupant of each and every lot or parcel of real estate or building that is connected with and uses any part of such sewer system, or that in any way uses or is served thereby, and may change and readjust such rates or charges from time to time. Such rates or charges shall be sufficient for the payment of all the proper and reasonable costs and expenses of the acquisition and construction of plants, machinery and works for the collection and/or treatment, purification and disposal of sewage, and the repair, alteration and extension of existing sewer facilities, as may be necessary to comply with such order of the chief of the division of water resources or the state water resources board, and for the operation, maintenance and repair of the entire works and system; and the governing body shall create, by ordinance, a sinking fund to accumulate and hold any part or all of the proceeds derived from rates or charges until completion of said construction, to be remitted to and administered by the state sinking fund commission by expending and paying said costs and expenses of construction and operation in the manner as provided by said ordinance; and after the completion of the construction such rates or charges shall be sufficient in each year for the payment of the proper and reasonable costs and expenses of operation, maintenance, repair, replacement, and extension from time to time, of the entire sewer and works. No such rates or

charges shall be established until after a public hearing, at which all the potential users of the works and owners of property served or to be served thereby and others interested shall have an opportunity to be heard concerning the proposed rates or charges. After introduction of the ordinance fixing such rates or charges, and before the same is finally enacted, notice of such hearing, setting forth the proposed schedule of such rates or charges, shall be given by publication of such notice as a Class II-0 legal advertisement in compliance with the provisions of article three [§ 59-3-1 et seq.], chapter fifty-nine of this Code, and the publication area for such publication shall be the municipality. The first publication shall be made at least ten days before the date fixed therein for the hearing. After such hearing, which may be adjourned from time to time, the ordinance establishing the rates or charges, either as originally introduced or as modified and amended, may be passed and put into effect. A copy of the schedule of such rates and charges so established shall be kept on file in the office of the sanitary board having charge of the construction and operation of such works, and also in the office of the clerk of the municipality, and shall be open to inspection by all parties interested. The rates or charges so established for any class of users or property served shall be extended to cover any additional premises thereafter served which fall within the same class, without the necessity of any hearing or notice. Any change or readjustment of such rates or charges may be made in the same manner as such rates or charges were originally established as hereinbefore provided: Provided, however, That if such change or readjustment be made substantially pro rata, as to all classes of service, no hearing or notice shall be required. If any rate or charge so established shall not be paid within thirty days after the same is due, the amount thereof, together with a penalty of ten percent, and a reasonable attorney's fee, may be recovered by the sanitary board of such municipal corporation in a civil action in the name of the municipality. Any municipal corporation exercising the powers given herein shall have authority to construct, acquire, improve, equip, operate, repair and maintain any plants, machinery, or works necessary to comply with such order of the state water resources board, and the authority provided herein to establish, maintain and collect rates or charges shall be construed as a further additional and alternative method of financing such works and matters, and shall be independent of any other provision of this article insofar as such article provides for or requires the issuance of revenue bonds or the imposition of rates and charges in connection with such bonds: Provided, however, That except for the method of financing such works and matters, the construction, acquisition, improvement, equipment, custody, operation, repair and maintenance of any plants, machinery or works in compliance with an order of the state water resources board, and the rights, powers, and duties of such municipal corporation and the respective officers and departments thereof, including the sanitary board, shall be governed by the provisions of this article. (1955, c. 135; 1967, c. 105.)

Textbooks. — Administrative Law in West Virginia (Neely), § 3.07.

Applied in City of Morgantown v. Town of Star City, 156 W. Va. 529, 195 S.E.2d 166 (1973).

§ 16-13-24. Article to be construed liberally.

This article being necessary for the public health, safety and welfare, it shall be liberally construed to effectuate the purpose thereof. (1933, Ex. Sess., c. 25, § 24.)

Quoted in West Virginia Water Serv. Co. v. Cunningham, 143 W. Va. 1, 98 S.E.2d 891 (1957).

ARTICLE 13A.

PUBLIC SERVICE DISTRICTS FOR WATER, SEWERAGE AND GAS SERVICES.

Sec.
16-13A-1. Legislative findings.
16-13A-1a. Jurisdiction of the public service commission.
16-13A-1b. County commissions to develop plan to create, consolidate, merge, expand or dissolve public service districts.
16-13A-1c. General purpose of districts.
16-13A-2. Creation of districts by county commission; enlarging, reducing or dissolving district; consolidation; agreements, etc.; infringing upon powers of county commission; filing list of members and districts with the secretary of state.
16-13A-3. District to be a public corporation and political subdivision; powers thereof; public service boards.
16-13A-3a. Removal of members of public service board.
16-13A-4. Board chairman; members' compensation; procedure; district name.
16-13A-5. General manager of board.
16-13A-6. Employees of board.
16-13A-7. Acquisition and operation of district properties.
16-13A-8. Acquisition and purchase of public service properties; right of eminent domain; extraterritorial powers.
16-13A-9. Rules and regulations; service rates and charges; discontinuance of service; required water and sewer connections; lien for delinquent fees.
16-13A-9a. Limitations with respect to foreclosure.
16-13A-10. Budget.
16-13A-11. Accounts; audit.
16-13A-12. Disbursement of district funds.
16-13A-13. Revenue bonds.
16-13A-14. Items included in cost of properties.
16-13A-15. Bonds may be secured by trust indenture.
16-13A-16. Sinking fund for revenue bonds.
16-13A-17. Collection, etc., of revenues and enforcement of covenants; default; suit, etc., by bondholder or trustee to compel performance of duties; appointment and powers of receiver.
16-13A-18. Operating contracts.
16-13A-18a. Sale, lease or rental of water, sewer or gas system by district; distribution of proceeds.
16-13A-19. Statutory mortgage lien created; foreclosure thereof.
16-13A-20. Refunding revenue bonds.
16-13A-21. Complete authority of article; liberal construction; district to be public instrumentality; tax exemption.
16-13A-22. Validation of prior acts and proceedings of county courts for creation of districts, inclusion of additional territory, and appointment of members of district boards.
16-13A-23. Validation of acts and proceedings of public service boards.
16-13A-24. Acceptance of loans, grants or temporary advances.

WEST VIRGINIA CODE

ANNOTATED

VOLUME 5

1991 Replacement

1992 Cumulative Supplement

Including Acts passed during the 1992 Regular Session and the 1992 First Extraordinary Session

Prepared by the Editorial Staff of the Publishers

Under the Supervision of

ADRIAN D. KOWALSKY
DEBORAH S. TUSSEY
HENRY W. TAYLOR
BRYAN L. KAY
EDITH M. MAWYER

Place in pocket of corresponding bound volume

THE MICHIE COMPANY
Law Publishers
CHARLOTTESVILLE, VIRGINIA
1992

;-term care ombudsman pro

n program shall receive such funds as
r Americans Act of 1965, as amended,
1 care ombudsman program, and shall
by the Legislature for the operation of

nan program shall receive such funds
cies on aging pursuant to the Older

gram may solicit and receive funds
peration of the program. No program
r contributions where the solicitation
lence and objectivity of the program.

ıles.

9A-1-1 et seq.] of this code, the state
commission on aging shall promul-
provisions of this article. (1991, c.

)lication thereof to any provision or
al or otherwise invalid, such inva-
ct the provisions or application of
)ut the unconstitutional or invalid
the provisions of this article are

7.

D DRUGS.

§ 16-7-8.

Repealed by Acts 1992, c. 7.

Editor's notes. — Former § 16-7-8 (enacted by Acts 1937, c. 31), concerning the artificial coloring of meat and meat products, was repealed by Acts 1992, c. 7.

ARTICLE 13.

SEWAGE WORKS OF MUNICIPAL CORPORATIONS AND SANITARY DISTRICTS.

Sec.
16-13-18. Supervision of works by sanitary board; organization of board; qualifications, terms and compensation of members.

§ 16-13-18. Supervision of works by sanitary board; organization of board; qualifications, terms and compensation of members.

The governing body shall provide by ordinance the organization of the board, and that the custody, administration, operation and maintenance of such works shall be under the supervision and control of a sanitary board, created as herein provided. Such sanitary board shall be composed of either the mayor of the municipality, or the city manager thereof, if said municipality shall have a city manager form of government, and two persons appointed by the governing body: Provided, That, in the event of an acquisition or merger of an existing sewage works, the governing body may increase the membership to a maximum of four members in addition to the mayor or city manager of the municipality served by the board. During the construction period one of the members must be a registered professional engineer. The engineer member of the board need not be a resident of said municipality. After the construction of the plant has been completed, the engineer member may be succeeded by a person not an engineer. No officer or employee of the municipality, whether holding a paid or unpaid office, shall be eligible to appointment on said sanitary board until at least one year after the expiration of the term of his public office. Said appointees shall originally be appointed for terms of two and three years respectively, and upon the expiration of each such term and each succeeding term, an appointment of a successor shall be made in like manner for a term of three years. Vacancies shall be filled for an unexpired term in the same manner as the original appointment. Each member shall give such bond, if any, as may be required by ordinance. Such mayor or city manager shall act as chairman of the sanitary board, which shall elect a vice chairman from its members and shall designate a secretary and treasurer (but the secretary and the treasurer may be one and the same), who need not be a member or members of the sanitary board. The vice chairman, secretary and treasurer shall hold office as such at the will of the sanitary board. The members of the sanitary board shall receive such compensation for

their services, either as a salary or as payments for meetings attended, as the governing body may determine, and shall be entitled to payment for their reasonable expenses incurred in the performance of their duties. The governing body shall fix the reasonable compensation of the secretary and treasurer in its discretion, and shall fix the amounts of bond to be given by the treasurer. All compensation, together with the expenses in this section referred to, shall be paid solely from funds provided under the authority of this article. The sanitary board shall have power to establish bylaws, rules and regulations for its own government. (1933, Ex. Sess., c. 25, § 18; 1939, c. 96; 1953, c. 146; 1957, c. 137; 1992, c. 95.)

Effect of amendment of 1992. — The amendment inserted "the organization of the board and" in the first sentence, and substituted "Provided, That, in the event ... one of the members" for "one of whom, during the construction period" in the second and third sentences.

ARTICLE 13A.

PUBLIC SERVICE DISTRICTS FOR WATER, SEWERAGE AND GAS SERVICES.

§ 16-13A-3. District to be a public corporation and political subdivision; powers thereof; public service boards.

Compensation of board members for performing additional duties prohibited. — Board members of a public service district could not be compensated for performing the duties of treasurer and/or secretary, or for reading meters for the public service district. Op. Att'y Gen., July 14, 1988, No. 2.

§ 16-13A-4. Board chairman; members' compensation; procedure; district name.

Compensation of board members for performing additional duties prohibited. — Board members of a public service district could not be compensated for performing the duties of treasurer and/or or secretary, or for reading meters for the public service district. Op. Att'y Gen., July 14, 1988, No. 2.

§ 16-13A-24. Acceptance of loans, grants or temporary advances.

Permissible borrowing by public service districts. — The borrowing by public service districts of money from counties and/or municipalities, as evidenced by a note, is permissible borrowing under this section. Op. Att'y Gen., May 6, 1988, No. 27.

CERTIFICATE

Certified to be a true and correct copy of the Charter of The City of Logan.

Given under my hand and the official seal of The City of Logan, West Virginia, this 25th day of September, 1987.

[SEAL]

Violet Miller
City Clerk

7437B

PART I

The Charter

Editor's note.—The Charter here set out is contained in an Act of the Legislature of West Virginia, passed February 21, 1933 (Acts 1933, ch. 124), and all Acts and Ordinances amendatory thereof. Amendments to the Charter are cited in parentheses following the section affected. Unless so indicated, the section derives unchanged from Acts 1933, ch. 124. It should be noted that Acts 133, ch. 124, was in effect from passage and became a law without the approval of the governor.

Catchlines to the sections are unofficial and should not be construed to restrict, limit or affect the contents of the sections. Words in brackets have been added for the purpose of clarification.

§ 1. Continuation of body politic and corporate; name of city; enumeration of powers of city.

§ 2. Composition of municipal authorities.

§ 3. Exercise of corporate powers generally.

§ 4. Nomination by primary election of candidates for mayor and councilmen to be voted on at municipal elections; election of municipal executive committeemen by political parties; application of state election laws; duties of secretary to the mayor, etc., under state law.

§ 5. When elections held; when officers to begin terms; voting places.

§ 6. Who may vote for officers elected under Charter.

§ 7. Registration of voters.

§ 8. Oaths and compensation of officers elected or appointed under Charter.

§ 9. Filling vacancies in council generally.

§ 10. Organization of council; mayor as presiding officer, etc.; quorum; appointment of city solicitor.

§ 11. Qualifications, duties and compensation of city solicitor; taxable attorneys' fees in criminal prosecutions; appointment, salary and duties of secretary to the mayor; admissibility in evidence of transcripts of ordinances, etc.

§ 12. Filling temporary vacancy in office of mayor.

§ 13. Election and terms of mayor and councilmen; eligibility for office of mayor or councilmen.

§ 14. Salary, powers and duties of mayor.

§ 15. Assessments by county assessor; power of council as to method of collecting taxes.

§ 16. Annual estimates and levy; dog tax.

§ 17. Lien on real estate for taxes, etc.

§ 18. Power of council as to licenses and license tax.

§ 19. Municipal court and municipal judge.
§ 20. Mayor as ex officio treasurer; powers and duties of treasurer, disbursements from city treasury.
§ 21. Mayor as superintendent of streets; streets to be kept clean, etc.; sewers to be kept in repair, etc.; disposition of garbage.
§ 22. Mayor's oath and bond.
§ 23. Mayor's settlement at expiration of term; audit and inspection of mayor's books; monthly reports.
§ 24. Removal of officers, etc.
§ 25. City to construct, etc., its own roads, etc.
§ 26. City to maintain poor persons and paupers.
§ 27. Authority of city to issue bonds; limitation on aggregate indebtedness.
§ 28. Power of city to construct streets, etc.
§ 29. Duty of owner of abutting property with reference to sidewalks, etc.
§ 30. Condemnation of real estate for streets, drains, sewers, etc.
§ 31. Public utility franchises.
§ 32. Authority of council to control construction, etc., of buildings.
§ 33. Power to make ordinances, etc., and to provide for enforcement by fines, etc.
§ 34. Succession to rights and liabilities under former Charters.
§ 35. Continuation in effect of ordinances, etc., in effect at effective date of Charter.
§ 36. Application to city of chapter 8 of Code of West Virginia.
§ 37. Executive committees of political parties generally.
§ 38. Regular and special meetings of council; compelling attendance of absent council members; decisions on questions put to vote.
§ 39. Police and police protection.
§ 40. Fire department.
§ 41. City engineer.
§ 42. Determination of contested elections.
§ 43. Execution, etc., of deeds, etc.; compensation of election officials.
§ 44. Holding more than one office in city government.
§ 45. State or county officer ineligible as mayor.
§ 46. End of term of officers as of May 1, 1933.
§ 47. Repeal of former Charter, etc.

§ 1

AN ACT to am
West Virgi
thousand ni
number thr
of the City
Acts of the
nine hundre

Be it enacted by

That the Act
March eighth, o
as house bill nu
Charter of the C
Acts of the Legi
hundred twenty
the same hereb
lows:

Sec. 1. Continu
city; e

That the inh
the State of W
lines of the pres
already fixed an
of West Virgin

1. Editor's note.
in an Act of the
(Acts 1925, ch. 19
center line of the
north seventeen d
fifty-four and sixt
Bill Ellis hollow;
west seven thousa
the Guyan Valley
seventy-eight deg
twenty-eight and
mark at high wat
thence with the hi
creek a distance
side of said creek
county road at th

d duties of treasurer,

to be kept clean, etc.;
tion of garbage.

audit and inspection of

rs.
ation on aggregate in-

reference to sidewalks,

drains, sewers, etc.

ion, etc., of buildings.
provide for enforcement

former Charters.
c., in effect at effective

of West Virginia.
s generally.
compelling attendance of
questions put to vote.

sation of election officials.
vernment.
yor.
933.

AN ACT to amend and reenact an Act of the Legislature of West Virginia, passed on the eighth day of March, one thousand nine hundred twenty-nine, known as house bill number three hundred seventeen, relating to the Charter of the City of Logan, and being chapter twenty of the Acts of the Legislature of West Virginia, one thousand nine hundred twenty-nine, relating to municipal charters.

Be it enacted by the Legislature of West Virginia:

That the Act of the Legislature of West Virginia, passed March eighth, one thousand nine hundred twenty-nine, known as house bill number three hundred seventeen, relating to the Charter of the City of Logan and being chapter twenty of the Acts of the Legislature of West Virginia of one thousand nine hundred twenty-nine, relating to municipal charters be, and the same hereby is, amended and reenacted to read as follows:

Sec. 1. Continuation of body politic and corporate; name of city; enumeration of powers of city.

That the inhabitants of that portion of Logan County in the State of West Virginia, included within the boundary lines of the present City of Logan, as such boundary lines are already fixed and established by the Acts of the Legislature of West Virginia,[1] shall continue to be a body politic and

1. **Editor's note.**—The boundary lines here referred to are contained in an Act of the Legislature of West Virginia, passed March 24, 1925 (Acts 1925, ch. 19), and are as follows: "Beginning at a stake in the center line of the Guyan Valley railroad at the Bill Ellis hollow; thence north seventeen degrees thirty-three minutes east eight hundred and fifty-four and sixty-five hundredths feet to a dead sugar tree in the Bill Ellis hollow; thence north twenty-nine degrees thirty-nine minutes west seven thousand and nineteen feet to a stake in the center line of the Guyan Valley railroad at the mouth of Varney branch; thence north seventy-eight degrees twenty-nine minutes west five hundred and twenty-eight and seven hundredths feet crossing Guyandotte river to a stake at high water mark and on to the lower edge of the county road; thence with the high water mark of said river to the mouth of Island creek, a distance of about one-half mile; thence with the right hand side of said creek (as you ascend the same), to the right of way of the county road at the county bridge across Island creek; thence crossing

corporate under the name, "The City of Logan," and as such shall have perpetual succession; may use a corporate seal; may sue and be sued; plead and be impleaded; contract and be contracted with; acquire property for municipal purposes in fee simple, or lesser interest or estate, by purchase, gift, devise, appropriation, lease, or lease with the privilege to purchase, either within or without the city limits, subject to the rights of other affected municipal corporations; may sell, lease, hold, manage and control such property, and make any and all rules and regulations, by ordinance or resolution which may be required to carry out fully all provisions of any conveyance, deed or will, in relation to any gift or bequest, or the provisions of any lease by which it may acquire property; after the first election under this Charter, may acquire, construct, own, lease and operate light, heat, power and water plants, may grant public franchises to be exercised within the city; may assess, levy and collect taxes for general and special purposes on all the subjects or objects within the boundaries which the city may lawfully tax; may borrow money for permanent improvements and public works on the faith and credit of the city by the issue or sale of bonds or notes of the city, and in the issuance and sale of said bonds the said city shall be governed by the restrictions and limitations of the Constitution

---

Island creek to a line parallel with said bridge to the right of way of the county road and thence with the right of way of the county road to Guyandotte river and crossing Guyandotte river on a line parallel with the county bridge across said river to high water mark on the left hand side of said river (as you ascend the same), on the lower side of the public road or street; and thence with said high water mark to the upper line of the street or public road at the point where the county bridge crosses Guyandotte river; and thence re-crossing Guyandotte river on a line parallel with the line of the county bridge across Guyandotte river to high water mark on the right hand side of said river (as you ascend the same); thence with the said high water mark to a point where the property line of the Fairfield land company intersects the same; thence with the property line of the said Fairfield land company along the mountain in rear of Midelburg addition until said line again intersects with the high water mark of Guyandotte river; thence with the said high water mark to a point opposite the Bill Ellis hollow; and thence crossing Guyandotte river at the mouth of the Bill Ellis hollow and running up the bank to the center of the railroad right of way, the place of beginning."

and laws of the state
bonds, so far as said stat
visions of this Act [Cha
regrade, sewer, resewe
any street, alley, or roa
the entire cost thereof
with interest, or any pa
abutting or benefitted p
nance that shall permit
annual installments an
of said assessments, iss
provided, to the estimat
ments, and apply said
liquidation of said bond
ate the money of the ci
provide for, construct,
the nature of public wo
laying out of lots and c
license and regulate p
engaged in any busines
define, prohibit, abate,
mental to the health, m
welfare of the inhabita
causes thereof; may r
materials used in all b
and the maintenance, o
late and control the use
and other public places
sanitary and other regu
force reasonable fines
and shall have the righ
necessary; and may pa
may be expedient or n
ing the peace, good go
for the performance o
[illegible] as constituted by
[illegible] succeed to all right
[illegible] demands heretofor
[illegible] the said city as he
[illegible]ers that now are
[illegible]alities by the Con
[illegible] are herein by imp

ogan," and as such
a corporate seal;
ed; contract and be
nicipal purposes in
purchase, gift, de-
e privilege to pur-
nits, subject to the
ons; may sell, lease,
d make any and all
solution which may
of any conveyance,
quest, or the provi-
property; after the
ire, construct, own,
water plants, may
ithin the city; may
nd special purposes
oundaries which the
for permanent im-
h and credit of the
of the city, and in
id city shall be gov-
of the Constitution

to the right of way of
y of the county road to
on a line parallel with
mark on the left hand
the lower side of the
gh water mark to the
point where the county
re-crossing Guyandotte
y bridge across Guyan-
and side of said river
high water mark to a
and company intersects
the said Fairfield land
urg addition until said
k of Guyandotte river;
t opposite the Bill Ellis
t the mouth of the Bill
center of the railroad

laws of the state relating to the issuance and sale of
so far as said state laws are not in conflict with the pro-
ts of this Act [Charter]; may pave, repave, curb, grade,
grade, sewer, resewer, or otherwise permanently improve
street, alley, or roadway within the city limits, and assess
entire cost thereof, excluding the cost of intersections
interest, or any part thereof, against the owners of the
fting or benefitted properties in accordance with an ordi-
nance that shall permit the payment of said assessments in
annual installments and may in anticipation of the levying
of said assessments, issue and sell its bonds, as hereinbefore
provided, to the estimated amount of the cost of said improve-
ments, and apply said assessments as same are paid to the
liquidation of said bonds and interest thereon; may appropri-
ate the money of the city for all lawful purposes; may create,
provide for, construct, regulate, and maintain all things of
the nature of public works and improvements; may direct the
laying out of lots and opening of streets and roadways; may
license and regulate persons, corporations and associations
engaged in any business, occupation, profession or trade; may
define, prohibit, abate, suppress and prevent all things detri-
mental to the health, morals, comfort, safety, convenience and
welfare of the inhabitants of the city, and all nuisances and
causes thereof; may regulate the construction, height and
materials used in all buildings and structures of every kind,
and the maintenance, occupancy and use thereof; may regu-
late and control the use, for whatever purpose, of the streets
and other public places; may make and enforce local police,
sanitary and other regulations, and prescribe, impose and en-
force reasonable fines and penalties including imprisonment,
and shall have the right to use the jail of said county when
necessary; and may pass such ordinances and resolutions as
may be expedient or necessary for maintaining and promot-
ing the peace, good government and welfare of the city, and
for the performance of the functions thereof. The City of
Logan as constituted by this Act [Charter], shall retain, keep
and succeed to all rights, privileges, property, interest, claims
and demands heretofore acquired by, vested in or transferred
to the said city as heretofore constituted and shall have all
powers that now are or hereafter may be granted to mu-
nicipalities by the Constitution or laws of West Virginia; or
that are herein by implication conferred, or are necessary to

or consistent with the purposes of this Act [Charter], and all such powers, whether expressed or implied, shall be exercised and enforced in the manner prescribed by this Act [Charter], or where not prescribed herein, in such manner as shall be provided by ordinances or resolutions of the governing body herein provided for.

Sec. 2. Composition of municipal authorities.

The municipal authorities of the said City of Logan shall consist of a mayor and five councilmen, who shall constitute the council of said city, in the corporate name of said city, unless otherwise provided by state law or municipal ordinance.

Sec. 3. Exercise of corporate powers generally.

All the corporate powers and functions pertaining to said city shall be exercised by its council, or under its authority.

Sec. 4. Nomination by primary election of candidates for mayor and councilmen to be voted on at municipal elections; election of municipal executive committeemen by political parties; application of state election laws; duties of secretary to the mayor, etc., under state law.

Candidates to be voted for at all general municipal elections at which a mayor and councilmen are to be elected under the provisions of this Charter shall be nominated at a primary election, and no other names shall be printed on the ballots used at the general election except those selected in the manner prescribd by this amendment[2] to the Charter.

The first primary election for mayor and councilmen under this amendment to the Charter shall be held on the second Tuesday in March, one thousand nine hundred thirty-five, and every primary election for mayor and councilmen shall be held biennially thereafter on the second Tuesday in March.

At a meeting of the city council to be held on the last Tuesday in February preceding every primary and general election

2. Editor's note.—Acts 1933, ch. 124, § 4, was amended in toto by Acts 1935, ch. 135.

for the officers of mayor
pointed three judges and t
general election for each
manner herein provided.
One judge and one poll c
the two political parties w
county election cast the
County, and if at any time
city executive committee
said judges and poll clerks
present to said council a
chairman of said committe
pointment of qualified vot
otherwise qualified to act
West Virginia, it shall be
the persons named in sucl
The remaining judge f
may be of either of the ab
be appointed by the counci
The said city executive
of, may appoint a challen
city, subject to the same
ment, qualifications and
the election laws of the St
The city executive com
in office and to function
der this Act [section].
Such judges, poll clerl
their services the same c
law for compensation for
officers shall have the s
shall take and subscribe
the elections in conformi
regulations and penaltie
governing elections and
the same may be applic
person who is el
man may file in t
himself a candidate
certificate shall be in the
nomination for t

§ 4

Act [Charter], and
mplied, shall be ex-
scribed by this Act
ein, in such manner
olutions of the gov-

ies.

City of Logan shall
who shall constitute
e name of said city,
v or municipal ordi-

erally.

ns pertaining to said
under its authority.

on of candidates for
voted on at municipal
al executive commit-
application of state
retary to the mayor,

eneral municipal elec-
are to be elected un-
all be nominated at a
hall be printed on the
cept those selected in
nent[2] to the Charter.
and councilmen under
be held on the second
undred thirty-five, and
d councilmen shall be
d Tuesday in March.
e held on the last Tues-
ry and general election

, was amended in toto by

the officers of mayor and councilmen there shall be appointed three judges and two poll clerks for said primary and general election for each voting precinct in the city in the manner herein provided.

One judge and one poll clerk shall be appointed from each of the two political parties which at the last preceding state and county election cast the highest number of votes in Logan County, and if at any time during said meeting of council the city executive committee of either political party from which said judges and poll clerks are to be selected or appointed shall present to said council a writing signed by them, or by the chairman of said committee in their behalf, requesting the appointment of qualified voters of their political party who are otherwise qualified to act as such officers under the laws of West Virginia, it shall be the duty of said council to appoint the persons named in such writing as such election officers.

The remaining judge for each election precinct in the city may be of either of the above named political parties, and shall be appointed by the council.

The said city executive committees, or the chairman thereof, may appoint a challenger for each election precinct in the city, subject to the same provisions governing the appointment, qualifications and duties of challengers as set forth in the election laws of the State of West Virginia.

The city executive committees now existing shall continue in office and to function until their successors are elected under this Act [section].

Such judges, poll clerks and challengers shall receive for their services the same compensation that is provided by state law for compensation for such similar officers and said election officers shall have the same duties and responsibilities, and shall take and subscribe to the same oaths, and shall conduct the elections in conformity with and be subject to the same regulations and penalties as are provided by the state law governing elections and offenses against the same in so far as the same may be applicable.

Any person who is eligible to hold the office of mayor or councilman may file in the mayor's office a certificate declaring himself a candidate for the nomination of such, which certificate shall be in the form and effect as follows:

I, ..., hereby certify that I am a candidate for the nomination for the office of mayor (or councilman), to

represent the ..... party, and desire my name printed on the official ballot of said party to be voted at the primary election to be held on the second Tuesday in March, 19....; that I am a qualified voter of the City of Logan, County of Logan, and State of West Virginia; that my residence is in the City of Logan; that I am eligible to hold the said office; that I am a member of and affiliated with said political party; that I am a candidate for said office in good faith.

.....
(Signature of Candidate)

Subscribed to and acknowledged before me this ..... day of ....., 19.....

.....
(Signature of officer taking affidavit)

Such certificate shall be filed in the mayor's office at least ten days before the primary election day, and shall be signed and acknowledged by the candidate before some officer qualified to administer oaths, who shall certify the same.

Immediately upon the expiration of the time for filing the above certificates the mayor shall cause to be published for one week in two newspapers of opposite politics in said city the names of the persons as they are to appear upon the respective primary ballots of each political party, and the said mayor shall thereupon have the primary ballots printed and authenticated with a facsimile of his signature. There shall be a separate primary ballot of candidates for each political party who have filed their petition as required by this Act [section] on different color of paper, and the primary ballot of no two political parties shall be of the same color or tint. The same color shall be used for sample primary ballots of each party, but there shall be printed across the face of such sample ballot in large words "sample ballot" but no sample ballot shall be voted or counted. Said official primary ballots shall be printed in accordance with the election laws of West Virginia governing the printing of ballots for state and county elections, and shall be of the form and effect as follows:

OFFICIAL

The .....

The City of Logan, Primary

(To vote for a candidate ma
to the left of his name.)

FOR
(Vote

☐
☐
☐

FOR CO
(Vote

☐
☐
☐

Official ballot, at
Facsimile of the

On the back of the ballot th
plain and legible, the name o
in the heading followed by
designation shall be printed
words "poll clerks."

At said primary election to
March, one thousand nine hu
on the second Tuesday in Ma
parties of the city shall elec
voting prencinct in the city
election, or until their succes

Candidates for the office o
mayor's office a certificate
name of candidates for the n
that and their names shall be
each voting precinct as in
case of the election of co
successful candidates shall q

§ 4

ire my name printed
voted at the primary
in March, 19...; that
an, County of Logan,
dence is in the City of
id office; that I am a
ical party; that I am

.....
nature of Candidate)
e me this .....

.....
ficer taking affidavit)
mayor's office at least
y, and shall be signed
ore some officer quali-
y the same.
he time for filing the
to be published for one
olitics in said city the
pear upon the respec-
ty, and the said mayor
llots printed and au-
nature. There shall be
for each political party
d by this Act [section]
imary ballot of no two
olor or tint. The same
ballots of each party,
ce of such sample ballot
sample ballot shall be
ballots shall be printed
West Virginia govern-
id county elections, and
s:

OFFICIAL BALLOT OF

The ..... Party

The City of Logan, Primary Election, March ....., 19.....

(To vote for a candidate mark an "X" in the square opposite the left of his name.)

FOR MAYOR.
(Vote for One)

☐ A B
☐ C D
☐ E F

FOR COUNCILMEN
(Vote for Five)

☐ A B
☐ C D
☐ E F
Etc.

Official ballot, attest:
Facsimile of the signature, ..., Mayor.

On the back of the ballot there shall be printed in black ink, plain and legible, the name of the political party as contained in the heading followed by the word "ballot." Under this designation shall be printed two blank lines, followed by the words "poll clerks."

At said primary election to be held on the second Tuesday in March, one thousand nine hundred thirty-five, and biennially on the second Tuesday in March thereafter, the said political parties of the city shall elect one committeeman from each voting prencinct in the city to serve until the next primary election, or until their successors are elected and qualified.

Candidates for the office of committeeman shall file in the mayor's office a certificate declaring themselves as in the case of candidates for the nomination of mayor and councilman and their names shall be placed upon separate ballots for each voting precinct as in the primary ballot. Upon the result of the election of committeemen being declared, the successful candidates shall qualify by taking an oath to faith-

fully perform the duties of their office to the best of their skill and judgment.

Unless otherwise provided in this amendment to the Charter all primary and general elections held in said city shall be conducted and the results thereof certified and returned, and officially determined in accordance with the provisions of the election laws of the State of West Virginia in force at the time of holding said elections, and the penalties therein prescribed for offenses relating to said elections shall be enforced against the defenders of said municipal election. On the day following a primary election of the city council shall canvass the returns received from the polling precincts, and declare the results thereof. The candidate on each ticket receiving the highest number of votes for mayor and the five candidates on each ticket receiving the highest number of votes for councilman shall be the candidates whose names shall be placed upon the ballots at the next ensuing general election, and the committeeman from each voting precinct for each party receiving the highest number of votes shall be declared elected.

If two or more persons on the same ticket receive an equal number of votes for the nomination of the same office, or in case of committeemen for the same office, and more than the other candidates, so that there is no choice at the primary, or election of committeemen, the city council shall determine by lot the name out of those voted on at the primary and tied as aforesaid to be placed on the ballots for the next ensuing general election, or as the case may be, the committeeman elected.

The necessary and legitimate expenses of the holding of any such primary, as well as of any regular or special municipal election in said city, for ballots, stationary forms, ballot boxes, booths, voting places, registrars, judges, clerks and challengers and notices of the election shall be paid by the city. At every such primary or general election the polls shall open at six-thirty a. m. and close at six-thirty p. m.

In the event of a demand by any candidate for a recount of the votes cast at any primary or general election held in said city or in the event of the institution of a proceeding to contest said election, the council in office at the time of said election shall pass on and decide such recount or contest of election in like manner as provided for in contests for state, county

and district officers and t
such cases shall as nearly a
ceedings of the county cou
a recount shall file their
diately upon the completio
the said council shall conti
such recount is completed,
diligence to the end that t
declared in due time for t
ballot for the general electi

Unless otherwise herein
Charter, the secretary to t
the duties and responsibil
tion laws of West Virgin
county court and the circu
shall be charged with all t
under the general election
the board of canvassers, a
shall be subject to all the
fenses relating to elections.

The candidates thus n
parties for the office of m
largest vote in the ensui
elected. On the Thursday
under the council shall m
and record the results of
laws governing the ascert
sults of election of county
proceedings for review or
of canvassers concerning t
to all elections of officers h
1933, ch. 124, § 4; Acts 193

Sec. 5. When elections he voting places.

The first election of offi
on the first Tuesday
thirty-three; and on
ad year thereafter, an
this charter shall likev
elections shall take t
of their duties on t

to the best of their

endment to the Char-
ıeld in said city shall
ertified and returned,
with the provisions of
'irginia in force at the
penalties therein pre-
elections shall be en-
municipal election. On
f the city council shall
polling precincts, and
late on each ticket re-
or mayor and the five
he highest number of
ndidates whose names
e next ensuing general
ach voting precinct for
ber of votes shall be de-

ticket receive an equal
f the same office, or in
ffice, and more than the
hoice at the primary, or
uncil shall determine by
the primary and tied as
s for the next ensuing
be, the committeeman

ses of the holding of any
ılar or special municipal
nary forms, ballot boxes,
es, clerks and challengers
aid by the city. At every
polls shall open at six-
).
andidate for a recount of
ıeral election held in said
n of a proceeding to con-
e at the time of said elec-
ount or contest of election
ontests for state, county

district officers and the council by their proceedings in cases shall as nearly as practicable conform with like proings of the county court in such cases. Candidates desiring count shall file their application with the council immeiately upon the completion of the canvassing of the votes and said council shall continue in session from day to day until recount is completed, and the result declared, using due ence to the end that the result of the primary election be ured in due time for the printing and publication of the ballot for the general election as herein provided for.

Unless otherwise herein provided in this amendment to the Charter, the secretary to the mayor shall be charged with all the duties and responsibilities which under the general election laws of West Virginia devolve upon the clerks of the county court and the circuit court, and the mayor and council shall be charged with all the duties and responsibilities which under the general election laws of West Virginia devolve upon the board of canvassers, and upon the county court, and they shall be subject to all the penalties therein prescribed for offenses relating to elections.

The candidates thus nominated by each of said political parties for the office of mayor and councilman receiving the largest vote in the ensuing city election shall be declared elected. On the Thursday next following any election hereunder the council shall meet and canvass, ascertain, declare and record the results of said election. The general election laws governing the ascertainment and declaration of the results of election of county officers and relating to appeals and proceedings for review or reversal of decisions of the board of canvassers concerning the same are hereby made applicable to all elections of officers held under this Act [Charter]. (Acts 1933, ch. 124, § 4; Acts 1935, ch. 135.)

Sec. 5. When elections held; when officers to begin terms; voting places.

The first election of officers under this Charter shall be held on the first Tuesday in April, one thousand nine hundred thirty-three; and on the first Tuesday in April in every second year thereafter, an election for all elective officers under this charter shall likewise be held. The officers elected at such elections shall take their offices and enter upon the discharge of their duties on the first day of May following their

election. Any special election authorized hereunder shall be held as provided in the order of the council calling the same. All general and special elections held hereunder shall be held at places already designated as voting places and used as voting places in national and state elections, namely: Logan graded school building, Logan junior high school building, Logan courthouse, Logan fire station, and Logan senior high school building; unless said voting precincts are changed by the city council.

Sec. 6. Who may vote for officers elected under Charter.

Every person residing in said city shall be entitled to vote for all officers elected under this Act [Charter]; but no person who is a minor, or of unsound mind, or pauper, or who is under conviction of treason, or bribery in an election, or who has not been a resident of this State for one year and of said city for six months next preceding the election at which he desires to vote, shall be permitted to vote therein.

Sec. 7. Registration of voters.

All qualified voters within City of Logan entitled to vote in the municipal election held therein shall be registered in like manner as are the qualified voters in national and state elections, and the laws of the State of West Virginia in effect at the time of such registration shall in all things apply thereto; except the fee for such registration shall be five cents for each qualified voter so registered, and the powers conferred upon the county court by the laws of the State of West Virginia in reference to registration of voters are hereby conferred upon the council of said City of Logan: *Provided, however,* That for the first election held under this Charter the commissioners of the said city shall have the voters of the City of Logan registered prior to the nominating conventions and in subsequent elections to be held under this Charter, the city council may adopt and use the registration list used in the last national or state election.

Sec. 8. Oaths and compensation of officers elected or appointed under Charter.

Every person elected or appointed to any office under this

Charter before proceedi
such office, shall make o
support the Constitutio
stitution of the State ar
charge the duties of his
skill and judgement. Sa
salary, the amount of w
vided, shall be fixed by
the councilmen thereof
office, except that the r
no salary other than a s
each meeting of said c
the total compensation r
five dollars for services
23-68.)

Sec. 9. Filling vacancie

Vacancies in the offic
be filled by the remain
appoint to such vacan
as the member whose of

Sec. 10. Organization
etc.; quorun

Immediately after t
shall meet and organiz
ays and shall sign th
kept by the council. T
stitute a quorum to do
vote except in case of
shall, at their first mee

Sec. 11. Qualifications
itor; taxat
tions; appo
to the ma
scripts of o

The city solicitor
practice law in th

eunder shall be
alling the same.
ler shall be held
and used as vot-
namely: Logan
school building,
ogan senior high
are changed by

er Charter.

e entitled to vote
ter]; but no per-
pauper, or who is
n election, or who
e year and of said
ction at which he
rein.

n entitled to vote
ll be registered in
national and state
t Virginia in effect
things apply there-
all be five cents for
e powers conferred
State of West Vir-
rs are hereby con-
an: *Provided, how-*
er this Charter the
ie voters of the City
ng conventions and
is Charter, the city
list used in the last

cers elected or ap-

any office under this

harter before proceeding to exercise any of the duties of ch office, shall make oath or affirmation that he or she will pport the Constitution of the United States and the Con-itution of the State and will faithfully and impartially dis-harge the duties of his or her office to the best of his or her ill and judgement. Said officers shall be paid a monthly alary, the amount of which except as herein otherwise pro-ided, shall be fixed by said council as soon as may be after he councilmen thereof have entered upon the duties of their office, except that the members of said council shall receive no salary other than a salary of twenty-five dollars apiece for each meeting of said council attended, but in no event shall the total compensation received by any member exceed twenty-five dollars for services rendered in any calendar month. (1-23-68.)

Sec. 9. Filling vacancies in council generally.

Vacancies in the office of the council, including mayor, shall be filled by the remaining members of the council, who shall appoint to such vacancy a person having the same politics as the member whose office is vacant.

Sec. 10. Organization of council; mayor as presiding officer, etc.; quorum; appointment of city solicitor.

Immediately after their induction into office said council shall meet and organize. The mayor shall preside at all meetings and shall sign the minutes and records required to be kept by the council. Three members of the council shall constitute a quorum to do business and the mayor shall have no vote except in case of a tie vote by the council. The council shall, at their first meeting, appoint a city solicitor.

Sec. 11. Qualifications, duties and compensation of city solicitor; taxable attorneys' fees in criminal prosecutions; appointment, salary and duties of secretary to the mayor; admissibility in evidence of transcripts of ordinances, etc.

The city solicitor shall be an attorney-at-law, authorized to practice law in the courts of Logan County, and he shall

be the legal adviser of the city and of all its officers respecting legal matters. He shall prosecute all suits, actions and proceedings instituted on behalf of the city, and defend all suits, actions and proceedings against the city, and when requested in writing shall give his written opinion to any officer of the city upon such legal questions affecting the interest of the city or the duties of such officer as may be referred to him for an opinion. He shall also perform such other duties as may be required by the council, or mayor. It shall be his duty to attend the sessions of the council, and to attend and prosecute all trials of civil and criminal actions pending in the municipal court of said city. Said solicitor shall receive as compensation for his services the sum of one hundred dollars per month. In all criminal prosecutions conducted by the city solicitor wherein there is a conviction of the defendant, there shall be taxed as a part of the costs of the suit, a fee of not less than five dollars nor more than ten dollars which shall be collected, paid into the city treasury, and by it disbursed for the general expenditures of the city.

The mayor, with the consent of the council, shall appoint and employ a secretary to the mayor. The council shall cause to be kept by the secretary to the mayor in a well-bound book to be called "minute book," an accurate record of all its proceedings, ordinances, acts, orders, and resolutions, and in another to be called "ordinance book," accurate copies of all general ordinances adopted by the council; both of which shall be accurately indexed and open to the inspection of any one required to pay taxes in the city, or who may be otherwise interested therein. All oaths and bonds of officers in the city, and all papers of the council shall be endorsed, filed and securely kept by the secretary to the mayor. The bonds of officers shall be recorded in a well-bound book to be called "records of bonds."

The secretary to the mayor shall perform such other duties as by ordinance of the council may be prescribed. The transcript of ordinances, acts, orders, and resolutions certified by the secretary to the mayor under the seal of the city shall be admissible in evidence in any court or before any justice. (Acts 1933, ch. 124, § 11; amended by ordinance adopted February 10, 1947 and ratified April 1, 1947; 1-23-68.)

§ 12

Sec. 12. Filling ter

In case of temp
any cause whatsoe
members of the co
ing the said tempor

Sec. 13. Election a
bility fo

Said mayor and
fied voters of the
years, and thereaf
been elected and q
office of mayor or
city, who has resid
his or her election.

Sec. 14. Salary, po

The salary of th
shall not exceed th
lars per year. The
(a) To see that
forced;
(b) To appoint
proval of the coun
of the council, and
employees of the c
perform the funct
ments and employ
upon merit and fitn
(c) To exercise
ments and division
created by the coun
(d) To attend al
take part in its dis
cept in case of a tie
(e) To recomme
ures as he may dee
(f) To keep the
mendation and needs
(g) To supervis

l its officers respect-
ll suits, actions and
city, and defend all
e city, and when re-
opinion to any offi-
affecting the interest
s may be referred to
rm such other duties
nayor. It shall be his
il, and to attend and
l actions pending in
solicitor shall receive
of one hundred dol-
ons conducted by the
ion of the defendant,
s of the suit, a fee of
an ten dollars which
asury, and by it dis-
he city.

ncil, shall appoint and
council shall cause to
a well-bound book to
record of all its pro-
esolutions, and in an-
accurate copies of all
il; both of which shall
inspection of any one
ho may be otherwise
of officers in the city,
ndorsed, filed and se-
vor. The bonds of offi-
book to be called "rec-

form such other duties
prescribed. The tran-
esolutions certified by
eal of the city shall be
or before any justice.
ordinance adopted Feb-
47; 1-23-68.)

Sec. 12. Filling temporary vacancy in office of mayor.

case of temporary vacancy in the office of mayor, for
cause whatsoever, the said mayor shall select one of the
members of the council to serve in the capacity of mayor dur-
the said temporary vacancy.

Sec. 13. Election and terms of mayor and councilmen; eligibility for office of mayor or councilman.

Said mayor and councilmen shall be elected by the qualified voters of the said city, and shall serve for a term of two years, and thereafter until their successors in office shall have been elected and qualified. No person shall be eligible to the office of mayor or councilman except a qualified voter of said city, who has resided therein for at least one year next before his or her election.

Sec. 14. Salary, powers and duties of mayor.

The salary of the mayor shall be fixed by the council and shall not exceed the sum of four thousand eight hundred dollars per year. The duties of the mayor shall be: P&O 41

(a) To see that the laws and ordinances of the city are enforced;

(b) To appoint all officers of the city, subject to the approval of the council, except the city solicitor and members of the council, and to employ, or cause to be employed, all such employees of the city as may be found necessary to properly perform the functions and duties required but all appointments and employments so made by said mayor shall be made upon merit and fitness alone, and approved by the council;

(c) To exercise supervision and control over all departments and divisions created herein or that may be hereafter created by the council, except over the city solicitor;

(d) To attend all meetings of the council with the right to take part in its discussions, but without the right to vote, except in case of a tie vote;

(e) To recommend to the council for adoption such measures as he may deem necessary or expedient;

(f) To keep the council fully advised as to the financial condition and needs of the city;

(g) To supervise and conduct the performance of their du-

ties by all officers and employees by the city except city solicitor;

(h) Determine and decide on the plan and program for paving, sewering, and otherwise improving the different streets and alleys in the city, and fix and determine the time in which such streets and alleys shall be paved, sewered and otherwise improved;

(i) Determine and decide upon the kind and make of pavement, sidewalks, curbs, sewers and other improvements which shall be constructed and made upon and in any of the streets and alleys of the city;

(j) Act as purchasing agent and purchase all supplies and materials for all departments of the city government: *Provided, however,* That he shall not make any contract or purchase involving an expenditure in excess of three hundred dollars, without first obtaining the assent of the council so to do;

(k) Make and execute on behalf of the city all writings, contracts, deeds and agreements, the making of which shall be authorized by this Charter, or by any ordinance, resolution or statute;[3]

(l) To call attention of the council and the city solicitor to the violation of any law or ordinance that may come to the knowledge of said city mayor;

(m) To perform and carry out all other duties that may be assigned to him. (1-23-68.)

Sec. 15. Assessments by county assessor; power of council as to method of collecting taxes.

The mayor by and with the consent of the said council may direct the county assessor to make all assessments within the corporate limits of said city according to the laws and regulations governing assessments in general throughout the county, and the county assessor shall be paid a fee out of the city treasury to be fixed by the council, but not to exceed three hundred dollars annually: *Provided, however,* That the

3. For further charter provisions as to execution, etc., of deeds, etc., see Char., § 43.

ty except city solici-

n and program for
oving the different
determine the time
paved, sewered and

d and make of pave-
improvements which
in any of the streets

hase all supplies and
y government: *Pro-*
any contract or pur-
ss of three hundred
nt of the council so

he city all writings,
ing of which shall be
linance, resolution or

l the city solicitor to
at may come to the

er duties that may be

or; power of council
s.

of the said council
all assessments with-
ding to the laws and
neral throughout the
be paid a fee out of
cil, but not to exceed
d, however, That the

ution, etc., of deeds, etc.,

l of the said City of Logan may adopt and use their own
l of collecting the municipal taxes insofar as the salary
lecting such taxes does not exceed four hundred dollars.

Sec. 16. Annual estimate and levy; dog tax.

On the same day that the law requires county courts to meet and make up their estimates under the provisions of article eight, chapter eleven of the Code of West Virginia, the council of the City of Logan, acting in conjunction with the mayor, shall meet and make up a similar estimate, in a similar manner, pertaining to fiscal affairs of the said City of Logan, and shall publish said estimates in the same manner and for the same length of time as the said county courts are required to publish their estimates. At the same time that county courts are required to meet and lay the various county levies upon taxable property for county purposes, the council shall in like manner meet and lay a levy upon all taxable property, both real and personal, situated within and subject to taxation within the said City of Logan, including property assessed by the board of public works.

The rate of levy, however, shall not exceed fifty cents on each one hundred dollars' valuation of the taxable property in said city, unless a higher rate of levy be authorized by a two-thirds vote of the voters of said City of Logan, in an election held for that purpose. At the same time said council shall levy a special annual tax of three dollars on each female dog, and of one dollar on each male dog within said city over three months old at the time said estimate is made, and the tax thus levied shall be collected and paid into the city treasury for use in general current expenses.

Sec. 17. Lien on real estate for taxes, etc.

There shall be a lien on all real estate within said city for the city taxes assessed therein, and for all fines and penalties assessed against or imposed upon the owners thereof by the authorities of the city, including expenses for making, maintaining, repairing, paving or macadamizing sidewalks, drains, gutters and streets from the time the same are assessed or imposed, which lien shall have priority over all other liens, except taxes due the United States and the lien for taxes due the state, county and district, and such lien may be enforced in the name of the city upon order of the council or the order of the mayor in the manner provided by law for the enforcement of liens upon real property for county taxes.

Sec. 18. Power of council as to licenses and license tax.

The council may by ordinance impose special license tax in all cases where the State of West Virginia imposes such license tax, except that no license tax shall be levied in said city under clauses (s), (t), and (y) of section one, article twelve, chapter eleven of the Code of West Virginia.

The council shall prescribe by ordinance the time and manner in which license of all kinds shall be applied for and granted, and shall require the payment of the taxes thereon to the city treasurer on the delivery to the person applying therefor, which tax shall include the same fees for the issuing of the license as are charged for similar services for state and county officers, and which fees shall be paid into the city treasury. The council may for good cause refuse to issue any license applied for, and for like good cause may revoke any license granted by it. But the person holding such license must first have reasonable notice of time and place of hearing and adjudicating the matter as well as the cause alleged, and shall be entitled to be heard in person or by counsel in opposition to such revocation. The term for which any license provided for in this Charter shall be granted shall be governed by the general laws providing for state license and the rate of such license tax shall be fixed by the council, but shall not be greater than the state license for similar purposes.

Sec. 19. Municipal court and municipal judge.

The judicial power of the city shall be vested in a municipal court to be presided over by the mayor, and the word "mayor" shall be taken to include and mean the words "municipal judge" whenever the same are used in this Act [Charter]. Said court shall have exclusive jurisdiction over all criminal proceedings for the violation of any city ordinance, and for the collection of any license or tax imposed by any city ordinance, and shall have concurrent jurisdiction with justices of the peace of Logan County, of the following offenses committed within said city, to-wit, petit larceny, assault and battery, breaches of the peace, rioting, wilful injury to property, and all misdemeanors committed within said city which are made punishable by fine or imprisonment or both, under the general laws of this state: *Provided*, That the punishment for

ıd license tax.

special license tax in
inia imposes such li-
ıall be levied in said
f section one, article
t Virginia.

ce the time and man-
l be applied for and
f the taxes thereon to
person applying there-
ees for the issuing of
services for state and
paid into the city trea-
refuse to issue any li-
se may revoke any li-
ling such license must
l place of hearing and
ause alleged, and shall
ounsel in opposition to
ıy license provided for
e governed by the gen-
ıd the rate of such li-
ut shall not be greater
es.

judge.

e vested in a municipal
and the word "mayor"
the words "municipal
in this Act [Charter].
iction over all criminal
city ordinance, and for
posed by any city ordi-
diction with justices of
following offenses com-
arceny, assault and bat-
ilful injury to property,
hin said city which are
nent or both, under the
That the punishment for

misdemeanors, unless herein otherwise provided, shall
same as that fixed for a conviction of such misdemean-
llowing a trial before a justice of the peace or a trial
circuit court of Logan County: *And provided further*,
the accused may demand a trial by jury on all such mis-
nor charges as he would be entitled to have tried by a
in said circuit court or by a jury before such justice
peace. A conviction or acquittal on such misdemeanor
rges in said municipal court shall operate as a bar to
further prosecution on the same charges before any justice or the circuit court of Logan County.

The municipal judge shall be a conservator of the peace within the limits of said city, and shall also have the same power to issue attachments in civil suits as a justice of the peace has, although the cause of action arose outside of the city. Said attachments shall be returnable to and all issues thereon tried before some justice of the County of Logan. Said municipal judge shall, upon proper complaint and information on oath made before him, have authority to issue warrants for the arrest of any persons for any class of offenses over which said municipal judge is herein given jurisdiction, and said warrants may be executed anywhere within the limits of this state. If said warrants are executed by the officer to whom directed, or by any member of the department of public safety, no endorsement or other authentication thereof shall be required than the signature of the municipal judge issuing same. Said municipal judge shall have power to issue executions for all fines, penalties and costs imposed by him, or he may require the immediate payment thereof, and in default of such payment he may commit the party in default to the jail of Logan County, until such fine, penalties and costs are paid or bonded, but the term of imprisonment for fine and costs alone shall not exceed thirty days. The expense of maintaining any person committed to the county jail by the municipal judge shall be borne by the city, except as to any person who shall be bound over to await the action of the grand jury of the circuit court of Logan County, in which event the expense of maintaining such person shall be borne by the County of Logan. The municipal judge shall not receive any money belonging to the city or to individuals, unless he shall give bond and security as is required by justices of the peace, and all provisions of chap-

ter fifty of the Code of West Virginia, relating to monies received by justices shall apply in like manner to said municipal judge.

He shall have authority to sentence male offenders over the age of sixteen years to labor upon the streets and public works of the City of Logan during the term of their imprisonment, and thereafter until the fine and costs imposed upon the offender are paid or bonded. The compensation for said labor shall be paid to the offender's dependents, if any, in conformity with such regulations as the council may by ordinance provide. The municipal judge may also sentence offenders to labor upon the public roads of Logan County in like manner and with like effect as such offenders may now be sentenced to work upon said public roads by the circuit court of Logan County, West Virginia. In case such offender so sentenced by said municipal judge shall be worked upon said public roads under the direction of the county court of Logan County, or the county road engineer of said county, or of some officer designated by said county court, the cost of maintaining such prisoners in jail shall be borne by the County of Logan for such period as they are worked upon said public roads, and such compensation as shall be allowed said prisoners by said county court shall be paid to offender's dependents, if any, and if no dependents, then such compensation shall be credited upon said offender's fine and costs, including the cost of boarding said offender while in jail.

Appeals shall lie from the judgment of said municipal court to the circuit court of Logan County in accordance with law in the same manner as appeals are allowed from the judgment of justices of the peace.

It shall be the duty of the municipal judge and the city solicitor to see that all fines, costs and penalties imposed upon offenders are collected and paid into the city treasury to be used for the city purposes in the same manner as moneys raised by said city through taxation are used. However, said city solicitor and municipal judge shall assume no personal liability for the collection of any fines, costs or penalties which they are unable to collect through the exercise of reasonable diligence.

At the expiration of his term of office the municipal judge shall make an account and settlement for all moneys coming

into his hands, and an
records and accounts,
Code of West Virginia
times open for inspect
the city manager.

A well-bound book in
shall be kept in the offic
be noted each case br
with the proceedings t
complaint, the warran
appearance, or nonapp
judgment, the amount
in cases of conviction,
The record of each case
and the original paper
be kept together and pr

**Sec. 20. Mayor as ex
treasurer**

The mayor shall also
and it shall be the du
taxes, license, levies, a
as are placed in his ha
may distrain and sell t
distrain and sell for st
specta, have the same
ment and collection the
custodian of the money
ful and accurate record
as to show the true st
shall exhibit his said
regular meetings. Such
to the inspection of any

No money shall be d
upon order of the cour
purpose, name of paye
mayor's secretary in a
drafts on the treasury
least three members of
secretary to the mayor

relating to monies re-
nner to said municipal

nale offenders over the
reets and public works
of their imprisonment,
imposed upon the of-
nsation for said labor
s, if any, in conformity
by ordinance provide.
offenders to labor upon
e manner and with like
entenced to work upon
of Logan County, West
nced by said municipal
roads under the direc-
nty, or the county road
icer designated by said
such prisoners in jail
for such period as they
d such compensation as
d county court shall be
and if no dependents,
ed upon said offender's
boarding said offender

of said municipal court
in accordance with law
wed from the judgment

pal judge and the city
penalties imposed upon
the city treasury to be
ame manner as moneys
are used. However, said
nall assume no personal
costs or penalties which
e exercise of reasonable

fice the municipal judge
t for all moneys coming

his hands, and an annual audit shall be made of his books, rds and accounts, as provided by chapter ten-(a) of the e of West Virginia. His books and records shall be at all mes open for inspection by the board of commissioners and city manager.

A well-bound book indexed and denominated "police docket" shall be kept in the office of the municipal judge, in which shall be noted each case brought before or tried by him, together with the proceedings therein, including the statement of the complaint, the warrant or summons, the return, the fact of appearance, or nonappearance, the defense, the hearing, the judgment, the amount of fine and costs separately stated, and in cases of conviction, the action taken to enforce the same. The record of each case shall be signed by the municipal judge and the original papers thereof, if no appeal be taken, shall be kept together and preserved in his office.

Sec. 20. Mayor as ex officio treasurer; powers and duties of treasurer; disbursements from city treasury.

The mayor shall also be ex officio treasurer of the said city and it shall be the duty of the treasurer to collect the city taxes, license, levies, assessments, and other such city claims as are placed in his hands for collection by the council, and he may distrain and sell therefor in like manner as a sheriff may distrain and sell for state taxes; and he shall, in all other respects, have the same power as a sheriff to enforce the payment and collection thereof. The mayor, as treasurer, and the custodian of the moneys and funds of the city, shall keep faithful and accurate records and accounts thereof, in such manner as to show the true status of said accounts at all times, and shall exhibit his said records to the council at each of their regular meetings. Such records shall also at all times be open to the inspection of any taxpayer of the city.

No money shall be disbursed from the city treasury except upon order of the council, and a complete record showing the purpose, name of payee, and the amount shall be kept by the mayor's secretary in a permanent record for the council. All drafts on the treasury shall be signed by the mayor and at least three members of the council. It shall be the duty of the secretary to the mayor to keep a record of such drafts, which

shall be open to the inspection of the public at all times. A permanent record shall also be kept of all drafts drawn on the treasury, and at each meeting of the council such records shall be laid before it, and an examination be made of all drafts drawn, or expenditures incurred since the last preceding meeting. The mayor, as collector of taxes and as treasurer of the municipal corporation, shall be required to settle annually with the council at the same time, and in the same manner as is prescribed by general law for the settlement of their accounts with the county court by the sheriffs as treasurers of the several counties of the state.

Sec. 21. Mayor as superintendent of streets; streets to be kept clean, etc.; sewers to be kept in repair, etc.; disposition of garbage.

The mayor shall also be superintendent of streets and within the limits of the money provided for such work all public streets and alleys shall be kept clean and in constant repair, and all sewers within the city shall be kept in good repair and operating condition. All garbage of the city shall be removed and burned or otherwise disposed of as directed by the mayor, and full authority is hereby conferred upon him to purchase, subject to the approval of the council, or to acquire by lease or otherwise a site or location within or without the City of Logan on which to deposit and dispose of all city garbage. The police of the City of Logan shall have full and complete authority to prevent camping or trespassing upon any location acquired for the disposal of such garbage, whether such location be within the city limits or not.

Sec. 22. Mayor's oath and bond.

The mayor, who before entering upon the discharge of his duties as such, shall take and subscribe before a notary public, or other person competent to administer an oath, and file same with city council, an oath that he will support the Constitution of the United States and of the State of West Virginia, that he will faithfully account for, as required by law, all moneys, funds and properties which shall come into his custody or under his control by virtue of his office, and that he will faithfully perform the duties of mayor to the best of his

blic at all times. A
all drafts drawn on
council such records
tion be made of all
ince the last preced-
xes and as treasurer
equired to settle an-
ne, and in the same
for the settlement of
the sheriffs as trea-

reets; streets to be
e kept in repair, etc.;

t of streets and with-
such work all public
id in constant repair,
pt in good repair and
city shall be removed
irected by the mayor,
ipon him to purchase,
or to acquire by lease
r without the City of
e of all city garbage.
ave full and complete
sing upon any location
age, whether such lo-

n the discharge of his
before a notary public,
r an oath, and file same
support the Constitu-
State of West Virginia,
s required by law, all
hall come into his cus-
his office, and that he
ayor to the best of his

...l judgment. He shall also, before entering upon the ...e of his duties, execute and file with the city council ... the penalty of at least fifty thousand dollars, and in ...greater amount as the council may direct, with some sol- ...d responsible surety or bonding company, authorized to ...ness in this state as surety therein, conditioned that ... faithfully perform the duties of his said office. The ...um on such bond shall be paid by the city out of the ...s in the city treasury, and when said bond is delivered to the council they shall record the same and then deliver it to the clerk of the county court of Logan County, who shall record it in his office in the same book in which the bonds of county officers are recorded. A certified copy of said bond as recorded by either the said mayor or said clerk shall be admitted and considered in evidence the same as the original would be in all courts and before all public bodies in this state.

Sec. 23. Mayor's settlement at expiration of term; audit and inspection of mayor's books; monthly reports.

At the expiration of his term of office the mayor shall make an account and settlement for all monies coming into his hands, and an annual audit shall be made of his books, records, and accounts, as provided by general law respecting county offices. His books and records shall be at all times open for inspection by the council. The mayor shall make a monthly report to the council of all arrests and fines, which reports shall be examined and approved before the salary of said official is paid for such month.

Sec. 24. Removal of officers, etc.

The mayor, councilmen, and city solicitor may be removed for the same causes and in the same manner as provided by general law for the removal of county officers. All other officers or agents appointed hereunder may be removed at the pleasure of the mayor, without cause, subject however, to the approval of the majority vote of the council at their next regular meeting, whenever the mayor deems such removal for the best interest of the city.

Sec. 25. City to construct, etc., its own roads, etc.

The city shall construct, keep repaired and maintain its own roads, streets and alleys and by reason thereof the property located within the limits of said city shall not be subject to district road levies for the magisterial district in which said city is located except levies to pay the bonded indebtedness, if any, of the County of Logan, and of the magisterial district of Logan, now outstanding.

Sec. 26. City to maintain poor persons and paupers.

The city shall provide for and maintain as required by law all poor persons and paupers within the city limits, and shall by reason thereof be released from paying any county or district levies for the maintenance of the poor or paupers.

Sec. 27. Authority of city to issue bonds; limitation on aggregate indebtedness.

The city is hereby authorized to issue its bonds in the manner provided by general law, and in that way become indebted for the following purposes only, to-wit:

(a) For the acquisition of a site and the construction thereon of a city incinerator complete;

(b) For the paving, repaving, curbing, recurbing, grading, regrading, sewering, resewering, or otherwise permanently improving any street or alley or roadway within the city limits or the acquisition of land or rights-of-way for the establishment of new streets, alleys or roadways or rights-of-way for the building of city sewers;

(c) For the construction and installing of a water plant or works to supply the City of Logan and the residents thereof with water, or for the acquisition of the water plants or works now installed in said city, and the improving, reconstruction or rebuilding of the same.

But the city shall not become indebted in any manner or for any purpose to an amount, including existing indebtedness, in the aggregate, exceeding five per cent on the valuation of the taxable property therein to be ascertained by the last assessment for state, county and municipal taxes, previous to the incurring of such indebtedness; nor without at the same

time providing for the colle
cient to pay annually the in
cipal thereof, within, and no
vided, That no debt shall be
less the question connecte
been submitted to a vote
three-fourths of all the vote

Sec. 28. Power of city to co

The city through its offi
construct, maintain and ke
alleys, roadways, sidewalks
and to lay out, construct
new streets, alleys, roadwa
and to apportion such amou
that purpose as may be r
such construction and repa
be made by the county co
said construction and repa
county court, the mayor, an

Sec. 29. Duty of owner of to sidewalks, et

It shall be the duty of th
ting on or next adjacent t
gutter, to lay and constru
recurb, pave, repave, or re
good and clean condition i
required by the council. A
estate shall fail or refuse t
and to do such curbing, r
pairing, or to keep the sar
clean, in the manner and v
council, it shall be the du
same to be done at the ex
amount of such expense a
owner thereof, and the am
city shall constitute a lien
city treasurer in the same
city taxes on property as

ls, etc.

l and maintain its
n thereof the prop-
shall not be subject
l district in which
ie bonded indebted-
l of the magisterial

paupers.

as required by law
ity limits, and shall
g any county or dis-
or paupers.

limitation on aggre-

ts bonds in the man-
way become indebted

e construction there-

, recurbing, grading,
wise permanently im-
within the city limits
ay for the establish-
or rights-of-way for

g of a water plant or
the residents thereof
water plants or works
oving, reconstruction

ed in any manner or
existing indebtedness,
t on the valuation of
tained by the last as-
al taxes, previous to
without at the same

providing for the collection of a direct annual tax sufficient to pay annually the interest on such debts and the principal thereof, within, and not to exceed thirty-four years: *Provided*, That no debt shall be contracted under this section unless the question connected with the same shall have first been submitted to a vote of the people, and have received three-fourths of all the votes cast for and against the same.

Sec. 28. Power of city to construct streets, etc.

The city through its officers, shall have plenary power to construct, maintain and keep in constant repair, all streets, alleys, roadways, sidewalks, gutters, and sewers of the city, and to lay out, construct and maintain, and keep in repair, new streets, alleys, roadways, sidewalks, gutters, and sewers, and to apportion such amount of monies raised by taxation to that purpose as may be requisite: *Provided, however,* That such construction and repair, as is herein mentioned, cannot be made by the county court upon an agreement regarding said construction and repair, and cost of same, by the said county court, the mayor, and the city council.

Sec. 29. Duty of owner of abutting property with reference to sidewalks, etc.

It shall be the duty of the owner of any real property abutting on or next adjacent to or on any sidewalk, footway, or gutter, to lay and construct proper sidewalks, and to curb, recurb, pave, repave, or repair, and keep the same in constant good and clean condition in the manner and within the time required by the council. And if any owner of any such real estate shall fail or refuse to lay and construct such sidewalks, and to do such curbing, recurbing, paving, repaving, or repairing, or to keep the same constantly in good condition and clean, in the manner and within the time required by the said council, it shall be the duty of the said county to cause the same to be done at the expense of the city, and to assess the amount of such expense against said property, and upon the owner thereof, and the amount so assessed against said property shall constitute a lien thereon and shall be collected by the city treasurer in the same manner and at the same time that city taxes on property assessed within the city are collected.

If the owner of the property upon which such lien exists fails to pay the same within six months after said lien is perfected, then such real estate may be sold to satisfy said lien in a suit in equity brought for that purpose on behalf of the City of Logan as plaintiff.

Sec. 30. Condemnation of real estate for streets, drains, sewers, etc.

The council shall have the right in the name of the City of Logan, to institute and prosecute in the circuit court of Logan County, West Virginia, condemnation proceedings for the purpose of condemning real estate for streets, alleys, roadways, drains, sewers, market grounds, city halls, incinerator plants and other city purposes. Said condemnation proceedings shall conform to and be governed by the general laws of West Virginia relating to condemnation of real estate for public uses.

Sec. 31. Public utility franchises.

Public utility franchises shall be granted for a period of not exceeding twenty-five years, and it shall be provided in every franchise that upon the annexation of new territory to the city, said franchise shall also apply within said annexed territory. No exclusive franchise or monopoly shall be granted, and all franchises or privileges for the occupation or use of the streets, alleys and roadways of the city shall be construed strictly in favor of the city. All such franchises shall be granted subject to the right of the city to control by resolution or ordinance the operation of said franchise, whether so expressed in the franchise or not.

Sec. 32. Authority of council to control construction, etc., of buildings.

The council of the city shall have power by ordinance to control and regulate the construction and repair of all houses and other structures or buildings within the city, and provide for the granting of building permits; to cause the removal of all unsafe walls or buildings and may upon the petition of any person or persons owning the greater amount of the front-

h such lien exists fails
said lien is perfected.
isfy said lien in a suit
behalf of the City of

or streets, drains, sew-

the name of the City
in the circuit court of
nation proceedings for
or streets, alleys, road-
city halls, incinerator
condemnation proceed-
by the general laws of
of real estate for pub-

ranted for a period of
it shall be provided in
tion of new territory to
ly within said annexed
nopoly shall be granted,
e occupation or use of
city shall be construed
ch franchises shall be
ty to control by resolu-
d franchise, whether so

rol construction, etc., of

power by ordinance to
and repair of all houses
ithin the city, and pro-
its; to cause the removal
nay upon the petition of
ater amount of the front-

of the lots abutting on any street between any two cross
, or in any square in said city, prohibit the erection on
street, or in such square, of any building or any addition
building unless the outer walls thereof be made of brick
mortar or other fireproof material, and to provide for the
val at the expense of the owner, of any building or ad-
s which shall have been erected contrary to such prohi-
n.

Sec. 33. Power to make ordinances, etc., and to provide for enforcement by fines, etc.

In order to carry into effect all the specific and implied powers conferred upon the City of Logan by this Charter or any other or general law, the said council shall have and possess full power and authority to make all needful ordinances, bylaws, orders and resolutions not repugnant to the laws and Constitution of the United States and of this state, and to provide for the proper enforcement of the same by fines, penalties and imprisonment.

Sec. 34. Succession to rights and liabilities under former Charters.

The City of Logan under this Charter shall succeed to all the rights and liabilities of the City of Logan, under the Charter granted by the Acts herein amended, or repealed, and it shall be liable for all the debts and obligations of said city, the same as if said indebtedness or liability were created or incurred by the City of Logan under this Charter.

Sec. 35. Continuation in effect of ordinances, etc., in effect at effective date of Charter.

All ordinances, bylaws, orders and resolutions of the City of Logan in force at the time this Act [Charter] goes into effect, so far as they are not inconsistent with this Charter, shall continue in force as ordinances, bylaws and resolutions of the City of Logan, until amended or repealed by the council of said city.

Sec. 36. Application to city of chapter 8 of Code of West Virginia.

The provisions of chapter eight of the Code of West Virginia, so far as the same are not repugnant to the provisions of this chapter [Charter], or to any bylaws or ordinance passed by the council under powers conferred upon them by this Charter, shall be applicable to the said City of Logan.

Sec. 37. Executive committees of political parties generally.

At the time they hold their mass convention for the purpose of nominating candidates to be voted for as mayor and councilmen under the provisions hereof, the voters of the respective politician parties may select a city executive committee to represent them. Such committees shall consist of a chairman, a secretary, and six other members; and the powers and duties of such chairman, secretaries and committees, as respects municipal conventions, elections, affairs and matters, shall be the same as are respectively held and performed by county executive committees, chairman and secretaries of said political parties, in respect to county conventions, elections, affairs and matters.

Editor's note.—This section should be read in the light of section 4 of the Charter, as amended by Acts 1935, ch. 135.

Sec. 38. Regular and special meetings of council; compelling attendance of absent council members; decisions on questions put to vote.

The regular meetings of the council shall be publicly held at such time and in such places in the city as they shall from time to time ordain and appoint; and it shall be lawful for the council by ordinance to vest in any officer of the city, or in any member, or number of members of its own body the authority to call special meetings and prescribe the mode in which notice of such special meetings shall be given; if a majority of the members of the council do not attend any regular or special meetings, those in attendance shall have authority to compel the attendance of absent members under such reasonable penalties as they may think proper to impose by ordinance. All questions put to vote, except such matters as are herein other-

wise provided for, shall be
bers present.

Sec. 39. Police and police

The mayor, with the c
and employ a chief of pol
shall be necessary, who sh
corporate limits of the cit
or process issued by the n
in any place in Logan Co
powers, rights and privil
the city in regard to the
fines, and the execution a
by law in a constable of
liable for all fines, penaltie
a magisterial district is li
manner, and in the same
tures may be recovered a
employed by said city sh
several [general] directi
shall be charged with th
possess the same powers
are herein placed under th
Provided, however, That
chief of police, necessary
inhabitants of the City
sheriff of the county upo
and cost of same, said s
special occasions, the co
tional policemen to act t
with the same duties an
regular police officers he
hereunder shall before e
duties execute a bond in
dollars, conditioned for t
as such officers, that th
required by law all mone

Editor's note.—The lang
certified copy of section 39 o
which is found in Acts

E § 38

8 of Code of West Vir-

the Code of West Virgnant to the provisions bylaws or ordinance onferred upon them by said City of Logan.

cal parties generally.

convention for the purvoted for as mayor and f, the voters of the re- city executive committees shall consist of a members; and the powetaries and committees, ctions, affairs and mately held and performed rman and secretaries of unty conventions, elec-

ad in the light of section 4 h. 135.

s of council; compelling il members; decisions on

il shall be publicly held city as they shall from it shall be lawful for the cer of the city, or in any ts own body the authorcribe the mode in which e given; if a majority of tend any regular or spell have authority to com- s under such reasonable impose by ordinance. All tters as are herein other-

provided for, shall be decided by a majority of the members present.

Sec. 39. Police and police protection.

The mayor, with the consent of the council, shall appoint and employ a chief of police and such other police officers as shall be necessary, who shall be ex officio constables within the corporate limits of the city and as such may execute any writ or process issued by the mayor, or by any justice of the peace in any place in Logan County; said police shall have all the powers, rights and privileges within the corporate limits of the city in regard to the arrest of persons, the collection of fines, and the execution and return of process, that are vested by law in a constable of a magisterial district, and shall be liable for all fines, penalties and forfeitures that a constable of a magisterial district is liable to, to be recovered in the same manner, and in the same court that fines, penalties and forfeitures may be recovered against such. All other police officers employed by said city shall perform their duties under the several [general] direction of the chief of police, and they shall be charged with the same duties and shall have and possess the same powers as the chief except insofar as they are herein placed under the supervision of said chief of police: *Provided, however,* That all police officers, other than that of chief of police, necessary for the protection and safety of the inhabitants of the City of Logan, cannot be made by the sheriff of the county upon an agreement regarding the duties and cost of same, said sheriff, mayor and city council.[4] On special occasions, the council may designate and appoint additional policemen to act temporarily and they shall be charged with the same duties and clothed with the same powers as regular police officers hereunder. All police officers appointed hereunder shall before entering upon the discharge of their duties execute a bond in the penalty of at least five thousand dollars, conditioned for the faithful discharge of their duties as such officers, that they will account for and pay over as required by law all moneys which shall come into their hands

4. Editor's note.—The language of this proviso is as it appears in the enrolled copy of section 39 of House Bill No. 266, passed February 21, 1933, which is found in Acts 1933, ch. 124.

by virtue of their office and further conditioned for the payment of all damages sustained or incurred by anyone by reason of injury through the wilful illegal use of any weapons which said police are authorized to carry. Upon the execution of such bond such chief of police and other police shall be authorized to carry anywhere within the limits of the said City of Logan, and anywhere else within the limits of the State of West Virginia while engaged in the actual performance of their duties as such, any weapons now authorized by law to be carried by the sheriff of Logan County. Said chief of police and other policemen appointed hereunder shall be paid such compensation as is fixed by the mayor and approved by the council, which compensation shall be paid out of the city treasury monthly.

Sec. 40. Fire department.

The mayor, with the consent of the council, shall appoint a chief of fire department and such number of firemen as in its opinion are necessary to the creation and maintenance of a fire-fighting force sufficient for the needs of the said City of Logan; the mayor, with the consent of the council, shall prescribe the duties and fix the compensation of said chief and other firemen and shall promulgate and adopt such rules and regulations for the government of said fire-fighting force, and for the use, maintenance and care of the city's fire-fighting equipment, as may, in his opinion, be necessary or needful. The chief of the fire department, and each fireman so appointed, shall, while in the necessary performance of their duties, or while going to or returning from any fire, be vested with the same powers of arrest as are conferred upon the chief of police by this charter. The council may by ordinance also promulgate and enforce such rules and regulations governing traffic over a street on which fire-fighting equipment is being moved to the scene of a fire, as will in its opinion properly safeguard and expedite the moving of such equipment. The chief of the fire department shall be an ex officio constable within the corporate limits of the city and shall qualify as such in the manner provided herein for police officers. While engaged as such police officer he shall serve under the direction of the chief of police.

Sec. 41. City engineer.

The mayor may appoint
of the council, whose dut
gineering services as are r
order of the council or the
improvements are being m
or alleys, or to any sewe
streets are hereafter plar
public use of the city, or
planned, laid out or put i
are dedicated and laid out
such engineer and a map
mayor as a part of the re
should install a waterwork
one now in operation in sa
said city is hereby authori
the city for carrying water
plant, shall first be subm
proved by him and the ma
upon by the council.

Sec. 42. Determination of

All contested elections
the council in existence a
the contest shall be made
provided for in contests f
the council by their proce
as practicable, conform w
court in such cases.

Editor's note.—This section of the Charter, as amended by

Sec. 43. Execution, etc., o tion officials.

The mayor shall sign, e
behalf of the city, all deed
herein required to be
by some other official.[3]

[3] For further charter provi
Char., § 14, item (k).

ed for the pay-
anyone by rea-
f any weapons
n the execution
police shall be
its of the said
nits of the State
performance of
rized by law to
aid chief of po-
r shall be paid
nd approved by
out of the city

, shall appoint a
firemen as in its
aintenance of a
the said City of
ouncil, shall pre-
f said chief and
t such rules and
ghting force, and
ty's fire-fighting
ssary or needful.
fireman so ap-
rmance of their
ny fire, be vested
ed upon the chief
by ordinance also
lations governing
uipment is being
opinion properly
equipment. The
officio constable
shall qualify as
ice officers. While
e under the direc-

Sec. 11. City engineer.

The mayor may appoint a city engineer subject to approval of the council, whose duty it shall be to perform such engineering services as are required of him from time to time by order of the council or the mayor. And in case any permanent improvements are being made upon any of the existing streets or alleys, or to any sewers of the city, or in case any new streets are hereafter planned, laid out or dedicated for the public use of the city, or any new sewer lines are hereafter planned, laid out or put in use in said city, before the same are dedicated and laid out they shall be correctly surveyed by such engineer and a map and plan of the same filed with the mayor as a part of the records of said city. In case the city should install a waterworks or a water plant, or purchase the one now in operation in said city (either or any of which the said city is hereby authorized to do), all the lines installed by the city for carrying water, and all improvements made to said plant, shall first be submitted to the city engineer, and approved by him and the mayor before the same shall be acted upon by the council.

Sec. 12. Determination of contested elections.

All contested elections shall be heard and determined by the council in existence at the time the election is held, and the contest shall be made and conducted in the manner as provided for in contests for county and district officers, and the council by their proceedings in such cases shall as nearly as practicable, conform with like proceedings of the county court in such cases.

Editor's note.—This section should be read in the light of section 4 of the Charter, as amended by Acts 1935, ch. 135.

Sec. 13. Execution, etc., of deeds, etc.; compensation of election officials.

The mayor shall sign, execute and acknowledge, for and on behalf of the city, all deeds, releases, writings, and documents not herein required to be signed, executed and acknowledged by some other official.[5]

5. For further charter provisions as to execution, etc., of deeds, etc., see Char., § 14, item (k).

All election officers, who perform their services under the provisions of this Charter, shall be paid the same compensation as is provided by law for similar services performed by election officers under the appointment of the county court of Logan County.

Editor's note.—The provisions of this section relative to the compensation of election officials should be read in the light of section 4 of this Charter, as amended by Acts 1935, ch. 135.

Sec. 44. Holding more than one office in city government.

No member of the council, including the mayor, the secretary to the mayor, and the city solicitor shall be entitled to hold any other office in the city government.

Sec. 45. State or county officer ineligible as mayor.

No person holding a lucrative or appointive office under this state, or the County of Logan, shall be eligible to hold the office as mayor of the City of Logan.

Sec. 46. End of term of officers as of May 1, 1933.

All officers of the City of Logan shall remain in office and hold their offices and discharge the duties thereof under the provisions of the present Charter of the City of Logan until the first day of May, one thousand nine hundred thirty-three, and thereafter, until their successors are qualified, and all existing offices not provided by this Act [Charter] shall be abolished as of the first day of May, 1933.

Sec. 47. Repeal of former Charter, etc.

The act of the legislature of West Virginia passed March eight, one thousand nine hundred twenty-nine, known as house bill number three hundred seventeen, relating to the Charter of the City of Logan, and being chapter twenty of the Acts of the Legislature of West Virginia, one thousand nine hundred twenty-nine, relating to Municipal Charters, and all acts and parts of acts inconsistent with this Act [Charter], are hereby repealed.

P

Th

CH

GENER

§ 1-1. How Code designated a
§ 1-2. Definitions and rules of
§ 1-3. Effect of repeal or expi
§ 1-4. Provisions considered a
§ 1-5. Catchlines of sections.
§ 1-6. Severability of parts o
§ 1-7. Official flower.
§ 1-8. Official city time.
§ 1-9. Official copy of Code t
§ 1-10. Copy of Code to be ke
§ 1-11. Sale of Code.

Sec. 1-1. How Code design

The ordinance embraced and sections shall constitu the City of Logan, West V ordinances may also be cit

Sec. 1-2. Definitions and r

In the construction of following definitions and served, unless inconsiste council or unless the co

Charter. The words "t of the City of Logan, as a

City. The words "the City of Logan, in the C Virginia, except as other

Computation of time.[1]

1. For state law as to c Code 1961, § 26.

CERTIFICATE

Certified to be a true and correct copy as to the Rules and Order of Business of the City Council of The City of Logan.

Given under my hand and the official seal of The City of Logan, West Virginia, this 25th day of September, 1987.

[SEAL]

Violet Miller
City Clerk

7537B

CHAPTER 2.

ADMINISTRATION.

Article I. In General.

§ 2-1. City solicitor to hold position of city attorney.
§ 2-2. Secretary of mayor to hold position of city clerk.
§ 2-2.1. Location of the city building.

Article II. City Council.

Division 1. Generally.

§ 2-3. Where regular and special meetings held.
§ 2-4. When regular meetings held.
§ 2-5. Calling special meetings; transaction of business at special meeting.
§ 2-6. Time of filing ordinances to be submitted to council.
§ 2-7. Departure from order of business.
§ 2-8. Suspension of rules.

Division 2. Rules of Order.

§ 2-9. Generally.
§ 2-10. Order of business generally.
§ 2-11. Special order of business.
§ 2-12. Procedure in absence of quorum.
§ 2-13. Enforcement of rules; preservation of decorum.
§ 2-14. Decision on questions of order.
§ 2-15. Statement of questions; declaration of results.
§ 2-16. Members not to withdraw.
§ 2-17. Conduct of members.
§ 2-18. Recognition of members.
§ 2-19. Limitation on number and length of speeches.
§ 2-20. Calling members to order.
§ 2-21. Addresses by nonmembers.
§ 2-22. Motions—Generally.
§ 2-23. Same—Amendments to be relevant.
§ 2-24. Same—Precedence.
§ 2-25. Same—When motion to adjourn in order.
§ 2-26. Same—Previous question.
§ 2-27. Same—To reconsider.
§ 2-28. Same—To lay on the table.
§ 2-29. Voting procedure; interested members not to vote.
§ 2-30. Recordation of dissent.
§ 2-31. Robert's Rules of Order.

Article III. City-Owned Vehicles and Mobile Equipment.

§ 2-32. Name of city, etc., to be displayed.
§ 2-33. To be used on city business only.

Article IV. Comprehensive Plan.

§ 2-34. Adopted by reference.
§ 2-35. Submission of plans to planning commission for approval.

Article V. Sick Leave Pay Plan for City Employees.

§ 2-36. Qualifications.
§ 2-37. Waiting period; certain reductions.
§ 2-38. Total sick pay allowable per year.

FOR
TAWNJA WILLIS MILLER

Article I. In General.[1]

Sec. 2-1. City solicitor to hold position of city attorney.[2]

The city solicitor shall be the city attorney.

Sec. 2-2. Secretary of mayor to hold position of city clerk.[3]

The secretary to the mayor shall be the city clerk.

Sec. 2-2.1. Location of the city building.

The former Chesapeake & Ohio Railway Company passenger depot building, located at the junction of the western side of Dingess Street and the southern right-of-way line of the Chesapeake & Ohio railway, in the city, shall be known as the city building, and the offices of the mayor, city clerk, city treasurer and municipal court shall be located therein. (2-17-70.)

Article II. City Council.[4]

DIVISION 1. GENERALLY.

Sec. 2-3. Where regular and special meetings held.[5]

All meetings of the city council, regular or special, shall be held in the city building, except as otherwise directed by council upon notice given as provided in section 2-5. (5-13-35.)

---

1. As to resisting, obstructing, etc., officers of city, see § 19-27 of this Code. As to refusal to aid of officers of city, see § 19-28.

2. For charter provision as to appointment of city solicitor, see Char., § 10. For Charter provision as to qualifications, duties and compensation of city solicitor, see Char., § 11.

3. For charter provision as to appointment, salary and duties of secretary of the mayor, see Char., § 11.

4. For charter provision as to compensation of municipal authority, see Char., § 2. For charter provision as to exercise of public powers by council, see Char., § 3. For charter provision as to nomination of candidates for mayor and councilmen, see Char., § 4. For charter provision as to filling vacancies in council, see Char., § 9. For charter provision as to organization of council, see Char., § 10.

5. For charter provision as to where regular meetings of council are to be held, see Char., § 38.

Sec. 2-4. When regular meetings held.[6]

The council shall hold its regular meetings on the second Tuesday of each month at 8:00 P. M., except as otherwise provided by council upon notice given as provided in section 2-5. In the event the second Tuesday of the month falls on a holiday, the meeting shall be held on the following day.

Sec. 2-5. Calling special meetings; transaction of business at special meeting.[7]

The mayor may call a special meeting of the council by giving at least twenty-four hours' written notice to each member of the council and by posting the notice in at least three public places, which notice shall be posted at least twenty-four hours before the meeting. Any three councilmen may call a special meeting by giving twenty-four hours' written notice to the mayor and council and by posting the notice in at least three public places at least twenty-four hours before the meeting. The notice for a special meeting shall state the purpose for which the meeting is called and no business shall be transacted at a special meeting except that business which is stated in the special call. (9-26-49.)

Sec. 2-6. Time of filing ordinances to be submitted to council.

All ordinances to be submitted for approval or disapproval of the council shall be filed with the city clerk not less than five days before such submission.

Sec. 2-7. Departure from order of business.

There shall be no departure from the order of business, as set out in section 2-10, except upon unanimous consent of the members of the council present and voting.

Sec. 2-8. Suspension of rules.

No rule of order of the council shall be suspended except by

6. For charter provision as to when regular meetings of council are to be held, see Char., § 38.

7. For charter provision as to calling special meetings, see Char., § 38.

consent of a majority of the members of the council present and voting. Any such suspension of rules may be made upon a motion.

DIVISION 2. RULES OF ORDER.[8]

Sec. 2-9. Generally.

The rules of order of the city council for the government of the council, the transaction of its business and the conduct of its meetings shall be as provided in this division.

Sec. 2-10. Order of business generally.

At every regular meeting of the council the order of business shall be as follows:

(a) Roll call.
(b) Reading of minutes.
(c) Miscellaneous and unfinished business.
(d) Petitions and communications.
(e) Reports from city officials.
(f) Original resolutions, orders and ordinances.

Sec. 2-11. Special order of business.

When any matter is made the special order for a future meeting, it shall at such meeting take priority over all other business, except the reading of the minutes of the previous meeting.

Sec. 2-12. Procedure in absence of quorum.

If a quorum fail to attend a meeting within twenty minutes after the appointed time for such meeting, those present may adjourn to such time as they deem proper, after the names of those present shall have been entered on the journal.

Sc. 2-13. Enforcement of rules; preservation of decorum.[9]

The mayor shall enforce the rules of the council and preserve order and decorum.

---

8. For state law as to power of council to adopt rules for the transaction of business and the government and regulations of its own body, see Michie's W. Va. Code, 1961, § 494.

For charter provision as to filling temporary vacancy in office of mayor, see Char., § 12.

9. For charter provision as to mayor as presiding officer at meetings of council and as to quorum, see Char., § 10.

Sec. 2-14. Decision on questions of order.

The mayor shall decide questions of order and may, without vacating his chair, give his reasons for his decisions.

From any such decision of the chair an appeal may be made to the council, the question being, "Shall the decision of the chair be sustained as the decision of the council?" Upon such appeal, no debate shall be allowed, if it refers to a question of decorum; but, if it relates to the priority of business or to the relevancy or applicability of propositions, the appeal may be debated.

Sec. 2-15. Statement of questions; declaration of results.

Questions shall be distinctly put substantially in the following form, namely: "As many as agree that, etc. (as case may be), say 'aye' and after the affirmative vote is given: "Those opposed say 'no'." The mayor shall declare all votes.

Sec. 2-16. Members not to withdraw.

After a member of the council has, at any meeting been recorded as present, he shall not, without permission of the council, absent himself from such meeting until its adjournment.

Sec. 2-17. Conduct of members.

Every member of the council shall confine himself to the question before the council and avoid personal, or indecorous language. No discussion of a sectarian or political nature shall be allowed. No member shall interrupt another while speaking, except to make a point of order, the point to be briefly stated to the presiding officer. No member shall, while the council is sitting, interrupt or hinder its business by standing, moving about, talking, expressing approval or disapproval of any of the proceedings or by any conduct tending to disorder or confusion.

Sec. 2-18. Recognition of members.

When two members of the council rise at the same time, the mayor shall name the one to speak. In all cases, the member

of the council first rising and addressing the chair shall speak first.

Sec. 2-19. Limitation on number and length of speeches.

No member of the council shall speak more than once on the same question until every member choosing to speak shall have done so, nor more than twice, nor for a longer time than fifteen minutes on any question, without permission of the council.

Sec. 2-20. Calling members to order.

If, in speaking, any member of the council transgress the rules of the council, the mayor shall call him to order. If there be no appeal, the decision of the chair shall be submitted to. If the decision be in favor of the member called to order, he may proceed; if otherwise, he shall not proceed, except by leave of the council.

Sec. 2-21. Addresses by nonmembers.

No person who is not a member of the council shall orally address it, until leave to do so has been applied for, through a member of the council, and granted by it, or until invited so to do by the presiding officer.

Sec. 2-22. Motions—Generally.

When a motion is made and seconded, it shall be stated by the presiding officer before it is debated. A motion may be withdrawn by the mover, with consent of the second, at any time before it is decided, amended or otherwise acted upon by the council.

Sec. 2-23. Same—Amendments to be relevant.

No motion different from that under consideration shall be admitted under color of amendment.

Sec. 2-24. Same—Precedence.

When a question is under debate, no motion shall be en-

tertained, unless specially provided for, except the following, which shall take precedence in the order given:

(a) To adjourn, to be made without preliminary remarks and decided without debate.

(b) To lay on the table, to be decided without debate.

(c) For the previous question, to be decided without debate.

(d) To postpone, either indefinitely or to a certain day or hour.

(e) To refer or recommit.

(f) To substitute or amend.

(g) To adopt or approve.

Sec. 2-25. Same—When motion to adjourn in order.

A motion to adjourn shall always be in order, except when a member of the council has the floor, when the council is engaged in voting, when the previous question has been ordered, or when the motion to adjourn has been put and lost and no other business has intervened.

Sec. 2-26. Same—Previous question.

Any member who obtains the floor during debate, and submits no other motion or remark, may move for the previous question, which motion, if seconded, shall forthwith be put to the council. The previous question shall be in this form: "Shall the main question now be put?" If carried, its effect shall be to end all debates and bring the council to a direct vote upon a motion to commit, if pending; then upon pending amendment, if any; and then, upon the main question. If the motion for the previous question be not carried, debate may continue as if the motion had not been made.

Sec. 2-27. Same—To reconsider.

In all cases a motion to reconsider will be entertained only when made by a member who voted with the prevailing side. A majority of those present can reconsider any vote, but the motion to do so shall be made at the same session of the council during which such vote was taken. A motion to reconsider shall have precedence over all other questions, and when it has once been put and lost, it shall not be renewed.

Sec. 2-28. Same—To lay on the table.

A three-fifths vote of the members of the council present at any meeting of the council shall be required for the adoption or passage of the parliamentary motion "to lay on the table" as employed or applicable in the conduct of meetings and affairs of the council.

Sec. 2-29. Voting procedure; interested members not to vote.[1]

On the call of any member of the council, the vote on any question may be taken by ayes and noes, and recorded; provided the demand be made before other business has been taken up. A member who is present and fails to vote when the ayes and noes are taken, shall be entered on the journal as present and not announcing his vote. No member who has an immediate personal or pecuniary interest in the result of the question shall either vote or be counted upon it.

Sec. 2-30. Recordation of dissent.

Any member of the council shall have the liberty to dissent from or protest against, any ordinance, resolution or order of the council, and have the reason of his dissent entered upon the record.

Sec. 2-31. Robert's Rules of Order.

The proceedings of the council, except as otherwise provided, shall be governed by Robert's Rules of Order.

Article III. City-Owned Vehicles and Mobile Equipment.

Sec. 2-32. Name of city, etc., to be displayed.

All city-owned motor vehicles and mobile equipment shall be plainly marked with the name "City of Logan" together with the department to which assigned. Such lettering or marking shall be of a conspicuous color and the letters thereof shall be not less than two inches high and not less than one

1. For charter provision as to right of mayor to vote, see Char., §§ 10, 14.

inch wide and shall follow a general pattern or type of lettering as designated by the mayor.

All cruiser cars and other motor vehicles or mobile equipment used by the police department shall also be so marked.

Sec. 2-33. To be used on city business only.

No city-owned motor vehicle or piece of mobile equipment shall be used except on business of the city.

Article IV. Comprehensive Plan.

Sec. 2-34. Adopted by reference.

The comprehensive plan entitled "Comprehensive Plan for the City of Logan, West Virginia," as prepared by Sargent-Webster-Crenshaw & Folley, a copy of which is on file in the office of the city clerk, which comprehensive plan is incorporated in this article by reference, is hereby adopted as the comprehensive plan of the city. (9-13-66, § 1.)

Sec. 2-35. Submission of plans to planning commission for approval.

All plans for the location and erection of community buildings, fire stations, city buildings, parks, playgrounds, streets and other community facilities to be erected or located by the city or other public facilities such as schools, churches, etc. shall be submitted to the planning commission of the city for its recommendations; and the location of all urban renewal projects and public housing projects shall be submitted to the planning commission of the city for its approval. (9-13-66, § 2.)

Article V. Sick Leave Pay Plan for City Employees.

Sec. 2-36. Qualifications.

Any person to be eligible for sick leave pay shall meet the following qualifications:

(1) Must be a regular employee.

(2) Must have completed six months service.

(3) Must present satisfactory evidence of inability to work due to illness or injury.

(4) Shall submit to examination by a doctor named by the mayor, if requested to do so.

(5) Must report reason for absence prior to the end of the first working day he is off.

(6) This plan is not to be considered in effect for injury or illness sustained prior to the effective date of this plan. (4-28-69.)

Sec. 2-37. Waiting period; certain reductions.

Payment of sick pay will be subject to a four day waiting period less the following reductions:

If last absence due to sickness or injury exceeds:

	Waiting Period Reduced	*Pay starts on*
12 Months	4 days	1st day off
9 Months but less than 12 months	3 days	2nd day off
6 Months but less than 9 months	2 days	3rd day off
3 Months but less than 6 months	1 day	4th day off

(4-28-69.)

Sec. 2-38. Total sick pay allowable per year.

Total sick pay shall not exceed twenty days per year. (4-28-69.)

CHAPTER 3.

ALCOHOLIC BEVERAGES.

Article I. In General.

§ 3-1. Tax on purchase at retail of intoxicating liquors.

Article II. Alcoholic Liquors.

§ 3-2. Definitions.

The City of Logan

Dingess Street
Logan, West Virginia 25601
Phone (304) 752-4044

Mayor
Thomas E. Esposito

Council
Levie Caudill
Lilly Lowe
Stan Morgan
Bea N. Orr
Ruth Ware

April 28, 1991

STATE OF WEST VIRGINIA
COUNTY OF LOGAN, TO-WIT

I, THOMAS E. ESPOSITO, hereby swear that I will support the Constitution of the United States, and the Constitution of the State of West Virginia, and will faithfully and impartially discharge the duties of my office as Mayor of the City of Logan, Logan, West Virginia to the best of my skill and judgement, so help me God.

Thom E. Esposito

Eric W. Grant
CHIEF JUDGE CIRCUIT COURT
OF LOGAN COUNTY

ADMITTED TO RECORD

MAY 30 11 09 AM '91

CLERK [illegible], CLERK
LOGAN COUNTY COMMISSION
FILING FEE _____

EX 5H

The City of Logan

Dingess Street
Logan, West Virginia 25601
Phone (304) 752-4044

Mayor
homas E. Esposito

Council
Levie Caudill
Lilly Lowe
Stan Morgan
Ben N. Orr
Ruth Ware

April 28, 1991

STATE OF WEST VIRGINIA
COUNTY OF LOGAN, TO-WIT

I, LEVIE CAUDILL, hereby swear that I will support the Constitution of the United States, and the Constitution of the State of West Virginia, and will faithfully and impartially discharge the duties of my office as a Councilperson of the City of Logan, Logan, West Virginia to the best of my skill and judgement, so help me God.

Levie Caudill

Eric H O'Briant
CHIEF JUDGE
CIRCUIT COURT OF
LOGAN COUNTY

ADMITTED TO RECORD

MAY 30 11 09 AM '91

CLERK
LOUISIANA PUBLIC SERVICE COMMISSION
FILING FEE

The City of Logan

Dingess Street
Logan, West Virginia 25601
Phone (304) 752-4044

Mayor
Thomas E. Esposito

Council
Levie Caudill
Lilly Lowe
Stan Morgan
Bea N. Orr
Ruth Ware

April 28, 1991

STATE OF WEST VIRGINIA
COUNTY OF LOGAN, TO-WIT

I, Lilly Lowe, hereby swear that I will support the Constitution of the United States, and the Constitution of the State of West Virginia, and will faithfully and impartially discharge the duties of my office as a Councilperson of the City of Logan, Logan, West Virginia to the best of my skill and judgement, so help me God.

Lilly Lowe

Eric H. O'Briant
CHIEF JUDGE
CIRCUIT COURT OF
LOGAN COUNTY

ADMITTED TO RECORD

MAY 30 11 08 AM '91

CLERK U.S. CLERK
LOGAN COUNTY COMMISSION
FILING FEE _____

EX 3C

The City of Logan

Dingess Street
Logan, West Virginia 25601
Phone (304) 752-4044

Mayor
Thomas E. Esposito

Council
Levie Caudill
Lilly Lowe
Stan Morgan
Bea N. Orr
Ruth Ware

April 28, 1991

STATE OF WEST VIRGINIA
COUNTY OF LOGAN, TO-WIT

I, STAN MORGAN, hereby swear that I will support the Constitution of the United States, and the Constitution of the State of West Virginia, and will faithfully and impartially discharge the duties of my office as a Councilperson of the City of Logan, Logan, West Virginia to the best of my skill and judgement, so help me God.

Stan Morgan

Eric H. O'Briant
CHIEF JUDGE
CIRCUIT COURT OF
LOGAN COUNTY

ADMITTED TO RECORD

MAY 30 11 08 AM '91

CLERK
LOGAN COUNTY COMMISSION
FILING FEE

The City of Logan

Dingess Street
Logan, West Virginia 25601
Phone (304) 752-4044

Mayor
Thomas E. Esposito

Council
Levie Caudill
Lilly Lowe
Stan Morgan
Bea N. Orr
Ruth Ware

April 28, 1991

STATE OF WEST VIRGINIA
COUNTY OF LOGAN, TO-WIT

I, BEA N. ORR, hereby swear that I will support the Constitution of the United States, and the Constitution of the State of West Virginia, and will faithfully and impartially discharge the duties of my office as a Councilperson of the City of Logan, Logan, West Virginia to the best of my skill and judgement, so help me God.

Bea N. Orr

Eric H. O'Briant
CHIEF JUDGE
CIRCUIT COURT OF
LOGAN COUNTY

ADMITTED TO RECORD

MAY 30 11 08 AM '91

GLEN B. [illegible], CLERK
LOGAN COUNTY COMMISSION
FILING FEE _____

EX 5L

The City of Logan

Dingess Street
Logan, West Virginia 25601
Phone (304) 752-4044

Mayor
Thomas E. Esposito

Council
Levie Caudill
Lilly Lowe
Stan Morgan
Bea N. Orr
Ruth Ware

April 28, 1991

STATE OF WEST VIRGINIA
COUNTY OF LOGAN, TO-WIT

I, RUTH WARE, hereby swear that I will support the Constitution of the United States, and the Constitution of the State of West Virginia, and will faithfully and impartially discharge the duties of my office as a Councilperson of the City of Logan, Logan, West Virginia to the best of my skill and judgement, so help me God.

Ruth D Ware

Eric W O'Brient
CHIEF JUDGE
CIRCUIT COURT OF
LOGAN COUNTY

ADMITTED TO RECORD

May 30 11 03 AM '91

CLERK
LOGAN COUNTY COMMISSION
FILING FEE

STATE OF WEST VIRGINIA,

COUNTY OF LOGAN, TO-WIT:

OATH OF OFFICE

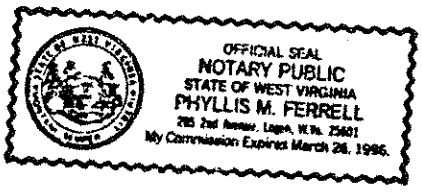
I, Edward I. Eiland, hereby swear that I will support the Constitution of the United States and the Constitution of the State of West Virginia and will faithfully and impartially discharge the duties of my office as city solicitor of the City of Logan, West Virginia, to the best of my skill and judgment.

Edward I. Eiland

Edward I. Eiland

Taken, sworn to, and subscribed before me this 14th day of May, 1991.

My commission expires March 26, 1996.



Phyllis M. Ferrell

Notary Public

BOOK 008 PAGE 342

STATE OF WEST VIRGINIA

COUNTY OF LOGAN, TO-WIT:

I, VICKIE LUKE, hereby swear that I will support the Constitution of the United States and the Constitution of the State of West Virginia and that I will faithfully discharge the duties of Secretary to the Mayor and the office of Clerk of the City of Logan, West Virginia, to the best of my skill and judgment, so help me God.

Vickie Luke
VICKIE LUKE

Taken, sworn to, and subscribed before me this 12th day of March, 1993.

My commission expires DECEMBER 10, 1996

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
EDWARD I. EILAND
196 Hightbert Avenue, Logan 25601
My Commission Expires December 10, 1996

Edward I. Eiland
Notary Public

I certify that the above is a true and correct copy of the original.

Dated this 12th day of March, 1993.

Thom Esposito
Mayor, City of Logan, West Virginia

STATE OF WEST VIRGINIA, COUNTY OF LOGAN, TO-WIT:
IN THE OFFICE OF THE CLERK OF THE COUNTY COMMISSION:
The foregoing paper was this the 12 day of March 1993, at 1:52 p.m.
presented to me in my office, and thereupon, together with a certificate thereunto annexed is admitted to record.
Recording Fee $ N/C
Teste: GLEN D. ADKINS, County Clerk
By Phyllis Spry, Deputy

CASTO & HARRIS INC., SPENCER, W. VA. RE ORDER NO 960708-02

CERTIFICATE

Certified to be a true and correct copy of the Ordinance creating the Sanitary Board of The City of Logan, adopted by the City Council of The City of Logan, West Virginia, on April 12, 1948 duly filed and of record in the Office of the City Clerk of The City of Logan.

Given under my hand and the official seal of The City of Logan, West Virginia, this 25th day of September, 1987.

[SEAL]

Violet Miller
City Clerk

7537B

seconded by Mr. Glick, the meeting adjourned.

Ruth Montague, Secretary

R. M. Wilson, Mayor

A REGULAR MEETING OF THE COMMON COUNCIL OF THE CITY OF LOGAN WAS HELD IN THE OFFICE OF THE MAYOR AT 7:30 P. M. ON THE 12TH DAY OF APRIL 1948.

The Council was called to order with Mayor R. M. Wilson presiding and the following elected and acting members of Council present:

H. M. White, W. M. Newsom, R. H. Justice and W. L. Burdette, also W. E. Flannery, City Attorney and Ruth Montague City Clerk.

Minutes of the last regular meeting of March 8th and special meeting of March 25th were read and approved.

City Attorney, W. E. Flannery, presented the following ordinance creating a Sanitary Board for the custody, supervision, control, administration, operation and maintenance of the sewage system of the City of Logan, as permitted and provided by Article 13 of Chapter 16 of the West Virginia Code of 1943, said Board to be composed of Mayor R. M. Wilson, J. E. Settle a registered professional engineer, and Fred Haislip a resident of Logan:

WHEREAS preliminary investigations have heretofore been taken for certain necessary extensions to the sewer system of the City of Logan, West Virginia and for repairs to the general sewer system, under the provisions of Article 13 of Chapter 16 of the West Virginia Code of 1943, and it is provided by said enabling law that a sanitary board shall be created for the custody, supervision, control, administration, operation and maintenance of said system;

NOW, THEREFORE, Be It Ordained by the Council of the City of Logan, West Virginia, as follows;

Section 1. That there shall be and there is hereby created in and for the City of Logan, West Virginia, a sanitary board for the custody, supervision, control, administration, operation and maintenance of the sewage system, all as permitted and provided by Article 13 of Chapter 16 of the West Virginia Code of 1943, and said sanitary board shall be composed of the Mayor of said City and two persons, one of whom is a registered professional engineer, namely, J. E. Settle for a term of two years, and Fred Haislip for a term of three years.

Section 2. That the Mayor of said City shall act as Chairman of said sanitary board, and that upon organization said board shall elect a vice chairman and also designate a secretary and treasurer (who may be separate persons or one and the same), and the Council of said city hereby reserves the right and privilege from time to time by ordinance to fix compensation of the members of said board and the secretary and treasurer thereof, and also to require and fix the amount of bonds which any or all of said officials may be required to furnish.

Section 3. That this ordinance be in full force and effect immediately upon its adoption.

Such ordinance was read and its adoption moved by Councilman White, Councilman Newsom seconding the motion. On roll call the following voted in the affirmative:

R. H. Justice, W. L. Burdette, H. M. White and W. M. Newsom.

Nay: None.

The Mayor, thereupon, declared the ordinance duly passed and approved.

R. M. Wilson.
R. M. Wilson, Mayor

Attest:

Ruth Montague
Ruth Montague, City Clerk.

Mr. Wilson having received certification from the Civil Service Commission of the eligibility of Winchester Queen to serve as Patrolman, presented his name for approval by the Council for his appointment. Upon motion of Mr. Burdette, seconded by Mr. White, motion carrying, the appointment was approved as of the 1st day of April, 1948.

Mr. Wilson presented a bill from the American La France Foamite Corporation in the amount of $896.72 for a new pumper for the fire truck. It was explained that this bill represents an exchange price, the old pumper having been returned for credit. On motion of Mr. Burdette, seconded by Mr. Newsom, motion carrying, the Mayor was authorized to pay this bill.

A certified report on the condition of the Policemen's Pension Fund was pre-

CERTIFICATE

Certified to be a true and correct copy of an Ordinance authorizing $308,000 in aggregate principal amount of Sewerage Revenue Bonds, dated March 1, 1964 of The City of Logan, adopted by the City Council of The City of Logan, West Virginia, on February 11, 1964 duly filed and of record in the Office of the City Clerk of The City of Logan.

Given under my hand and the official seal of The City of Logan, West Virginia, this 25th day of September, 1987.

[SEAL]

Violet Miller
City Clerk

7537B

File 9600

AN ORDINANCE AUTHORIZING THE ISSUANCE OF $308,000 PRINCIPAL AMOUNT OF SEWER REVENUE BONDS FOR THE PURPOSE OF REFUNDING CERTAIN OUTSTANDING BONDS AND TO PAY PART OF THE COST OF CONSTRUCTION AND ACQUISITION OF ADDITIONS, EXTENSIONS AND IMPROVEMENTS TO THE EXISTING SEWER SYSTEM OF THE CITY OF LOGAN, WEST VIRGINIA.

BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF LOGAN, WEST VIRGINIA:

ARTICLE I

STATUTORY AUTHORITY AND DEFINITIONS

1. AUTHORITY OF THIS ORDINANCE. This ordinance is adopted pursuant to the provisions of Article 13, Chapter 16 of the Code of West Virginia, and other applicable provisions of law.

It is hereby found and determined as follows:

(a) That the City of Logan now owns and operates a municipal sewer system.

(b) That the City of Logan, pursuant to the provisions of said Article 13, Chapter 16 of the Code of West Virginia, heretofore by ordinance finally adopted on the 12th day of April, 1948, duly created and established the Sanitary Board of the City of Logan, and that said Sanitary Board has duly filed with the Council of the City its petition praying for the adoption of an ordinance authorizing the issuance of bonds to finance the cost of additions, extensions and improvements to said sewer system in the manner provided herein.

(c) That it is necessary and imperative for the protection of the health and welfare of the inhabitants of the City of Logan that said City construct additions, extensions and improvements to its municipal sewer system substantially in accordance with the plans and specifications prepared by Kelley, Gidley, Staub, Inc., Consulting Engineers, of Charleston, West Virginia, heretofore filed in the office of the City Clerk, and now open to inspection by any inhabitant of

the City of Logan.

(d) That the net revenues derived from the operation and management of the City Sewer System are not pledged or encumbered in any manner except for the payment of the principal of and interest on the outstanding Sewer Revenue Bonds, dated October 1, 1948, heretofore issued by the City, of which there are $184,000 presently outstanding.

(e) That it is deemed advisable and in the best financial and economic interest of the City to provide such funds so that together with moneys presently on hand in the Sinking Fund and Reserve Account created by the proceedings which authorized the outstanding Bonds of 1948 there will be sufficient moneys available to pay the principal of and interest on and to refund and refinance said outstanding Bonds of 1948, said refunding to be made on April 1, 1964 or as soon thereafter as practicable.

(f) That it is now necessary for the City of Logan to issue bonds in the sum of Three Hundred Eight Thousand Dollars ($308,000.00) to finance part of the cost of the construction of said additions, extensions and improvements to its sewer system and to refund said outstanding Bonds.

(g) That the estimated cost of the construction of said improvements is the sum of Three Hundred Forty-Three Thousand Dollars ($343,000.00), which said estimate has been duly made pursuant to statute by Kelley, Gidley, Staub, Inc., Consulting Engineers, of Charleston, West Virginia.

(h) Said cost shall be deemed to include the cost of the construction of said additions, extensions and improvements to said sewer system, including, without being limited to, the construction, acquisition and installation of interceptor sewers, pumping station and sewage treatment plant, the acquisition of any necessary property, real, personal or intangible, or interests therein, and any other

purposes necessary, incidental, desirable or appurtenant to such construction of additions, extensions and improvements to said sewer system; engineering and legal expenses; expenses for estimates of costs and revenues; expenses for plans, specifications and surveys; expenses for fiscal or other agents in connection with the issuance of the Bonds, and such other expenses as may be necessary or incidental to said improvements and the financing authorized by this ordinance.

2. ORDINANCE TO CONSTITUTE CONTRACT. In consideration of the acceptance of the Bonds authorized to be issued hereunder by those who shall hold the same from time to time, this ordinance shall be deemed to be and shall constitute a contract between the City of Logan, West Virginia, and such Bondholders, and the covenants and agreements herein set forth to be performed by said City shall be for the equal benefit, protection and security of the legal holders of any and all of such Bonds, and the coupons attached thereto, all of which shall be of equal rank without preference, priority and distinction of any of the Bonds or coupons over any other thereof, except as expressly provided therein and herein.

3. DEFINITIONS. The following terms shall have the following meanings in this ordinance unless the text otherwise expressly requires:

(a) "City" shall mean the City of Logan, West Virginia.

(b) "Sanitary Board" shall mean the Sanitary Board created pursuant to Article 13, Chapter 16 of the Code of West Virginia by the ordinance finally adopted on April 12, 1948, which said Sanitary Board shall have supervision and control of the custody, administration, operation and maintenance of said sewer system in the manner provided in said Article 13, Chapter 16 of the Code of West Virginia.

All of the covenants and agreements contained in this ordinance shall be valid and legally binding covenants and obligations of both the City and said Sanitary Board, and wherever the

term "City" is used herein, it shall be deemed to refer also to said Sanitary Board to the full extent of the powers relating to said sewer system conferred upon said Sanitary Board.

(c) "Act" shall mean Article 13, Chapter 16 of the Code of West Virginia, as amended.

(d) "Bonds" shall mean the $308,000 Sewer Revenue Bonds originally authorized to be issued pursuant to this ordinance and shall also be deemed to include the interest coupons attached to said Bonds; and shall also include any pari passu additional Bonds hereafter issued within the terms, restrictions and conditions contained in this ordinance, and the interest coupons attached to said pari passu additional Bonds.

(e) "Holder of the Bonds" or "Bondholder" or any similar term shall mean any person who shall be the bearer or owner of any outstanding Bond or Bonds registered to bearer or not registered, or the registered owner of any outstanding Bond or Bonds which shall at the time be registered other than to the bearer or to any coupons representing interest accrued or to accrue on said Bonds.

(f) "Sewer System" shall mean the complete sewer system of the City, including all sewer facilities now owned by the City, the additions, extensions and improvements to be constructed pursuant to this ordinance, including all mains, plants or other property of any nature, real, personal or intangible, used for said sewer system, and all sewer facilities hereafter constructed or acquired from funds obtained from any sources whatsoever,

(g) "Facilities" shall mean all the facilities of said Sewer System heretofore constructed or acquired and those constructed or acquired pursuant to this ordinance and also any facilities which may hereafter be added to said Sewer System by any additions, betterments, extensions, improvements thereto, furniture, fixtures or equipment therefor, hereafter at any time constructed or acquired.

(h) "Revenues" or "gross revenues" shall mean all rates, rents, fees, charges or other income received by the City of Logan, or accrued to the City, or any board or agency thereof in control of the management and operation of said Sewer System, from the operation of said Sewer System, and all parts thereof, all as calculated in accordance with sound accounting practice.

(i) "Operating Expenses" shall mean the current expenses paid or accrued, of operation and maintenance of said Sewer System and its facilities, and shall include, without limiting the generality of the foregoing, insurance premiums, and salaries, wages and administrative expenses of the City relating solely to said Sewer 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 practices.

"Operation and Maintenance" shall not include any allowance for depreciation except to the extent expressly herein provided.

(j) "Net revenues" shall mean the balance of the gross revenues, as defined in subsection (h) above, remaining after deduction only of operating expenses, as defined in subsection (i) above.

(k) "Outstanding Bonds" shall mean the One Hundred Eighty-Four Thousand Dollars ($184,000) principal amount of City of Logan, West Virginia, Sewer Revenue Bonds, dated October 1, 1948 presently outstanding.

(l) Words importing singular number shall include the plural number in each case and vice versa, and words importing persons shall include firms and corporations.

ARTICLE II

AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND ISSUE OF BONDS.

4. AUTHORIZATION OF BONDS. Subject and pursuant to the provisions of this ordinance, Bonds of the City of Logan, to be known as "Sewer Revenue Bonds", are hereby authorized to be issued in the aggregate principal amount of not exceeding Three Hundred Eight Thousand Dollars ($308,000).

5. DESCRIPTION OF BONDS. The Bonds shall be dated the first day of March, 1964, shall be in the denomination of $1,000 each, shall be numbered 1 to 308, inclusive, and shall bear interest at a rate or rates not exceeding the legal rate, payable semi-annually on September 1 and March 1 of each year. The Bonds maturing in the years 1966 to 1975, inclusive, shall not be redeemable prior to their stated dates of maturity. The Bonds maturing in the years 1976 and thereafter shall be redeemable prior to maturity, at the option of the City, in whole on March 1, 1975 or on any date thereafter, or in part in inverse order of maturities and by lot if less than a full maturity on March 1, 1975 or on any interest payment date thereafter, at the price of 103 per centum of the par value thereof from March 1, 1975 to February 29, 1984, inclusive; at the price of 102 per centum of the par value thereof from March 1, 1984 to February 28, 1990, inclusive; at the price of 101 per centum of the par value thereof from March 1, 1990 to February 28, 1995, inclusive, and without premium thereafter, provided, however, that a notice of such intended redemption shall have been published at least once not less than thirty days prior to the date fixed for redemption in a financial paper published in the City of New York, New York.

Said Bonds shall mature serially, in numerical order, lowest numbers first, on the first day of March of each year, as follows:

Year	Amount	Year	Amount
1966	$4,000	1983	$ 9,000
1967	5,000	1984	9,000
1968	5,000	1985	10,000
1969	5,000	1986	10,000
1970	5,000	1987	11,000
1971	5,000	1988	11,000
1972	6,000	1989	12,000
1973	6,000	1990	12,000
1974	6,000	1991	13,000
1975	6,000	1992	13,000
1976	7,000	1993	14,000
1977	7,000	1994	14,000
1978	7,000	1995	15,000
1979	8,000	1996	15,000
1980	8,000	1997	16,000
1981	8,000	1998	17,000
1982	9,000		

Said Bonds shall be issued in coupon form, shall be payable with respect to both principal and interest in lawful money of the United States of America at the office of the State Sinking Fund Commission, Charleston, West Virginia, or at the option of the holder at The Chase Manhattan Bank, New York, New York, and shall bear interest from their date, payable in accordance with and upon the surrender of the appurtenant interest coupons as they severally mature.

6. EXECUTION OF BONDS AND COUPONS. Said Bonds shall be executed in the name of the City by its Mayor and its corporate seal shall be affixed thereto and attested by its City Clerk. In case any one or more of the officers who shall have signed or sealed any of the Bonds shall cease to be such officer of the City before the Bonds so signed and sealed shall have been actually sold and delivered, such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Any Bond may be signed and sealed on behalf of the City by such person as at the actual time of the execution of such Bonds shall hold the proper office in the City, although at the date of such Bonds such person may not

have held such office or may not have been so authorized.

The coupons to be attached to the Bonds shall be authenticated with the facsimile signatures of the present or any future Mayor and City Clerk of said City, and the City may adopt and use for that purpose the facsimile signature of any person who shall have been such Mayor or City Clerk at any time on or after the date of the Bonds, notwithstanding that he may have ceased to be such Mayor or City Clerk at the time when said Bonds shall be actually sold and delivered.

7. NEGOTIABILITY AND REGISTRATION. The Bonds shall be and have all the qualities and incidents of negotiable instruments under the Negotiable Instruments Law of the State of West Virginia. The Bonds shall pass by delivery except when registered as hereinafter provided.

The Bonds may be registered at the option of the holder as to principal only in the Bond Register of the Treasurer of the State of West Virginia, Charleston, West Virginia, such registration to be noted on the Bonds in the space provided therefor and thereafter no transfer of the Bonds shall be valid unless made at said office by the registered owner, or by his duly authorized agent or representative, and similarly noted on the Bonds but the Bonds may be discharged from registration by being in like manner transferred to bearer and thereupon transferability by delivery shall be restored. At the option of the holder, the Bonds may thereafter again from time to time be registered or transferred to bearer as before. Such registration shall not affect the negotiability of the coupons which shall continue to pass by delivery.

8. BONDS MUTILATED, DESTROYED, STOLEN OR LOST. In case any Bond shall become mutilated or be destroyed, stolen, or lost, the City may in its discretion issue and deliver a new Bond with all unmatured coupons attached of like tenor as the Bond and attached

coupons, if any, so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated and attached coupons, if any, or in lieu of and substitution for the Bond and attached coupons, if any destroyed, stolen, or lost, and upon the holder furnishing the City proof of his ownership thereof and satisfactory indemnity and complying with such other reasonable regulations and conditions as the City may prescribe and paying such expenses as the City may incur. All Bonds and coupons so surrendered shall be cancelled by the City Clerk and held for the account of the City. If any such Bond or coupon shall have matured or be about to mature, instead of issuing a substituted Bond or coupon, the City may pay the same, upon being indemnified as aforesaid, and, if such Bond or coupon be lost, stolen, or destroyed, without surrender thereof.

Any such duplicate Bonds and coupons issued pursuant to this Section shall constitute original, additional contractual obligations on the part of the City, whether or not the lost, stolen or destroyed Bonds or coupons be at any time found by anyone, and such duplicate Bonds and coupons shall be entitled to equal and proportionate benefits with all other Bonds and coupons issued hereunder.

9. FORM OF BONDS AND COUPONS. Subject to the provisions of this ordinance, the text of the Bonds, the provision for registration to be endorsed thereon, and coupons shall be of substantially the following tenor, with such omissions, insertions and variations as may be authorized or permitted by this ordinance or any subsequent ordinance or resolution adopted prior to the issuance thereof:

No. UNITED STATES OF AMERICA $1,000
STATE OF WEST VIRGINIA
CITY OF LOGAN
COUNTY OF LOGAN
SEWER REVENUE BOND

The City of Logan, in the County of Logan, and State of West Virginia, a municipal corporation created and existing under the laws of the State of West Virginia, for value received, hereby promises to pay to the bearer or, if this Bond be registered, to the registered holder as herein provided, on the first day of March, 19 , from the revenues hereinafter mentioned, the principal sum of

ONE THOUSAND DOLLARS

with interest thereon at the rate of per centum (%) per annum, payable semi-annually on the first day of September and the first day of March of each year, upon the presentation and surrender of the annexed coupons as they severally fall due. Both principal of and interest on this Bond are payable in lawful money of the United States of America at the office of the State Sinking Fund Commission, Charleston, West Virginia, or at the option of the holder at The Chase Manhattan Bank, New York, New York.

The Bonds of this issue maturing in the years 1966 to 1975, both inclusive, are not redeemable prior to their stated dates of maturity. The Bonds of this issue maturing in the years 1976 to 1998, both inclusive, are redeemable prior to their stated dates of maturity, at the option of the City, in whole on March 1, 1975 or on any date thereafter, or in part but in inverse order of maturities if less than all on March 1, 1975, or on any interest payment date thereafter at the price of 103 per centum of the par value thereof from March 1, 1975 to February 29, 1984, inclusive; at the price of 102 per centum of the par value thereof from March 1, 1984 to February 28, 1990, inclusive; at the price of 101 per centum of the par value thereof from March 1, 1990 to February 28, 1995, inclusive, and without premium thereafter, provided, however, that a notice of such intended redemption shall have been published at least once not less than thirty days prior to the date of

redemption in a financial paper published in the City of New York.

This Bond is one of an authorized issue of Bonds in the aggregate principal amount of Three Hundred Eight Thousand Dollars ($308,000) of like date, tenor and effect, except as to number and date of maturity, issued to finance part of the cost of the construction of additions, extensions and improvements to the municipally owned Sewer System of said City, and to refund certain outstanding Bonds under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including Article 13, Chapter 16 of the Code of West Virginia, and other applicable statutes, and an ordinance duly adopted by the Mayor and Council of said City, and is subject to all the terms and conditions of said ordinance.

This Bond and the coupons appertaining hereto are payable solely from, and secured by a lien upon and pledge of the net revenues derived from the operation of the municipally owned Sewer System of said City, and do not constitute an indebtedness of the City of Logan within the meaning of any constitutional, statutory or charter provisions or limitations, and the City of Logan shall not be obligated to pay this Bond or the interest thereon except from the net revenues of said Sewer System as provided in said ordinance. The credit or taxing power of said City shall not be deemed to be pledged to, nor shall a tax ever be levied for, the payment of the principal of or interest on this Bond. The City covenants with the holders of the Bonds of this issue to establish and at all times maintain such rates and collect such charges for the services and other facilities rendered by said Sewer System, and to revise the same from time to time, whenever necessary, as will always provide revenues sufficient to pay, and out of said revenues shall pay as the same shall become due, the principal and interest on the Bonds of this issue, and to create a reserve therefor, in addition to paying, as the same shall become due, the necessary expenses of operating and maintaining the said

Sewer System and all other obligations payable out of said revenues, and said City has entered into certain other covenants with the holders of the Bonds of this issue, for the terms of which reference is made to said ordinance.

It is hereby certified and recited that all acts, conditions and things required to exist, to happen and to be performed precedent to and in the issuance of this Bond, exist, have happened and have been performed in regular and due form and time as required by the laws and Constitution of the State of West Virginia applicable thereto, and that the total indebtedness of said City, including this Bond, does not exceed any constitutional or statutory limitation.

This Bond, under the provisions of the Code of West Virginia, is and has all the qualities and incidents of, a negotiable instrument under the Negotiable Instruments Law of the State of West Virginia.

This Bond may be registered as to principal alone in accordance with the provisions endorsed hereon.

This Bond, together with the income thereon, is exempt from taxation by the State of West Virginia or any county or municipality therein.

IN WITNESS WHEREOF the City of Logan has caused this Bond to be signed by its Mayor and its corporate seal affixed hereto, attested by its City Clerk, and the annexed interest coupons to be executed with the facsimile signatures of said officers, all as of the first day of March, 1964.

_____
Mayor

Attest:

_____
City Clerk

No. (FORM OF COUPON) $

On the first day of , 19 , unless the Bond hereinafter mentioned shall have been duly called for prior redemption and payment of the redemption price has been duly made or provided for, the City of Logan, West Virginia, will pay to the bearer at the office of the State Sinking Fund Commission, Charleston, West Virginia, or at the option of the holder at The Chase Manhattan Bank, New York, New York, from the revenues described in the Bond to which this coupon is attached the sum of

in lawful money of the United States of America, upon presentation and surrender of this coupon, being six months' interest then due on its' Sewer Revenue Bond, dated , 19 . No.

Mayor

Attest:

City Clerk

PROVISION FOR REGISTRATION

This Bond may be registered in the name of the holder as to principal only on books kept by the Treasurer of the State of West Virginia, such registration being noted hereon in the registration blank below, after which no transfer shall be valid unless made on said books by the registered holder or his agent or representative duly authorized, and similarly noted in said registration blank below, but it may be discharged from registration by being transferred to bearer after which it shall again be transferable by delivery. At the option of the holder, this Bond shall again be subject to successive registrations and transfers as before. The principal of this

Bond, if registered shall be payable only to the registered owner or his legal representative. Notwithstanding the registration of this Bond, the coupons shall remain payable to bearer and shall continue to be transferable by delivery merely.

(No writing on this Bond except by The Treasurer of the State of West Virginia as Registrar.)

Date of Registration	In Whose Name Registered	Registrar

ARTICLE III

REVENUES AND APPLICATION THEREOF

10. BONDS NOT TO BE INDEBTEDNESS OF THE CITY OF LOGAN. Neither the Bonds nor coupons shall be or constitute an indebtedness of the City of Logan, but shall be payable solely from the net revenues of said Sewer System as herein provided. No holder or holders of any Bonds issued hereunder shall ever have the right to compel the exercise of the taxing power of the City to pay said Bonds or the interest thereon.

11. BONDS SECURED BY PLEDGE OF NET REVENUES. The payment of the debt service of all of the Bonds issued hereunder shall be secured forthwith equally and ratably by a first lien on the net revenues derived from said Sewer System. The net revenues derived from said Sewer System in an amount sufficient to pay the principal of and interest on the Bonds herein authorized, and to make the payments into the Sinking Fund hereinafter provided for, are hereby irrevocably pledged to the payment of the principal of and interest on the Bonds herein authorized as the same become due.

12. APPLICATION OF BOND PROCEEDS. The proceeds, including accrued interest, if any, received from the Sale of the Sewer Revenue Bonds issued under the provisions of this ordinance shall be deposited as follows:

(1) Accrued interest shall be transferred to the State Sinking Fund Commission for deposit in the Sinking Fund hereinafter created.

(2) Such amount of the proceeds as shall be sufficient, together with moneys now on deposit in the Sinking Fund and Reserve Account established by the proceedings which authorized the outstanding Bonds, to pay principal of and interest on and redemption premium on the Outstanding Bonds on the first day of April, 1964, or as soon thereafter as is practicable, shall be transferred to the Sinking Fund Commission for deposit in a special Fund known as "Outstanding Bond Redemption Fund".

(3) All the other moneys received from the sale of any or all of the Bonds issued pursuant to this ordinance, shall be deposited by the City of Logan with the State Sinking Fund Commission to be used only for the purposes provided for in this ordinance, in a trust fund which shall be known as the "Construction Trust Fund". The moneys in the Construction Trust Fund shall be used only for the purpose of paying the cost of the additions, extensions and improvements to the Sewer System, and no expenditures shall be made from said Construction Trust Fund, except for engineering and legal expenses and the cost of the issuance of the Bonds authorized herein, without the written approval of the Consulting Engineer. Any moneys in said Construction Trust Fund not immediately needed for said purposes may be invested in direct obligations of the United States of America having a maturity not more than one year from date of purchase. Any balance in the Construction Trust Fund after the completion of the improvements provided for in this ordinance shall be deposited in the Reserve Account hereinafter created to the extent necessary to make the amount deposited therein equal to the largest amount required to be on deposit and the balance if any shall be deposited in the Sinking Fund.

The monies on deposit in the Bond Redemption Fund, shall be used and applied by the State Sinking Fund Commission solely for the redemption of the outstanding bonds on April 1, 1964 or as soon thereafter as is practicable. Pending such application such monies may be invested in direct obligations of the United States Government maturing not later than six months after date of purchase.

13. COVENANTS OF THE CITY. So long as any of the Bonds shall be outstanding and unpaid, or until there shall have been set apart in the Sinking Fund, and Reserve Account therein, hereafter established, a sum sufficient to pay, when due, the entire principal of the Bonds remaining unpaid, together with interest accrued and to

accrue thereon, the City covenants with the holders of any and all of the Bonds issued pursuant to this ordinance as follows:

A. RATES. That the City will, in the manner provided in the Act, fix such rates and collect such rentals, fees or other charges for the services and facilities of said Sewer System, and revise same from time to time whenever necessary, as will always provide revenues sufficient to make the payments provided for in Section 13 (D) of this ordinance, and out of said revenues shall pay, as the same shall become due, the principal of and interest on the Bonds, in addition to paying, as the same shall become due, the necessary expenses of operating and maintaining such Sewer System and all reserve and sinking fund and other payments required by this ordinance, and all other obligations and indebtedness payable out of the revenues of said Sewer System, and that such rates, fees, rentals and other charges shall not be reduced so as to be insufficient to provide adequate revenues for such purposes.

B. SEWER REVENUE FUND. That the entire gross revenues derived from the operation of said Sewer System, and all parts thereof, shall be deposited in a special fund which fund is hereby designated as the "Sewer Revenue Fund". Said Sewer Revenue Fund shall constitute a trust fund for the purposes provided in this ordinance and shall be kept separate and distinct from all other funds of the City and used only for the purposes and in the manner provided in subsection D of this Section 13.

C. OPERATION AND MAINTENANCE. That it will maintain in good condition said Sewer System and will operate the same in an efficient and economical manner, making such expenditures for equipment and for renewals, repairs and replacements as may be proper for the economical operation and maintenance thereof from the Sewer Revenue Fund.

D. DISPOSITION OF REVENUES. That all revenues at any time remaining on deposit in the Sewer Revenue Fund shall be disposed of only in the following order and priority:

(1) Moneys in the Sewer Revenue Fund shall first be used for the payment of all current operating expenses of the Sewer System, as defined in Section 3 (1) hereof.

(2) Thereafter from the moneys remaining in the Sewer Revenue Fund the City shall next transfer to the State Sinking Fund Commission for deposit into a fund to be known as the Sinking Fund, which is hereby created, on the first day of each month, one-sixth (1/6) of the amount of interest which will mature and become due on the next semi-annual interest payment date and one-twelfth (1/12) of the amount of principal which will mature and become due on the next principal maturity date; provided, that if there shall be less than six (6) months between the date of delivery of the bonds and the next semi-annual interest payment date and less than twelve (12) months between the date of delivery of the bonds and the next principal payment date, such deposits shall be increased to the extent necessary to provide the full amount required to pay the semi-annual interest and such principal maturing and becoming due.

The City shall also, from the Sewer Revenue Fund, transfer to the State Sinking Fund Commission, on the first day of each month one-twelfth (1/12) of the amount of the necessary fiscal agency charges of the Commission for paying Bonds and interest.

The City shall next, from the Sewer Revenue Fund, transfer to the State Sinking Fund Commission, for deposit in a Reserve Account in said Sinking Fund, on the first day of each month an amount equal to one-twelfth (1/12) of twenty per centum of the largest amount of principal and interest maturing and becoming due on the Bonds in any succeeding year; provided, however, that no further payments need be made into said Reserve Account when there shall have been deposited therein, and as long as there shall remain therein, an amount equal to the largest amount of principal and interest maturing and becoming due on the Bonds in any succeeding year.

Monies in the Reserve Account shall be used only for the purpose of the payment of maturing principal of or interest on the

Bonds when the other moneys in the Sinking Fund are insufficient therefor, and for no other purpose. Any moneys withdrawn from said Reserve Account for payment of principal of and interest on the Bonds shall be restored thereto from the first revenues available after the payment of all sums required for principal of and interest on the Bonds.

The State Sinking Fund Commission is hereby designated as the Fiscal Agent for the administration of the Sinking Fund created hereunder, and all amounts required for said Sinking Fund created hereunder shall be remitted to the State Sinking Fund Commission from said Sewer Revenue Fund by the City at the times provided herein.

Moneys in the Sinking Fund shall be used only for the purpose of paying principal of and interest on the Bonds as the same mature and become due. The City may, in its discretion, direct the State Sinking Fund Commission to invest any moneys in the Sinking Fund, Reserve Account and Renewal and Replacement Fund in the manner permitted by law.

(3) Thereafter from the revenues remaining in said Sewer Revenue Fund, the City shall next, on the first day of each month, beginning with March 1, 1965, pay into a fund known as the "Renewal and Replacement Fund", a sum equal to not less than five per centum (5%) of the gross revenues derived during the preceding calendar month from the operation of said Sewer System. The moneys in said Renewal and Replacement Fund shall be used only for the construction or acquisition of enlargements, improvements and extensions of said Sewer System, or any unusual or extraordinary maintenance or repairs, provided, however, that upon the certificate of the Consulting Engineers that funds in said Renewal and Replacement Fund are not needed for such purposes, such excess funds may be used for the redemption prior to maturity of bonds of the last maturity then outstanding on the next ensuing redemption date, on the purchase at not more than the then redemption price of bonds of the five (5) last maturities then outstanding.

(4) Thereafter the revenues remaining shall be used as provided by law.

(5) All of the funds provided for above shall constitute trust funds and shall be used only for purposes provided herein. The monies in said Sewer Revenue Fund and in said Renewal and Replacement Fund unless invested as herein provided shall be secured, to the full extent thereof, in excess of said sum which is covered by insurance, by such obligations as shall be eligible as security for deposits of State and Municipal funds under the laws of the State of West Virginia.

(6) If on any semi-annual payment date the revenues are insufficient to place the required amount in any of the funds as hereinabove provided, the deficiency shall be made up in the subsequent payments in addition to the payments which would otherwise be required to be made into the funds on the subsequent payment dates.

E. SALE OF THE SEWER SYSTEM. That the Sewer System may be sold, mortgaged, leased or otherwise disposed of only as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient fully to pay off or redeem at or prior to maturity all of the Bonds issued pursuant to this ordinance. The proceeds from such sale, mortgage, lease or other disposition of said Sewer System shall immediately be remitted to the State Sinking Fund Commission and the City shall direct said Commission to apply such proceeds to the payment at maturity of Bonds then due, or the redemption prior to maturity, at the redemption price on the next ensuing redemption date of all outstanding Bonds.

The foregoing provision notwithstanding, the City shall have and hereby reserves the right to sell, lease or otherwise dispose of any of the property comprising a part of said Sewer System hereafter determined in the manner provided herein to be no longer necessary, useful or profitable in the operation thereof. Prior to any such sale, lease or other disposition of said property, the general manager or other duly authorized officer in charge of such Sewer System shall

make a finding, in writing, determining that such property comprising a part of such Sewer System is no longer necessary, useful or profitable in the operation thereof, and the governing body of the City shall, by resolution duly adopted, concur in the finding of the general manager or other duly authorized officer, and authorize such sale, lease or other disposition of said property. The proceeds from any sale, lease or other disposition of such property, if not in excess of five thousand dollars ($5,000), shall be deposited in the Renewal and Replacement Fund heretofore created and used as provided herein for said fund. If the proceeds from any such sale, lease or other disposition of such property shall be in excess of five thousand dollars ($5,000), then such proceeds shall be remitted by the City to the State Sinking Fund Commission for deposit in the Sinking Fund and applied only to the redemption of Bonds of the last five maturities then outstanding, or to the purchase of Bonds of the last maturity then outstanding at prices not greater than the redemption price on the next ensuing Redemption date. All Bonds so purchased or redeemed shall be forthwith cancelled and shall not again be issued.

F. COVENANT AGAINST ENCUMBRANCES. That the City shall not issue any obligations whatsoever, except pari passu additional Bonds hereinafter provided for, payable from the revenues of the Sewer System which rank prior to or equally, as to lien on and source and security for payment from such revenues, with Bonds issued pursuant to this ordinance; and all obligations hereafter issued by the City payable from the revenues of said Sewer System, except such pari passu additional Bonds hereinafter provided for, shall contain an express statement that such obligations are junior and subordinate, as to lien on and source and security for payment from such revenues and in all other respects, to the Bonds issued pursuant to this ordinance.

That the City shall not create, or cause or permit to be created, any debt, lien, pledge, assignment, encumbrance or any other charge, having priority to or being on a parity with the lien of the Bonds issued pursuant to this ordinance, except pari passu additional Bonds hereinafter provided for, and the interest thereon, upon any of the income and revenues of said Sewer System pledged as security therefor in this ordinance.

G. ISSUANCE OF PARI PASSU ADDITIONAL BONDS. That no pari passu additional Bonds, as in this subsection defined, payable out of the Sewer System Revenue Fund, shall be issued after the issuance of any Bonds pursuant to this ordinance, except under the conditions and in the manner herein provided. Prior to the completion date of the additions, extensions and improvements to said Sewer System authorized by this ordinance, as certified to by the Consulting Engineer, pari passu additional Bonds may be issued solely for the purpose of paying the cost, as defined herein, of such additions, extensions and improvements authorized by this ordinance, to the extent that the proceeds of the Bonds originally authorized by this ordinance are insufficient therefor. Prior to the issuance of such pari passu additional obligations prior to such completion date the Consulting Engineer shall file a certificate in writing with the Sanitary Board stating that the issuance of such pari passu additional obligations is necessary to complete the additions, extensions and improvements to said Sewer System authorized by this ordinance.

After the completion of the improvements to said Sewer System authorized by this Ordinance, no such additional pari passu obligations shall be created or issued unless the net revenues, as defined herein, or adjusted net revenues, as defined below, derived, or which would have been derived in the case of adjusted net revenues, from the operation of said Sewer System as then existing during any twelve (12) consecutive months of the eighteen (18) months preceding the issuance of such proposed pari passu additional Bonds plus the net revenues which the Consulting Engineers estimate will be derived from

additions, extensions and improvements of said Sewer System, for the construction of which the proceeds of such proposed pari passu additional Bonds are to be expended, during the twelve (12) complete calendar months succeeding the date of completion of such said additions, extensions and improvements, shall be not less than one hundred thirty-five per centum (135%) of the largest amount of principal and interest which will become due in any succeeding year on the Bonds originally authorized by this Ordinance then outstanding, and on any pari passu additional Bonds theretofore issued and then outstanding and on the pari passu additional Bonds proposed to be issued.

"Adjusted net revenues" as used in this subsection (G) shall mean the net revenues which would have been received from the operation of said then existing Sewer System during said twelve complete months preceding the issuance of such pari passu additional Bonds, if any increase in the rates, rentals or other charges for the services and facilities of said then existing Sewer System which has been made and put into effect in such twelve months period, had been in full force and effect for such full period of said twelve complete months preceding the issuance of such proposed pari passu additional Bonds.

For the purposes of this subsection (G), the net revenues referred to above shall be determined in accordance with a certificate in writing filed in the office of the City Clerk by a certified public accountant not in the regular employ of the City, the adjusted net revenues referred to above shall be determined in accordance with a certificate in writing filed in the office of the City Clerk by such certified public accountant and approved in writing by the Consulting Engineer and the estimated net revenues referred to above shall be determined in accordance with a certificate in writing filed in the office of the City Clerk by the Consulting Engineers.

Any such pari passu additional Bonds issued after the completion of the improvements to said Sewer System authorized by this ordinance shall bear interest payable semi-annually on March 1 and September 1 of each year and shall mature on March 1 of each year in which any of such pari passu additional Bonds mature.

The term "pari passu additional Bonds", as used in this subsection, shall be deemed to mean additional Bonds issued under the provisions and within the limitations of this subsection, payable from the Sewer Revenue Fund pari passu with the Bonds authorized and issued pursuant to this ordinance. All of such Bonds, including the Bonds originally authorized and issued pursuant to this ordinance, and Bonds evidencing additional pari passu obligations issued pursuant to and under the limitations contained in this subsection, regardless of the time or times of their issuance, shall rank equally with respect to their lien on the revenues of said Sewer System, and their source and security for payment from said revenues, without preference of any Bond, or coupon, over any other.

The term "additional pari passu obligations", as used in this subsection, shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien of which on the revenues of the Sewer System is subject to the prior and superior lien on such revenues of Bonds issued pursuant to this ordinance, and the City shall not issue any obligations whatsoever payable from the revenues of the Sewer System which rank equally as to lien and source and security for payment from such revenues with Bonds issued pursuant to this ordinance except in the manner and under the limitations and conditions contained in this subsection; and all obligations hereafter issued by the City payable from the revenues of said Sewer System, except additional pari passu obligations issued as provided in this subsection, shall contain an express statement that such obligations are junior and subordinate in all respects to the Bonds issued pursuant to this ordinance, and any pari passu obligations issued pursuant to the provisions, limitations and restrictions contained in this subsection.

H. INSURANCE. That the City will carry such insurance as is ordinarily carried by private corporations owning and operating

a similar Sewer System, with a reputable insurance carrier or carriers against loss or damage by fire, explosion, hurricane, earthquake, cyclone, occupancy or other hazards and risks, which insurance shall at all times be in an amount or amounts equal to the fair appraisal value of the buildings, properties, furniture, fixtures and equipment of said Sewer System. In time of war, the City shall also carry in said amount such insurance as may be available against loss or damage by the risks and hazards of war.

I. BOOKS AND RECORDS. That the City will keep books and records of said Sewer System, which shall be separate and apart from all other books, records and accounts of the City, in which complete and correct entries shall be made of all transactions relating to said Sewer System, and any holder of a Bond or Bonds issued pursuant to this ordinance shall have the right at all reasonable times to inspect said Sewer System and all records, accounts and data of the City relating thereto.

The City shall, at least once a year, if in any year the State Tax Commissioner fails to make an audit of the books, records and accounts of said Sewer System, cause said books, records and accounts of said Sewer System to be properly audited by an independent competent firm of certified public accountants, and shall make available the report of said accountants at all reasonable times to any holder or holders of Bonds issued pursuant to this ordinance, any taxpayer or citizen of said City, or any person receiving services from said Sewer System, or anyone acting for and in behalf of such taxpayer, citizen or Bondholder or Bondholders.

J. MAINTENANCE OF SEWER SYSTEM. That the City will construct said additions, extensions and improvement to said Sewer System in an economical and efficient manner with all practicable dispatch, and thereafter will maintain said Sewer System in good

condition and continuously operate the same in an efficient manner and at a reasonable cost.

K. STATUTORY MORTGAGE LIEN CREATED. That the holders of the Bonds and coupons issued pursuant to this ordinance shall have a statutory mortgage lien upon said Sewer System pursuant to the provisions of Article 13 of Chapter 16 of the Code of West Virginia, which statutory mortgage lien shall exist in favor of, and shall be enforceable in any lawful manner by the holders of said Bonds, and each of them, and to and in favor of the holders of the coupons, and said Sewer System shall remain subject to such statutory mortgage lien until payment in full of the principal and interest of the Bonds issued pursuant to this ordinance has been duly made or provided for.

L. APPOINTMENT OF A RECEIVER. That any holder or holders of Bonds issued pursuant to this ordinance may by proper action, either at law or in equity, compel the performance of the duties of the City under this ordinance, and the applicable statutes relating to the issuance of such Bonds hereunder. If there be default in the payment of principal or interest upon any of the Bonds or coupons issued hereunder or in the performance of any covenant contained in this ordinance, any holder or holders of said Bonds shall, in addition to all other remedies or rights of the holders of any of said Bonds or coupons, have the right by appropriate proceedings at law or in equity to obtain the appointment of a Receiver to administer said Sewer System on behalf of the City, with power to charge rates, rentals, fees, or other charges sufficient to provide for the payment of said Bonds and the interest thereon and for the payment of operating expenses and to apply such rentals, fees, charges or other revenues in conformity with the provisions of this ordinance and Article 13 of Chapter 16 of the Code of West Virginia.

M. SERVICES RENDERED TO THE CITY OF LOGAN. That the City of Logan will not render or cause to be rendered any free services,

or services at reduced rates, by said Sewer System, and shall transfer from its general funds and pay into the Sewer System Fund hereunder any sums necessary and sufficient to pay for any services and facilities of said Sewer System rendered or furnished to the City of Logan, or any department, agency or officer thereof at the same rates applicable to others availing themselves of the services and facilities of said Sewer System under similar conditions, and such sums so derived shall be treated as all other revenues of said Sewer System.

N. ANNUAL BUDGET. That the City shall annually, at least forty-five days preceding each of its fiscal years, prepare a detailed budget of the estimated expenditures for operation and maintenance of said Sewer System during such succeeding fiscal year, and file a copy thereof with the City Clerk and furnish a copy thereof to any Bondholder requesting same. No expenditures for the operation and maintenance of the Sewer System shall be made in any fiscal year in excess of ten per centum of the amounts provided therefor in the budget for such fiscal year, except upon the certification of the Consulting Engineer that such excess expenditures are due to causes not foreseeable at the time of the adoption of such budget, and that such excess expenditures are necessary in order to keep said Sewer System in operation during the remainder of such fiscal year.

ARTICLE IV

RATES, CONSULTING ENGINEER AND LIEN FOR CHARGES

14. CONSULTING ENGINEERS. That the City will retain Kelley, Gidley, Staub, Inc., Consulting Engineers of Charleston, West Virginia, or other qualified and independent engineers, as consulting engineers for the construction of additions, extensions and improvements to said Sewer System authorized by this ordinance, and such construction shall be completed and placed in operation under the continuous supervision of said Kelley, Gidley, Staub, Inc., Consulting Engineers, or other qualified and independent Consulting Engineers.

That from time to time as required for the purpose of making any of the certifications or performing the duties of the Consulting Engineers as required by this Ordinance, the City will retain Kelley, Gidley, Staub, Inc., Consulting Engineers of Charleston, West Virginia, or other qualified and independent Consulting Engineers, for the purpose of making such certifications or performing such other duties.

15. MANDATORY CONNECTIONS. That to the full extent permitted by the law the City will require all owners or occupants of all land or real estate in said City which can use the services and facilities of said Sewer System to connect with and use such services and facilities of said Sewer System.

ARTICLE V

MISCELLANEOUS

16. MODIFICATION OR AMENDMENT. No material modification or amendment of this ordinance or of any ordinance or resolution amendatory hereof or supplemental hereto, may be made without the consent in writing of the holders of two-thirds or more in principal amount of the Bonds then outstanding, provided, however, that no modification or amendment shall permit a change in the maturity of such Bonds or a reduction in the rate of interest thereon, or in the amount of the principal obligation thereof or affecting the unconditional promise of the City to pay the principal of and interest on the Bonds as the same shall come due, without the consent of the holder of such Bonds. Notwithstanding the above, no amendment or modification shall be made which would reduce the percentage of the principal amount of Bonds required for consent to the above permitted amendments or modifications.

17. SEVERABILITY OF INVALID PROVISION. If any one or more of the covenants, agreements or provisions of this ordinance should be held contrary to any express provision of law or contrary to the policy of express law, though 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 and provisions, and in no way affect the validity of all the other provisions of this ordinance or of the Bonds or coupons issued hereunder.

18. All ordinances, resolutions and orders, or parts thereof, in conflict with the provisions of this ordinance, are, to the extent of such conflicts, hereby repealed.

19. This ordinance shall take effect at the time and in

the manner provided in Article 13 of Chapter 16 of the Code of West Virginia.

ADOPTED AND APPROVED, February 11, 1964.

/s/ Dr. H.H. Cudden
Mayor

s/s Elinor W. Hale
City Clerk

I, Elinor W. Hale, Clerk of the City of Logan do hereby certify that the foregoing is a true copy of the Ordinance adopted by the City Council on the 11th day of February, 1964.

Given under my hand and the seal of the City of Logan this 11th day of February, 1964.

s/ Elinor W. Hale
Clerk of the City of Logan

(SEAL)

CERTIFICATE

Certified to be a true and correct copy of the Ordinance authorizing the Subordinate Sewerage System Revenue Bond, Series 1987 and the Supplemental Subordinate Sewerage System Revenue Bonds, Series 1987 adopted by the City Council of The City of Logan, West Virginia, on August 11, 1987 duly filed and of record in the Office of the City Clerk of The City of Logan.

Given under my hand and the official seal of The City of Logan, West Virginia, this 25th day of September, 1987.

[SEAL]

Violet Miller
City Clerk

7537B

THE CITY OF LOGAN, WEST VIRGINIA

BOND AND NOTE ORDINANCE

TABLE OF CONTENTS

Subject		Page
ARTICLE I - DEFINITIONS, STATUTORY AUTHORITY AND FINDINGS		
Section 1.01.	Definitions	1
Section 1.02.	Authority of this Ordinance	10
Section 1.03.	Findings	10
Section 1.04.	Ordinance Constitutes Contract	13
ARTICLE II - AUTHORIZATION OF PHASE I PROJECT		
Section 2.01.	Authorization of Phase I Project	13
ARTICLE III - AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND SALE OF BONDS; AUTHORIZATION AND EXECUTION OF WDA LOAN AGREEMENTS		
Section 3.01.	Authorization of Original Bonds	13
Section 3.02.	Terms of Original Bonds	14
Section 3.03.	Execution of Bonds	15
Section 3.04.	Authentication and Registration	15
Section 3.05.	Negotiability, Transfer and Registration	15
Section 3.06.	Bonds Mutilated, Destroyed, Stolen or Lost	16
Section 3.07.	Bonds Not To Be Indebtedness of the City	17
Section 3.08.	Bonds Secured by Subordinate Pledge of Net Revenues	17
Section 3.09.	Form of Original Bonds	17
Section 3.10.	Sale of Original Bonds; Execution of WDA Loan Agreements	33
ARTICLE IV - NOTES		
Section 4.01.	Authorization and General Terms	33
Section 4.02.	Terms of Notes; Trust Indenture	33
Section 4.03.	Notes Are Special Obligations	33
Section 4.04.	Letters of Credit	34

Subject		Page
ARTICLE V - SYSTEM REVENUES AND APPLICATION THEREOF		
Section 5.01.	Establishment of Funds and Accounts with Depository Bank.....	34
Section 5.02.	Establishment of Funds and Accounts with Commission.....	34
Section 5.03.	System Revenues; Flow of Funds.....	34
ARTICLE VI - APPLICATION OF ORIGINAL BOND PROCEEDS; FUNDS AND ACCOUNTS; TRANSFERS AND EXISTING FUNDS		
Section 6.01.	Application of Original Bond Proceeds.....	39
Section 6.02	Bond Construction Trust Fund.....	39
ARTICLE VII - ADDITIONAL COVENANTS OF THE CITY		
Section 7.01.	General Covenants of the City.....	41
Section 7.02.	Bonds and Notes Not To Be Indebtedness of the City.....	41
Section 7.03.	Bonds Secured by Pledge of Net Revenues.....	41
Section 7.04.	Rates	42
Section 7.05.	Completion, Operation and Maintenance.....	43
Section 7.06.	Sale of the System.....	43
Section 7.07.	Issuance of Other Obligations Payable out of Revenues and General Covenant Against Encumbrances.....	44
Section 7.08.	Parity Bonds.....	45
Section 7.09.	Insurance.....	47
Section 7.10.	Services Rendered to the City.....	48
Section 7.11.	Enforcement of Collections.....	48
Section 7.12.	No Competing Franchise.....	49
Section 7.13.	Books and Records.....	49
Section 7.14.	Operating Budget.....	50
Section 7.15.	Connection.....	51
Section 7.16.	Covenant To Amend Ordinance.....	51
Section 7.17.	Public Purpose Bonds.....	51
Section 7.18.	Private Activity Bond Covenant.....	51
Section 7.19.	Filing Covenant.....	51
Section 7.20.	Federal Guarantee Covenant.....	51
Section 7.21.	Rebate Covenant.....	52

ARTICLE VIII - INVESTMENT OF FUNDS

Section 8.01. Investments..... 52
Section 8.02 Restrictions as to Arbitrage Bonds... 53
Section 8.03 Restriction of Yield on Bond Proceeds..... 53

ARTICLE IX - DEFAULT AND REMEDIES

Section 9.01. Events of Default..... 53
Section 9.02. Remedies..... 54
Section 9.03. Appointment of Receiver..... 54

ARTICLE X - DEFEASANCE

Section 10.01. Defeasance..... 56

ARTICLE XI - MISCELLANEOUS

Section 11.01. Modification or Amendment..... 58
Section 11.02. Severability of Invalid Provisions.. 58
Section 11.03. Repeal of Conflicting Ordinance..... 58
Section 11.04. Covenant of Due Procedure..... 58
Section 11.05. Effective Date..... 59

Exhibit A: Loan Agreement
Exhibit B: Phase I Project Description
Exhibit C: Supplemental Loan Agreement

BOND AND NOTE ORDINANCE

An Ordinance supplementing an ordinance adopted by the Council of The City of Logan, West Virginia, on February 11, 1964, entitled "An Ordinance authorizing the issuance of $308,000 principal amount of Sewer Revenue Bonds for the purpose of refunding certain outstanding bonds and to pay part of the cost of construction and acquisition of additions, extensions and improvements to the existing sewer system of The City of Logan, West Virginia"; authorizing the acquisition and construction of certain extensions, improvements and betterments to the existing public sewerage facilities of The City of Logan; authorizing issuance of not more than $720,000 in aggregate principal amount of Subordinate Sewerage System Revenue Bonds, Series 1987, and not more than $180,000 in aggregate principal amount of Supplemental Subordinate Sewerage System Revenue Bonds, Series 1987, of The City of Logan to be used, along with other funds and moneys of or available to The City of Logan that may be lawfully expended for such purposes, to finance the cost of such acquisition and construction; providing for the sale of such Bonds to the West Virginia Water Development Authority and for the rights and remedies of and security for the registered owners of such Bonds; authorizing issuance of not more than $1,000,000 in aggregate principal amount of Sewerage System Grant Anticipation Notes, Series 1987, to be used to finance the cost of such acquisition and construction pending the receipt of certain grant proceeds; and enacting other provisions relating thereto.

Be It Enacted and Ordained by the Council of The City of Logan, West Virginia:

ARTICLE I

DEFINITIONS, STATUTORY AUTHORITY AND FINDINGS

Section 1.01. Definitions. The following terms shall have the following meanings in this Ordinance unless the context expressly requires otherwise:

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

B. "Authority" means the West Virginia Water Development Authority, which shall be the original purchaser of the Original Bonds, as hereinafter defined, or any other agency of the State of West Virginia that succeeds to the functions of the Authority.

C. "Authorized Officer" means the Mayor of The City of Logan or any acting mayor duly appointed or any other officer duly so authorized by the Council of The City of Logan.

D. "Bond Construction Trust Fund" means the Bond Construction Trust Fund established by Section 5.01(3).

E. "Bondholder" or "Owner of the Bonds" or "Registered Owner" or "Owner" or any similar term means any person who shall be the registered owner of any outstanding Bond or Bonds.

F. "Bond Registrar" means the bank to be designated as such in the Supplemental Resolution, as hereinafter defined, and its successors or assigns.

G. "Bonds" means the Original Bonds, as hereinafter defined, and any additional parity bonds hereafter issued within the terms, restrictions and conditions contained in this Ordinance.

H. "City" means The City of Logan, a municipal corporation of the State of West Virginia, and, where appropriate, the Council thereof.

I. "Clerk" or "City Clerk" means the Clerk of the City, designated by the Charter of the City as Secretary to the Mayor.

J. "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.

K. "Consulting Engineers" means Kelley, Gidley, Blair & Wolfe, Inc., Consulting Engineers, Charleston, West Virginia, or any engineer or firm of engineers of reputation for skill and experience with respect to the design and construction of sewerage facilities that shall at any time hereafter be retained by the City as Consulting Engineers for the System, as hereinafter defined.

L. "Costs" or "Costs of the Project" means those costs described in Subsection 1.03(E) hereof to be a part of the costs of the construction and acquisition of the Phase I Project, as hereinafter defined.

M. "Council" means the Council of the City or any other governing body of the City that succeeds to the functions of the Council as presently constituted and shall be deemed to refer also to the Sanitary Board of the City to the full extent of the powers relating to the System, as hereinafter defined, conferred upon said Sanitary Board.

N. "Depository Bank" means the bank, eligible under the laws of the State of West Virginia to receive deposits of state and municipal funds and insured by the FDIC, as hereinafter defined, designated as such in the Supplemental Resolution, as hereinafter defined, and any successors thereto.

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

P. "EPA Grant" means the grant from the EPA awarded as of September 30, 1985, pursuant to an EPA Assistance Agreement, as supplemented and amended.

Q. "Event of Default" means any occurrence or event specified in Section 9.01.

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

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

T. "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, including (i) such obligations which have been stripped of their unmatured interest coupons, interest coupons stripped from such obligations and receipts or certificates evidencing payments from such obligations or interest coupons stripped from such obligations, (ii) evidences of ownership of a proportionate interest in specified direct obligations of, or specified obligations which are unconditionally and fully guaranteed by, the United States of America, which obligations are held by a bank or trust company organized and existing under the laws of the United States of America or any state thereof in the capacity of custodian and (iii) obligations, the sole source of the payment of the principal of and interest on which are obligations of the nature of those described in clause (i), which are irrevocably pledged for such purposes.

U. "Grant Receipts" means all moneys received by the City on account of the EPA Grant or any other grant to pay Costs of the Project after the date of issuance of the Notes, as hereinafter defined.

V. "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) or any Tap Fees, as hereinafter defined, and for the furnishing by the City of miscellaneous service.

W. "Indenture" or "Trust Indenture" means the Trust Indenture between the City and a trustee to be appointed by the Supplemental Resolution, as hereinafter defined, relating to the Notes, as hereinafter defined, and all supplements or amendments thereto.

X. "Independent Accountants" means any certified public accountant or firm of certified public accountants that shall be retained by the City to prepare an independent annual or special audit of the accounts of the System, as hereinafter defined, or for any other purpose except keeping the accounts of such System in the usual operations of its business and affairs.

Y. "Loan Agreement" means the Loan Agreement between the Authority and the City, in substantially the form attached as Exhibit A hereto and incorporated herein by reference, with any changes, insertions or deletions as may be requested by the Authority and approved by the Supplemental Resolution, as hereinafter defined, providing for the purchase of the Original Subordinate Bonds from the City by the Authority.

Z. "Mayor" means the Mayor of the City.

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

BB. "Noteholder," "Holder of the Notes," "Holder of the GANs" or any similar term means any person who shall be the registered owner of any outstanding Note or Notes, as hereinafter defined.

CC. "Notes" or "GAN" means the not more than $1,000,000 in aggregate principal amount of Sewerage System Grant Anticipation Notes, Series 1987, originally authorized hereby, and, unless the context clearly indicates otherwise, the terms "Notes" and "GAN" include any refunding grant anticipation notes of the City.

DD. "Operating Expenses" means the reasonable, proper and necessary costs of repair, maintenance and operation of the System, as hereinafter defined, 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, any fiscal agents, Bond and Note registrars and paying agents, the trustee for any Notes and the Depository Bank, other than those capitalized as part of the Costs, payments to pension or retirement funds, taxes and such other reasonable operating costs and expenses as should normally and regularly be included under generally accepted accounting principles; provided, that "Operating Expenses" does not include payments on account of the principal of or redemption premium, if any, or interest on the Bonds or Notes, charges for depreciation, losses from the sale or other disposition of, or from any decrease in the value of, capital assets, amortization of debt discount or such miscellaneous deductions as are applicable to prior accounting periods.

EE. "Ordinance" means this Ordinance, as hereafter amended or supplemented.

FF. "Original Bonds" or "Bonds authorized hereby" or any similar phrase means, collectively, the Original Subordinate Bonds and the Original Supplemental Bonds, both as hereinafter defined.

GG. "Original Subordinate Bonds" means the not more than $720,000 in aggregate principal amount of Subordinate Sewerage System Revenue Bonds, Series 1987, originally authorized hereby to pay a portion of the Costs of the Project.

HH. "Original Supplemental Bonds" means the not more than $180,000 in aggregate principal amount of Supplemental Subordinate Sewerage System Revenue Bonds, Series 1987, originally authorized hereby to pay a portion of the Costs of the Project.

II. "Outstanding," when used with reference to Bonds and as of any particular date, describes all Bonds theretofore and thereupon being issued 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, with interest to the date of maturity, shall be in trust hereunder and set aside for such payment (whether upon or prior to maturity); (iii) any Bond deemed to have been paid as provided in Article X hereof; and (iv) for purposes of consents or other action by a specified percentage of Bondholders, any Bonds registered to the City.

JJ. "Parity Bonds" means, collectively, Parity Subordinate Bonds and Parity Supplemental Bonds.

KK. "Parity Subordinate Bonds" means any additional bonds issued under the provisions and within the limitations

prescribed by Section 7.08 hereof, payable from Net Revenues on a parity with the Original Subordinate Bonds.

LL. "Parity Supplemental Bonds" means any additional bonds issued under the provisions and within the limitations prescribed by Section 7.08 hereof, payable from Net Revenues on a parity with the Original Supplemental Bonds.

MM. "Paying Agent" means the West Virginia Municipal Bond Commission or any successor to the functions thereof.

NN. "Phase I Project" means the extensions, improvements and betterments to the existing sewerage system of the City described in Exhibit B attached hereto and incorporated herein by reference.

OO. "Prior Bonds" means the City's Sewer Revenue Bonds dated as of March 1, 1964, issued in the aggregate principal amount of $308,000 and outstanding as of the date of enactment of this Ordinance in the aggregate principal amount of $152,000, the lien of which Prior Bonds on the Net Revenues is prior and superior to that of the Bonds.

PP. "Prior Ordinance" means the ordinance entitled "An Ordinance authorizing the issuance of $308,000 principal amount of Sewer Revenue Bonds for the purpose of refunding certain outstanding bonds and to pay part of the cost of construction and acquisition of additions, extensions and improvements to the existing sewer system of The City of Logan, West Virginia," adopted by the Council on February 11, 1964, and finally enacted as of March 3, 1964, authorizing the issuance of the Prior Bonds.

QQ. "Program" means the Authority's loan program, under which the Authority purchases the water development revenue bonds of local government entities satisfying certain legal and other requirements with the proceeds of water development revenue bonds of the Authority, or any successor to said program as currently constituted.

RR. "Project" means the extensions, improvements and betterments to the existing sewerage system of the City as described in connection with the EPA Grant and includes the Phase I Project.

SS. "PSC" means the Public Service Commission of West Virginia or any other agency of the State of West Virginia that succeeds to the functions of the PSC.

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

(a) Government Obligations;

(b) 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; the Government National Mortgage Association; the Tennessee Valley Authority or the Washington Metropolitan Area Transit Authority;

(c) Any bond, debenture, note, participation certificate or other similar obligation 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;

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

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

(f) Repurchase agreements, fully secured by investments of the types described in paragraphs (a) through (d) 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 owners of said 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; and

(g) The "consolidated fund" (or any distinct portion thereof) managed by the West Virginia State Board of Investments pursuant to Article 6, Chapter 12 of the Code of West Virginia, 1931, as amended.

UU. "Renewal and Replacement Fund" means the Renewal and Replacement Fund established by Section 5.01(2).

VV. "Reserve Account" means the account in the Sinking Fund, as hereinafter defined, created by Section 5.02(1)(a).

WW. "Reserve Account Requirement" means, as of any date of calculation, the maximum amount of principal and interest which will become due on the Subordinate Bonds in any year.

XX. "Revenue Fund" means the revenue fund created by Section 5.01(1).

YY. "Sanitary Board" or "Board" means the Sanitary Board of the City established by an ordinance duly enacted by the Council of the City on April 12, 1948, and any successors to the functions thereof.

ZZ. "Sinking Fund" means the Sinking Fund established for the Subordinate Bonds by Section 5.02(1).

AAA. "State" means the State of West Virginia.

BBB. "Subordinate Bonds" means, collectively, the not more than $720,000 in aggregate principal amount of Original Subordinate Bonds and any Parity Subordinate Bonds hereafter issued.

CCC. "Supplemental Bonds" means, collectively, the not more than $180,000 in aggregate principal amount of Original Supplemental Bonds and any Parity Supplemental Bonds hereafter issued.

DDD. "Supplemental Loan Agreement" means the Supplemental Loan Agreement between the Authority and the City, in substantially the form attached as Exhibit C hereto and incorporated herein by reference, with any changes, insertions or deletions requested by the Authority and approved by the Supplemental Resolution, providing for the purchase of the Original Supplemental Bonds from the City by the Authority.

EEE. "Supplemental Reserve Account" means the account established in the Supplemental Sinking Fund, as hereinafter defined, pursuant to Section 5.02(2)(a).

FFF. "Supplemental Reserve Requirement" means the maximum amount of principal and interest, if any, which will become due on the Supplemental Bonds in any year.

GGG. "Supplemental Resolution" means any ordinance or resolution of the Council amending or supplementing this

Ordinance and, when preceded by the article "the," refers specifically to the Supplemental Resolution authorizing the sale of the Original Bonds or the Supplemental Resolution approving a trust indenture pursuant to which the Notes shall be issued and specifically authorizing the Notes; provided, that any matter intended by this Ordinance to be included in the Supplemental Resolution with respect to the Bonds or the Notes, as the case may be, and not so included may be included in another Supplemental Resolution.

HHH. "Supplemental Sinking Fund" means the Supplemental Sinking Fund established for the Supplemental Bonds by Section 5.02(2).

III. "Surplus Revenues" means the Net Revenues not required by the Prior Ordinance or this Ordinance to be set aside and held (including but not limited to in sinking funds, reserve accounts and renewal and replacement funds) for the payment of or security for the Prior Bonds or for the Bonds or any other obligations of the City, the proceeds of which Bonds or other obligations are used to pay Costs of the Project.

JJJ. "System" means the works for the collection and/or treatment, purification and disposal of sewage, in its entirety or any integral part thereof, owned by the City and under the supervision and control of the Sanitary Board, and any additions, improvements or betterments thereto hereafter constructed or acquired from any sources whatsoever and includes the Project.

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

LLL. "WDA Loan Agreements" means, collectively, the Loan Agreement and the Supplemental Loan Agreement.

MMM. Additional terms and phrases are defined in this Ordinance as they are used. Accounting terms not specifically defined herein shall be given meaning in accordance with generally accepted accounting principles.

NNN. Words importing singular number include the plural number in each case and vice versa, and words importing persons shall include firms and corporations. Words importing the masculine gender include all other genders.

OOO. The terms "herein," "hereunder," "hereby," "hereto," "hereof" and any similar terms refer to this Ordinance; and the term "hereafter" means after the date of enactment of this Ordinance.

PPP. Articles, sections and subsections mentioned by number only are the respective articles, sections and subsections of this Ordinance so numbered.

Section 1.02. Authority of this Ordinance. This Ordinance is enacted pursuant to the provisions of the Act and other applicable provisions of law and, so long as any of the Prior Bonds is outstanding, is supplemental to the Prior Ordinance.

Section 1.03. Findings. It is hereby found, determined and declared as follows:

A. The City now owns and operates public works for the collection and treatment, purification and disposal of sewage.

B. In accordance with Section 18 of the Act, the System is under the supervision and control of the Sanitary Board.

C. The Sanitary Board has presented a petition to the City for acquisition and construction of the Phase I Project, enactment of this Ordinance and the issuance of the Bonds and Notes.

D. It is deemed necessary and desirable for the health, welfare and safety of the inhabitants of the City that the Phase I Project be acquired and constructed at an estimated cost of $1,570,000, in accordance with the plans and specifications prepared by Kelley, Gidley, Blair & Wolfe, Inc., Consulting Engineers, Charleston, West Virginia, which plans and specifications are on file with the Sanitary Board and the City Clerk, and which Phase I Project is generally described in Exhibit B hereto.

E. It is deemed necessary for the City to issue its Original Subordinate Bonds in the aggregate principal amount of not more than $720,000 and its Original Supplemental Bonds in the aggregate principal amount of not more than $180,000 and contemporaneously therewith, or as soon as practicable thereafter if and when the Council shall determine it to be in the best interests of the City, to issue its Notes in the aggregate principal amount of not more than $1,000,000, all to finance costs of construction and acquisition of the Phase I Project. Said costs shall be deemed to include the cost of all

property rights, easements and franchises deemed necessary or convenient therefor; interest upon the Bonds prior to and during construction or acquisition and for six months after completion of construction of the Phase I Project; interest upon the Notes during the term thereof; engineering, fiscal and legal expenses; expenses for estimates of cost and revenues; expenses for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the enterprise; administrative expense, any fees of the Authority, commitment fees, discount, initial fees for the service of registrars, paying agents, depositories or trustees or other costs in connection with the sale of the Bonds and Notes and such other expenses as may be necessary or incidental to the financing herein authorized, the construction or acquisition of the Phase I Project and the placing of the same in operation, and the performance of the things herein required or permitted, in connection with any thereof, including, with respect to the Notes, any commitment fees to a bank or banks for the issuance of letters of credit and any costs of obtaining insurance thereon; provided, that reimbursement to the City for any amounts expended by it for allowable costs prior to the issuance of the Bonds or Notes or the repayment of indebtedness incurred by the City for such purposes shall be deemed Costs of the Project.

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

G. There are outstanding on the date of enactment of this Ordinance $152,000 in aggregate principal amount of Prior Bonds. The holders of the Prior Bonds shall have a lien on the Net Revenues prior and superior to that of the Bondholders. Other than the Prior Bonds, there are no obligations of the City outstanding which will rank prior to or on a parity with the Original Bonds as to their respective liens and sources of and security for payment.

H. The issuance of the Original Bonds on a basis subordinate to the Prior Bonds is being authorized in an effort to aid in the abatement or reduction of the pollution of waters and streams situate in and about the City, including the Guyandotte River.

I. The City derives revenues from the System, and said revenues are pledged or encumbered only in connection with the Prior Bonds.

J. The estimated revenues to be derived in each year after the enactment of this Ordinance from the operation of the System will be sufficient to pay all the costs of the operation and maintenance of the the System, the principal of and

interest on the Prior Bonds and the Bonds and all sinking fund and other payments provided for in the Prior Ordinance and this Ordinance.

K. It is in the best interests of the City that its Original Bonds be sold to the Authority pursuant to the terms and provisions of the WDA Loan Agreements.

L. The City 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 Original Bonds and the Notes, or will have so complied prior to issuance of any thereof, including, among other things, the obtaining of a Certificate of Convenience and Necessity from the PSC by final order not subject to appeal or rehearing.

M. The Internal Revenue Code of 1986, as amended and including the rules and regulations promulgated pursuant thereto or to any predecessors or successors thereto (collectively, the "Code"), provides exceptions from the rebate provisions for issues of small governmental units meeting certain requirements.

N. It is in the best interests of the City and its inhabitants to qualify for the small governmental unit exception from the rebate provisions.

O. The City is a governmental unit with general taxing powers.

P. The Original Bonds are not private activity bonds as defined by the Code.

Q. Ninety-five percent (95%) or more of the net proceeds (as defined with respect to the Code) of the Original Bonds will be used for local governmental activities of the City.

R. The City reasonably expects that the aggregate face amount of all tax-exempt bonds (other than private activity bonds) issued by the City and all subordinate entities thereof during the calendar year in which the Original Bonds will be issued, being 1987, will not exceed $5,000,000.

S. The City shall not permit at any time any of the proceeds of the Bonds or other funds of the City 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 Code.

T. The City will file all statements, instruments and returns necessary to assure the tax-exempt status of the Bonds.

U. The Bonds will not be federally guaranteed within the meaning of the Code.

V. It is reasonably anticipated that all proceeds of the Original Bonds will be spent within three years from May 22, 1986.

Section 1.04. Ordinance Constitutes Contract. In consideration of the acceptance of the Bonds and the Notes authorized to be issued hereunder by those who shall respectively hold the same from time to time, this Ordinance shall be deemed to be and shall constitute a contract between the City and such Bondholders or Noteholders, and the covenants and agreements herein set forth to be performed by said City shall be for the equal benefit, protection and security of the legal Holders of any and all of such Bonds or Notes, as the case may be, by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

ARTICLE II

AUTHORIZATION OF PHASE I PROJECT

Section 2.01. Authorization of Phase I Project. There is hereby authorized the acquisition and construction of the Phase I Project in accordance with the plans and specifications therefor prepared by the Consulting Engineers.

ARTICLE III

AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND SALE OF BONDS; AUTHORIZATION AND EXECUTION OF WDA LOAN AGREEMENTS

Section 3.01. Authorization of Original Bonds. For the purposes of financing a portion of the costs of acquisition and construction of the Phase I Project not otherwise provided for, of paying the costs of issuance of the Original Bonds and, if authorized by the Supplemental Resolution, of funding the Reserve Account and the Supplemental Reserve Account or for providing for interest during construction or both, there shall be issued the Original Bonds of the City. Such Original Bonds shall be issued contemporaneously with or prior to any issuance of the Notes. The proceeds of the Original Bonds shall be applied as provided in Section 6.01.

Section 3.02. Terms of Original Bonds. The Original Subordinate Bonds shall be originally issued in the form of a single bond, designated Subordinate Sewerage System Revenue Bond, Series 1987, numbered P-1, fully registered to the Authority, in the principal amount of not more than $720,000 as shall be set forth in the Supplemental Resolution. The Original Subordinate Bonds shall be dated the date of delivery thereof; shall bear interest at the rate per annum, not to exceed 12%, as shall be set forth in the Supplemental Resolution, payable semiannually on April 1 and October 1 of each year, beginning with the date set forth in the Supplemental Resolution; shall be subject to redemption only with the written consent of the Authority and upon payment of the interest and redemption premium, if any, and subject to the other requirements and otherwise in compliance with the Loan Agreement, so long as the Authority shall be the registered owner of the Original Subordinate Bonds; and shall mature in principal installments on October 1 of each of the years and in the amounts set forth in the Loan Agreement "Schedule X" to be approved by the Supplemental Resolution.

The Original Supplemental Bonds shall be originally issued in the form of a single bond, designated Supplemental Subordinate Sewerage System Revenue Bond, Series 1987, numbered SR-1, fully registered to the Authority, in the principal amount of not more than $180,000, as shall be set forth in the Supplemental Resolution. The Original Supplemental Bonds shall be dated the date of delivery thereof; shall bear no interest; shall be subject to redemption only with the written consent of the Authority and otherwise in compliance with the Supplemental Loan Agreement, so long as the Authority shall be the registered owner of the Original Supplemental Bonds; and shall mature in principal installments on October 1 of each of the years and in the amounts set forth in the Supplemental Loan Agreement "Schedule X" to be approved by the Supplemental Resolution.

The Bonds shall be payable as to principal at the principal 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, provided, that so long as the Authority is the Owner thereof, interest on the Bonds may be paid by wire transfer or other methods satisfactory to the City, the Paying Agent and the Authority.

Bonds shall be exchangeable at the option and expense of the Owner for other fully registered Bonds of the same

series in aggregate principal amount equal to the amount of said Bonds then Outstanding, 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 may be issued within the terms and restrictions hereinafter set forth as provided by a Supplemental Resolution.

Section 3.03. Execution of Bonds. The Bonds shall be executed in the name of the City by the Mayor, and the seal of the City shall be affixed thereto or imprinted thereon and attested by the Clerk. In case any one or more of the officers who shall have signed or sealed any of the Bonds shall cease to be such officer of the City 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 City by such person as at the actual time of the execution of such Bonds shall hold the proper office in the City, although at the date of such 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 Ordinance unless and until the Certificate of Authentication and Registration on such Bond, substantially in the form set forth in Section 3.09, shall have been manually executed by the Bond Registrar. Any such executed Certificate of Authentication and Registration upon any such Bond shall be conclusive evidence that such Bond has been authenticated, registered and delivered under this Ordinance. 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 or 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 Owner 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 instru-

ments under the Uniform Commercial Code of the State of West Virginia, and each successive Owner shall further be conclusively deemed to have agreed that said Bonds shall be incontestable in the hands of a bona fide holder for value.

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

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

In all cases in which the privilege of exchanging Bonds or transferring Bonds is exercised, Bonds shall be delivered in accordance with the provisions of this Ordinance. All Bonds surrendered in any such exchanges or transfers shall forthwith be cancelled by the Bond Registrar. For every such exchange or transfer or 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 charges and expenses for any Bonds owned by the Authority, in the event of partial redemption of any Bond or in connection with the first transfer of any Bond from the original purchaser thereof shall be paid by the City and, otherwise, shall be paid by the Owner requesting such transfer or exchange. The Registrar shall not be obliged to make any such exchange or transfer of Bonds during the period beginning with the 15th day of the month preceding an interest payment date and ending on the day preceding such interest payment date or, in the case of any proposed redemption of Bonds, during the 15 days next preceding the date of the selection of Bonds to be redeemed.

Section 3.06. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Bond shall become mutilated or be destroyed, stolen or lost, the City may, at the discretion of the Council, issue, and the Bond Registrar shall authenticate and deliver, a new Bond or Bonds of like tenor as the Bond or Bonds so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond or Bonds, upon surrender and cancellation of such mutilated Bond or Bonds, or in lieu of and substitution for the Bond or Bonds destroyed, stolen or lost, and upon the Owner's furnishing the City proof of his ownership thereof and satisfactory indemnity and complying with

such other reasonable regulations and conditions as the City may prescribe and paying such expenses as the City may incur. All Bonds so surrendered shall be cancelled by the Bond Registrar and held for the account of the City. If any such Bond shall have matured or be about to mature, instead of issuing a substitute Bond, the City may pay the same, upon being indemnified as aforesaid, and, if such Bond be lost, stolen or destroyed, without surrender thereof.

Any such duplicate Bonds issued pursuant to this section shall constitute original, additional contractual obligations on the part of the City, whether or not the lost, stolen or destroyed Bonds be at any time found by any one, and such duplicate Bonds shall be entitled to equal and proportionate benefits and rights as to lien on and source of and security for payment from the revenues pledged herein with the Bonds issued hereunder.

Section 3.07. Bonds Not To Be Indebtedness of the City. The Bonds shall not, in any event, be or constitute an indebtedness of the City within the meaning of any constitutional or statutory provision or limitation, but shall be payable solely from the Net Revenues and otherwise as provided herein. No Owner or Owners of any of the Bonds shall ever have the right to compel the exercise of the taxing power of the City to pay the Bonds or the interest thereon.

Section 3.08. Bonds Secured by Subordinate Pledge of Net Revenues. The payment of the debt service of all the Subordinate Bonds shall be secured forthwith equally and ratably with each other by a lien on the Net Revenues derived from the System, which lien is junior, subordinate and inferior to that on account of the Prior Bonds. The payment of the debt service of all the Supplemental Bonds shall also be secured forthwith equally and ratably with each other by a lien on the Net Revenues derived from the System, but junior, subordinate and inferior to the lien on the Net Revenues in favor of both the Prior Bonds and the Subordinate Bonds. Such Net Revenues, in an amount sufficient, after paying the principal of and interest on the Prior Bonds and making the other payments required under the Prior Ordinance, to pay the principal of and interest on the Bonds and to make the payments required into the Sinking Fund and the Reserve Account therein, the Renewal and Replacement Fund and the Supplemental Sinking Fund and the Supplemental Reserve Account therein, all hereinafter established, are hereby irrevocably pledged to the payment of the principal of and any interest on the Bonds as the same become due.

Section 3.09. Form of Original Bonds. The text of the Original Bonds shall be in substantially the following

tenor, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted by this Ordinance or by any Supplemental Resolution adopted or enacted prior to the issuance thereof:

[Form of Original Subordinate Bond]

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF LOGAN
SUBORDINATE SEWERAGE SYSTEM REVENUE BOND, SERIES 1987

No. R-____ $_____

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF LOGAN, a municipal corporation of the State of West Virginia (the "City"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the West Virginia Water Development Authority (the "Authority") or registered assigns the sum of _____ ($_____), in installments on 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.

Interest on each installment shall run from the date of this Bond and until payment of such installment, and such interest shall be payable on the 1st day of April and the 1st day of October in each year beginning _____ 1, 198__. Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of principal, 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, as Paying Agent (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 _____, as registrar (the "Registrar") on the 15th day of the month 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 as otherwise provided by the Loan Agreement, dated as of _____, between the City and the Authority.

This Bond is issued (i) to pay costs of acquisition and construction of certain extensions, improvements and

betterments to the existing public sewerage system of the City (the "Project") (said existing system, together with the Project and any further extensions, improvements or betterments thereto, is hereinafter referred to as the "System")[; (ii) to pay interest on the Bonds during and for six months after completion of construction of the Project; (iii) to fund the Reserve Account, as hereinafter defined; and (iv)] and (ii) to pay certain costs of issuance hereof and related costs. This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13 of the Code of West Virginia, 1931, as amended (the "Act"), and the Ordinance duly enacted by the Council of the City on the ____ day of _____, 1987, as supplemented by a resolution duly adopted by the Council of the City on _____, 19__ (collectively, the "Ordinance"), and is subject to all the terms and conditions thereof. The Ordinance provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Ordinance.

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Ordinance) to be derived from the operation of the System[, moneys in the Reserve Account created under the Ordinance (the "Reserve Account")] and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the City within the meaning of any constitutional or statutory provisions or limitations, nor shall the City be obligated to pay the same or the interest hereon except from said special fund provided from the Net Revenues[, the moneys in the Reserve Account] and unexpended Bond proceeds. Pursuant to the Ordinance, the City 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 to provide for the proper and reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the amount required to pay the maximum amount due in any year of principal of and interest on the Bonds, on the Supplemental Bonds, as hereinafter defined, and on all obligations secured by or payable from such revenues prior to or on a parity with the Bonds and said Supplemental Bonds, including the Prior Bonds, as hereinafter defined; provided, however, that so long as there exists in the Reserve Account sufficient moneys to pay the maximum amount of principal and interest which will become due on the Bonds in any year, there exists in the reserve

account for said Supplemental Bonds sufficient moneys to pay the maximum amount of principal and interest, if any, which will become due on said Supplemental Bonds in any year, and the reserve accounts for any such obligations prior to or on a parity with the Bonds or said Supplemental Bonds, including said Prior Bonds, are funded at the respective requirements therefor, such percentage may be reduced to 110%. The City has entered into certain further covenants with the Registered Owners of the Bonds for the terms of which reference is made to the Ordinance. Remedies provided the Registered Owners of the Bonds are exclusively as provided in the Ordinance, to which reference is here made for a detailed description thereof.

This Bond is transferable, as provided in the Ordinance, only upon the books of the Registrar kept for that purpose at the office of the Registrar by the Registered Owner or by its attorney or legal representative 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 or legal representative duly authorized in writing.

Subject to registration requirements, 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.

This Bond is issued contemporaneously with the Supplemental Subordinate Sewerage System Revenue Bonds, Series 1987, of the City (the "Supplemental Bonds"), issued in the aggregate principal amount of $_____, which Supplemental Bonds are junior and subordinate with respect to liens and sources of and security for payment to the Bonds of this issue.

THIS BOND IS JUNIOR, SUBORDINATE AND INFERIOR AS TO LIEN ON AND SOURCE AND SECURITY FOR PAYMENT FROM THE NET REVENUES AND IN ALL OTHER RESPECTS TO THE CITY'S SEWER REVENUE BONDS DATED AS OF MARCH 1, 1964, OUTSTANDING AS OF THE DATE HEREOF IN THE AGGREGATE PRINCIPAL AMOUNT OF $_____.

All money received from the sale of this Bond, after reimbursement and repayment of all amounts advanced for preliminary expenses as provided by law, shall be applied solely to the payment of the Costs of the Project described in the Ordinance, 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 City, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia and that a sufficient amount of the revenues of the System has been pledged to and will be set aside into said special fund by the City for the prompt payment of the principal of and interest on this Bond.

All provisions of the Ordinance, 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 LOGAN has caused this Bond to be signed by its Mayor and its corporate seal to be hereunto affixed or imprinted hereon and attested by its Clerk, and has caused this Bond to be dated _____, 1987.

[SEAL]

_____
Mayor

ATTEST:

_____
City Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Subordinate Sewerage System Revenue Bonds, Series 1987, described in the within-mentioned Ordinance and has been duly registered in the name of the registered owner set forth above on 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 said Bond on the books kept for registration of the within Bond of said City with full power of substitution in the premises.

Dated: _____, ____.

_____

In the presence of:

_____

[Form of Original Supplemental Bond]

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF LOGAN
SUPPLEMENTAL SUBORDINATE SEWERAGE SYSTEM REVENUE BOND,
SERIES 1987

No. SR- _____ $_____

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF LOGAN, a municipal corporation of the State of West Virginia (the "City"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the West Virginia Water Development Authority (the "Authority") or registered assigns the sum of _____ ($_____), in installments on 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.

Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of principal, 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, as paying agent (the "Paying Agent"). This Bond bears no interest.

This Bond may be redeemed prior to its stated date of maturity in whole or in part at any time, but only with the express written consent of the Authority and as otherwise provided by the Supplemental Loan Agreement, dated as of _____, between the City and the Authority.

This Bond is issued to pay costs of acquisition and construction of certain extensions, improvements and betterments to the existing public sewerage system of the City (the "Project") (said existing system, together with the Project and any further extensions, improvements and betterments thereto, is hereinafter referred to as the "System")[, to fund the Supplemental Reserve Account, as hereinafter defined,] and to pay certain costs of issuance hereof and related costs. This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13 of the Code of West Virginia, 1931, as amended (the "Act"), an Ordinance duly enacted by the Council of the City on the _____ day of _____, 1987, and

a supplemental resolution duly adopted by the Council of the City on the _____ day of _____, 19___ (collectively called the "Ordinance"), and is subject to all the terms and conditions thereof. The Ordinance provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Ordinance.

This Bond is issued contemporaneously with the Subordinate Sewerage System Revenue Bonds, Series 1987, of the City (the "Subordinate Bonds") issued in the aggregate principal amount of $_____, which Subordinate Bonds rank prior with respect to liens and sources of and security for payment to the Bonds of this issue.

THIS BOND AND THE SUBORDINATE BONDS ARE JUNIOR, SUBORDINATE AND INFERIOR AS TO LIEN ON AND SOURCE AND SECURITY FOR PAYMENT FROM THE NET REVENUES AND IN ALL OTHER RESPECTS TO THE CITY'S SEWER REVENUE BONDS DATED AS OF MARCH 1, 1964, OUTSTANDING AS OF THE DATE HEREOF IN THE AGGREGATE PRINCIPAL AMOUNT OF $_____(THE "PRIOR BONDS"). THE LIEN ON ACCOUNT OF THIS BOND ON SUCH NET REVENUES IS ALSO JUNIOR, SUBORDINATE AND INFERIOR TO THE LIEN THEREON CREATED ON ACCOUNT OF THE SUBORDINATE BONDS.

This Bond is payable only from and secured by a lien, subordinate only to that of the Prior Bonds and the Subordinate Bonds, on the Net Revenues (as defined in the Ordinance) to be derived from the operation of the System[, moneys in the Supplemental Reserve Account created under the Ordinance (the "Supplemental Reserve Account")] and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the City within the meaning of any constitutional or statutory provisions or limitations, nor shall the City be obligated to pay the same except from said special fund provided from the Net Revenues[, the moneys in the Supplemental Reserve Account] and unexpended Bond proceeds. Pursuant to the Ordinance the City 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 to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the amount required to pay the maximum amount due in any year of principal of and interest on the Bonds, the Subordinate Bonds and all other obligations secured by or payable from the revenues of the System prior to

or on a parity with the Bonds and the Subordinate Bonds, including the Prior Bonds; provided however, that so long as there exists in the Supplemental Reserve Account and in the reserve account for the Subordinate Bonds amounts at least equal to the maximum amount of principal and interest, if any, which will become due on the Bonds and on the Subordinate Bonds, respectively, in any year, and the reserve accounts for any such obligations prior to or on a parity with the Bonds or the Subordinate Bonds, including the Prior Bonds, are funded at the respective requirement therefor, such percentage may be reduced to 110%. The City has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Ordinance. Remedies provided the registered owners of the Bonds are exclusively as provided in the Ordinance, to which reference is here made for a detailed description thereof.

This Bond is transferable, as provided in the Ordinance, only upon the books of _____, _____, West Virginia, as registrar (the "Registrar"), kept for that purpose at the office of the Registrar by the registered owner, or by its attorney or legal representative 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 or legal representative duly authorized in writing.

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

All money received from the sale of this Bond, after reimbursement and repayment of all amounts advanced for preliminary expenses as provided by law, shall be applied solely to the payment of the Costs of the Project described in the Ordinance, 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; provided, that such lien on moneys deposited in the Bond Construction Trust Fund created by the Ordinance shall be subordinate to that of the Subordinate Bonds.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Bond have existed, have happened and have been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other obligations of the City, does not exceed any limit prescribed by the Constitution or statutes of

the State of West Virginia and that a sufficient amount of the revenues of the System has been pledged to and will be set aside into said special fund by the City for the prompt payment of the principal this Bond.

All provisions of the Ordinance, 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 LOGAN has caused this Bond to be signed by its Mayor and its corporate seal to be hereunto affixed and attested by its Clerk, and has caused this Bond to be dated _____, 1987.

[SEAL]

_____
Mayor

ATTEST:

_____
City Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Supplemental Subordinate Sewerage System Revenue Bonds, Series 1987, described in the within-mentioned Ordinance and has been duly registered in the name of the registered owner set forth above on 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 said Bond on the books kept for registration of the within Bond of said City with full power of substitution in the premises.

Dated: _____, _____.

_____

In the presence of:

_____

Section 3.10. Sale of Original Bonds; Execution of WDA Loan Agreements. The Original Bonds shall be sold to the Authority pursuant to the terms and conditions of the WDA Loan Agreements. Execution and delivery to the Authority of the WDA Loan Agreements by the Mayor and the Clerk are hereby specifically authorized, confirmed and ratified. The WDA Loan Agreements are specifically incorporated in this Ordinance.

ARTICLE IV

NOTES

Section 4.01. Authorization and General Terms. In order to pay certain Costs of the Project pending receipt of the Grant Receipts, the City shall issue and sell its Notes in the aggregate principal amount of not to exceed $1,000,000. The Notes shall bear interest from the date or dates, at such rate or rates, not to exceed 12% per annum, payable on such dates and shall mature on such date or dates and be subject to such prepayment or redemption, all as provided in the Supplemental Resolution, including in the Indenture. The Notes shall be issued, within the restrictions set forth in this Ordinance, at the time and otherwise as shall be determined by the Council in the Supplemental Resolution to be in the best interests of the City.

Section 4.02. Terms of Notes; Trust Indenture. The Notes shall be issued in fully registered form, in the denomination of $5,000 or any integral multiple thereof, with such terms and secured in the manner set forth below and in the Supplemental Resolution, including in the Indenture. The Indenture shall be approved by the Supplemental Resolution.

Section 4.03. Notes Are Special Obligations. The Notes shall be special obligations of the City payable as to principal and interest solely from the Grant Receipts, moneys, included unexpended Note proceeds and investment earnings, in the funds and accounts to be established by the Indenture, the net proceeds of a draw under a letter of credit as described below or of any refunding notes, Surplus Revenues, if any, and any other source set forth in the Supplemental Resolution, including in the Indenture. The Notes do not and shall not constitute a corporate indebtedness of the City within the meaning of any constitutional or statutory provisions or limitations. The general funds of the City are not liable, and neither the full faith and credit nor the taxing power of the City is pledged for the payment of the Notes. The Noteholders shall never have the right to compel the forfeiture of any property of the City. The Notes shall not be a debt of the

City, nor a legal or equitable pledge, charge, lien or encumbrance upon any property of the City or upon any of its income, receipts or revenues except as set forth in the Supplemental Resolution, including in the Indenture.

Section 4.04. Letters of Credit. As additional security for the Notes, the City may obtain a letter or letters of credit from a bank or banks, pursuant to which such bank or banks would agree to pay to the Trustee under the Indenture, upon presentation by such Trustee of certain certificates, the sum or sums set forth therein but not to exceed $500,000 in the aggregate. In the event of a draw under any such letter of credit, the City shall issue its refunding notes to the bank issuing such letter of credit. Any such letter of credit shall be authorized and shall have such terms as shall be set forth in the Supplemental Resolution.

ARTICLE V

SYSTEM REVENUES AND APPLICATION THEREOF

Section 5.01. Establishment of Funds and Accounts with Depository Bank. The following special funds or accounts are created with and shall be held by the Depository Bank:

(1) Revenue Fund;

(2) Renewal and Replacement Fund; and

(3) Bond Construction Trust Fund.

Section 5.02. Establishment of Funds and Accounts with Commission. The following special funds or accounts are hereby established with the Commission:

(1) Sinking Fund; and

(a) Within the Sinking Fund, the Reserve Account;

(2) Supplemental Sinking Fund; and

(a) Within the Supplemental Sinking Fund, the Supplemental Reserve Account.

Section 5.03. System Revenues; Flow of Funds. A. So long as the Prior Bonds are outstanding, the Gross Revenues shall be deposited in the sewer revenue fund established by Section 13(B) of the Prior Ordinance (the "Prior Revenue

Fund"). Moneys in the Prior Revenue Fund shall first be disposed of as provided by Section 13(D)(1) through (3) of the Prior Ordinance.

B. After payment or defeasance of the Prior Bonds, 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 Ordinance and shall be kept separate and distinct from all other funds of the City and the Depository Bank and used only for the purposes and in the manner herein provided. From the Revenue Fund, the City shall first each month pay the current Operating Expenses of the System.

C. (1) Thereafter, from the moneys remaining in the Prior Revenue Fund or, after payment or defeasance of the Prior Bonds, in the Revenue Fund, the City shall next, on the first day of each month, commencing seven (7) months prior to the first day of payment of interest on the Subordinate 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 Sinking Fund, a sum equal to one-sixth (1/6) of the amount of interest which will become due on said Subordinate Bonds on the next ensuing semiannual interest payment date, with an adjustment for the first interest payment date from revenues less than seven (7) months after the issuance of the Subordinate Bonds or completion of construction of the Phase I Project, as applicable.

(2) The City shall also, on the first day of each month, commencing thirteen (13) months prior to the first date of payment of principal on the Subordinate Bonds, apportion and set apart out of the Prior Revenue Fund or, after payment or defeasance of the Prior Bonds, out of the Revenue Fund, and remit to the Commission for deposit in the Sinking Fund, a sum equal to one-twelfth (1/12) of the amount of principal which will mature and become due on said Subordinate Bonds on the next ensuing principal payment date.

(3) The City shall next from the Prior Revenue Fund or, after payment or defeasance of the Prior Bonds, from the Revenue Fund, on the first day of each month commencing thirteen (13) months prior to the first date of payment of the Subordinate Bonds, remit to the Commission for deposit in the Reserve Account an amount equal to 1/120 of the Reserve Account Requirement; provided, that no further payments shall be made into the Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Reserve Account Requirement. Once the Reserve Account has been funded at the Reserve Account Requirement, the City shall next remit to the Commission for

deposit in the Reserve Account an amount equal to any deficiency in the Reserve Account Requirement. Any withdrawals from the Reserve Account which result in a reduction in the balance of the Reserve Account to below the Reserve Account Requirement shall be subsequently restored from the first Net Revenues available after all required payments prescribed above have been made in full.

(4) Moneys in the Sinking Fund shall be used only for the purposes of paying principal of and interest on the Subordinate Bonds as the same shall become due. Moneys in the Reserve Account in the Sinking Fund shall be used only for the purpose of paying principal of or interest on the Subordinate Bonds, as the same shall come due, when other moneys in the Sinking Fund are insufficient therefor, and for no other purpose. All investment earnings on moneys in the Sinking Fund and the Reserve Account shall be transferred, not less than once each year, to the Bond Construction Trust Fund prior to completion of the Phase I Project and thereafter to the Revenue Fund or the Prior Revenue Fund, as the case may be.

(5) The City shall not be required to make any further payments into the Sinking Fund or into the Reserve Account therein when the aggregate amount of funds in said Sinking Fund and said Reserve Account is at least equal to the aggregate principal amount of and interest to come due on the Subordinate Bonds issued pursuant to this Ordinance then Outstanding.

D. After payment or defeasance of the Prior Bonds, from the moneys remaining in the Revenue Fund, the City shall next, on the first day of each month, commencing with the month succeeding the first full calendar month after completion of the Project, deposit in the Renewal and Replacement Fund a sum equal to two and one-half percent (2 1/2%) of the Gross Revenues each month, exclusive of payments for account of the Reserve Account in the Sinking Fund. All funds in the Renewal and Replacement Fund shall be kept apart from all other funds of the City 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, enlargements, emergency repairs, improvements and extensions to the System; provided, that if any deficiency occurs in the amount that should be on deposit in the Reserve Account it shall be promptly eliminated with moneys from the Renewal and Replacement Fund. So long as the Prior Bonds are outstanding, the renewal and replacement fund created by Section 13(D)(3) of the Prior Ordinance (the "Prior Renewal and Replacement Fund") shall be funded in accordance with said section, provided that said deposit shall always at least equal 2 1/2% of the Gross Revenues each month, exclusive

of payments for account of the Reserve Account, and provided, further, that only the amount in the Prior Renewal and Replacement Fund exceeding the amount that should be deposited on account of the Bonds may be used to purchase or redeem Prior Bonds.

E. (1) The City shall next, on the first day of each month, commencing 13 months prior to the first date of payment of principal on the Supplemental Bonds, apportion and set apart out of the Prior Revenue Fund or, after payment or defeasance of the Prior Bonds, out of the Revenue Fund and remit to the Commission for deposit in the Supplemental Sinking Fund, a sum equal to 1/12th of the amount of principal which will mature and become due on said Supplemental Bonds on the next ensuing principal payment date.

(2) The City shall next from the Prior Revenue Fund or, after payment or defeasance of the Prior Bonds, from the Revenue Fund, on the first day of each month commencing 13 months prior to the first date of payment of the Supplemental Bonds, remit to the Commission for deposit in the Supplemental Reserve Account an amount equal to 1/120 of the Supplemental Reserve Requirement; provided, that no further payments shall be made into the Supplemental Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Supplemental Reserve Requirement. Once the Supplemental Reserve Account has been funded at the Supplemental Reserve Requirement, the City shall next remit to the Commission for deposit in the Supplemental Reserve Account an amount equal to any deficiency in the Supplemental Reserve Requirement. Any withdrawals from the Supplemental Reserve Account which result in a reduction in the balance of the Supplemental Reserve Account to below the Supplemental Reserve Requirement shall be subsequently restored from the first Net Revenues available after all required payments prescribed above have been made in full.

F. (1) As and when additional Bonds ranking on a parity with the Bonds are issued, provision shall be made for additional payments into the Sinking Fund or Supplemental 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 Reserve Account or Supplemental Reserve Account in an amount equal to the respective Reserve Requirement.

(2) The Commission is hereby designated as the fiscal agent for the administration of the Sinking Fund and the Supplemental Sinking Fund created hereunder, and all amounts required for said Sinking Fund and said Supplemental Sinking Fund shall be remitted to the Commission from the Prior Revenue

Fund or the Revenue Fund, as the case may be, by the City at the times provided herein.

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

G. Whenever all of the required and provided transfers and payments from the Prior Revenue Fund or the Revenue Fund, as the case may be, into the several special funds, as hereinbefore provided, are current and there remains in said Prior Revenue Fund or the Revenue Fund, as the case may be, a balance in excess of the estimated amount required to be so transferred and retained and paid into the funds and accounts established by the Prior Ordinance and into the Sinking Fund, including the Reserve Account therein, the Supplemental Sinking Fund, including the Supplemental Reserve Account therein, and the Prior Renewal and Replacement Fund or the Renewal and Replacement Fund, as the case may be, during the following month or such longer period as shall be required by the Act, such excess shall be considered as surplus revenues and may be used for any lawful purpose of the System, including for pledge to and payment of the GANs.

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

I. The moneys in excess of the sum insured by the maximum amounts insured by FDIC in the Prior Revenue Fund or the Revenue Fund, as the case may be, shall at all times be secured, to the full extent thereof in excess of such insured sum, as required by the Prior Ordinance for the Prior Revenue Fund and by Qualified Investments as shall be eligible as security for deposits of state and municipal funds under the law of the State for the Revenue Fund.

J. 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.

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

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

ARTICLE VI

APPLICATION OF ORIGINAL BOND PROCEEDS; FUNDS AND ACCOUNTS; TRANSFERS AND EXISTING FUNDS

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

A. If required by the Supplemental Resolution, the amount of the proceeds which shall be at least sufficient to pay interest on the Original Subordinate Bonds for the period specified in the Supplemental Resolution shall be deposited in the Sinking Fund at the Commission; provided, that such period may not extend beyond the date which is six (6) months after the estimated date of completion of construction of the Project.

B. If required by the Supplemental Resolution, the amount of the proceeds which shall be at least sufficient to fund the Reserve Account Requirement and the Supplemental Reserve Requirement shall be first credited to the Bond Construction Trust Fund and then deposited in the Reserve Account and the Supplemental Reserve Account, respectively, with the Commission; provided, that such amounts shall not exceed in the aggregate ten percent (10%) of the proceeds of the Original Bonds.

C. The remaining moneys derived from the sale of the Original Bonds shall be deposited by the City in the Bond Construction Trust Fund and applied to the Costs of the Project, including but not limited to payment of the costs of issuance, repayment of any Authority Step I or Step II loan and, if determined to be in the best interests of the City, repayment of any amounts drawn under the line of credit established for the City by The National Bank of Logan.

Section 6.02. Bond Construction Trust Fund. The Bond Construction Trust Fund shall be kept separate and apart from all other funds of the City and used and applied by the City solely for the payment of the Costs of the Project, which include but are not limited to the cost of the issuance of the

Original Bonds as well as construction of the Phase I Project, as more fully set forth in Section 1.03(E), and for no other purposes whatsoever. Unless invested in Qualified Investments, the moneys in said fund shall be secured at all times by the deposit in the Depository Bank, as security, of direct obligations of the United States of America having a fair market value at least equal to the balance in said fund in excess of the amount insured by the FDIC. Any moneys not needed immediately for said purposes shall be invested in Qualified Investments having maturities so as to enable the moneys to be available as deemed necessary by the Consulting Engineers and otherwise in accordance Article VIII. If for any reason such proceeds, or any part thereof, are not necessary for, or are not applied to, such purposes, then such unapplied proceeds (i) may, during the period of three years from May 22, 1986, be used for construction and acquisition of the remainder of the Project or other capital construction or acquisition needs of the System; (ii) thereafter, shall be used to make up any deficiency in the Reserve Account or the Supplemental Reserve Account or to fund the Reserve Accounts at the respective requirements therefor; and (iii) if the Reserve Accounts are fully funded and no deficiencies exist, shall be deposited by the City in escrow with an escrow trustee and used to redeem Original Bonds at the first redemption date and, prior thereto, to pay a proportionate amount of principal of the Original Bonds by depositing into the Sinking Fund and the Supplemental Sinking Fund, respectively, an amount which bears the same ratio to the principal coming due in that year as the excess proceeds bore to the initial aggregate principal amount of the Original Subordinate Bonds and the Original Supplemental Bonds, as the case may be. All such proceeds shall constitute a trust fund for such purposes, and there is hereby created a lien upon such moneys until so applied in favor of the Owners of the Original Bonds; provided, that the lien in favor of the Owners of the Original Subordinate Bonds shall be prior to the lien in favor of the Owners of the Original Supplemental Bonds.

Expenditures or disbursements by the Depository Bank from the Bond Construction Trust Fund, except for legal, fiscal and engineering expenses, expenses in connection with the issuance and sale of the Original Bonds and repayment to the Authority of any Step I or Step II loans, shall be made only after such expenditures or disbursements shall have been approved in writing by the Sanitary Board and the Consulting Engineers.

ARTICLE VII

ADDITIONAL COVENANTS OF THE CITY

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

Until the payment in full of the principal of and interest on the Notes when due, the covenants, agreements and provisions contained in this Ordinance shall, where applicable, also inure to the benefit of the Owners of the Notes and the Trustee therefor and constitute valid and legally binding covenants of the City, enforceable in any court of competent jurisdiction by the Trustee or any Owner or Owners of said Notes as prescribed in the Indenture; provided, that Section 7.04 shall not be applied to the Notes.

Section 7.02. Bonds and Notes Not To Be Indebtedness of the City. Neither the Bonds nor the Notes shall be or constitute a corporate indebtedness of the City within the meaning of any constitutional, statutory or charter provision or limitation of indebtedness, but shall be payable, with respect to the Bonds, solely from the Net Revenues of the System or from the respective Reserve Account or unexpended Bond proceeds as herein provided or, with respect to the Notes, solely from the specific sources pledged by the Supplemental Resolution, including the Indenture. No Owner or Owners of any Bonds or Notes issued hereunder shall ever have the right to compel the exercise of the taxing power of the City to pay said Bonds or Notes or the interest thereon.

Section 7.03. Bonds Secured by Pledge of Net Revenues. The payment of the debt service of the Subordinate Bonds issued hereunder shall be secured forthwith equally and ratably by a lien on the Net Revenues derived from the operation of the System, on a basis junior and subordinate to the Prior Bonds. The payment of the debt service of the Supplemental Bonds issued hereunder shall be secured forthwith equally and ratably by a lien on the Net Revenues derived from the operation of the System, on a basis junior and subordinate to both the Prior Bonds and the Subordinate Bonds. The Net

Revenues derived from the System, in an amount sufficient, after paying the principal of and interest on the Prior Bonds and making the payments into the funds and accounts created under the Prior Ordinance, to pay the principal of and interest on the Bonds and to make the payments into the Sinking Fund, including the Reserve Account therein, and into the Supplemental Sinking Fund, including the Supplemental Reserve Account therein, and all other payments provided for in this Ordinance, are hereby irrevocably pledged in the manner provided in this Ordinance to the payment of the principal of and interest on the Bonds as the same become due and for other purposes provided in this Ordinance.

Section 7.04. Rates. Prior to issuance of the Original Bonds, equitable rates or charges for the use of and services rendered by the System will be established all in the manner and form required by law, and copies of such rates and charges so established will be continuously on file with the City Clerk, which copies will be open to inspection by all interested parties. The rates and charges shall be effective as prescribed by State statutes and the rules and regulations of the PSC. 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 and accounts created under the Prior Ordinance and created hereunder. Such schedule of rates and charges shall be changed and readjusted whenever necessary so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant, with a margin for contingencies and temporary unanticipated reduction in income and revenues, the City hereby covenants and agrees that the schedule of rates or charges for the services of the System from time to time in effect shall be sufficient to provide funds which, along with other revenues of the System, (i) will pay for all Operating Expenses of the System and (ii) leave a balance each year equal to at least 115% of the maximum amount required in any year to pay the principal of and interest on the Bonds and all other obligations secured by or payable from the revenues of the System prior to or on a parity with the Bonds, including the Prior Bonds; provided, however, in the event that an amount at least equal to the Reserve Account Requirement is on deposit in the Reserve Account, an amount at least equal to the Supplemental Reserve Requirement is on deposit in the Supplemental Reserve Account and any reserve account for any such prior or parity obligations, including the Prior Bonds, is funded at least at the requirement therefor, such balance each year need only equal at least 110% of the maximum amount required in any year for payment of principal of and interest on the Bonds and any such prior or parity obligations, including the Prior Bonds.

Section 7.05. Completion, Operation and Maintenance. The City will expeditiously complete the Phase I Project and will maintain the System in good condition and will operate the same as a revenue-producing enterprise in an efficient and economical manner, making such expenditures for equipment and for renewal, repair and replacement as may be proper for the economical operation and maintenance thereof from the revenues of said System in the manner provided in this Ordinance.

Section 7.06. Sale of the System. The System may be sold, mortgaged, leased or otherwise disposed of only as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient fully to pay or redeem at or prior to maturity all the Prior Bonds outstanding and the Bonds Outstanding. The proceeds from such sale, mortgage, lease or other disposition of the System shall first be applied on account of the Prior Bonds, and any excess shall immediately be remitted to the Commission for deposit in the Sinking Fund and the Supplemental Sinking Fund, and the City shall direct the Commission to apply such proceeds to the payment of principal and any interest at maturity of the Bonds about to mature and to the redemption prior to maturity, at the earliest date permitted hereby and at the redemption price, of all other outstanding Bonds. Any balance remaining after the redemption or payment of all the Bonds and interest thereon shall be remitted to the City by the Commission unless necessary for the payment of other obligations of the City payable out of the revenues of the System.

The foregoing provision notwithstanding, the City shall have and hereby reserves the right to sell, lease or otherwise dispose of any of the property comprising a part of the System hereinafter determined in the manner provided herein to be no longer necessary, useful or profitable in the operation thereof. Prior to any such sale, lease or other disposition of such property, if the amount to be received therefor is not in excess of $10,000, the City shall first, in writing, determine that such property comprising a part of the System is longer necessary, useful or profitable in the operation thereof and the Council may then provide for the sale of such property. The proceeds of any such sale shall be deposited in the Prior Renewal and Replacement Fund or the Renewal and Replacement Fund, as the case may be. If the amount to be received from such sale, lease or other disposition of said property shall be in excess of $10,000 but not in excess of $50,000, the Council shall first, in writing, determine with the written approval of the Consulting Engineers that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof, and the Council may then, if it be advised, by resolution duly adopted, approve and concur in such finding and 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, in excess of $10,000 and not in excess of $50,000, shall be remitted by the City and applied on account of the Prior Bonds, with any excess to be remitted to the Commission for deposit in the Sinking Fund and the Supplemental Sinking Fund and applied only to the redemption or purchase, at prices not greater than the applicable redemption price or, if not redeemable, par, of Bonds of the last maturities then Outstanding (upon receipt of approval of the Authority, if needed) or, otherwise, to the Renewal and Replacement Fund. Such payments of such proceeds in the Sinking Fund and the Supplemental Sinking Fund or the Renewal and Replacement Fund shall not reduce the amounts required to be paid into said funds by other provisions of this Ordinance.

No sale, lease, or other disposition of the properties of the System shall be made by the City if the proceeds to be derived therefrom shall be in excess of $50,000 and insufficient to pay or redeem prior to maturity all the Prior Bonds then outstanding and the Bonds then Outstanding; provided, the prior approval and consent in writing of the Owners, or their duly authorized representatives, of sixty-six and two-thirds percent (66 2/3%) in amount of the Bonds then Outstanding may be obtained for such purpose. The City shall prepare the form of such approval and consent for execution by the then Owners of the Bonds for the disposition of the proceeds of the sale, lease or other disposition of such properties of the System.

Section 7.07. Issuance of Other Obligations Payable out of Revenues and General Covenant Against Encumbrances. The City shall not issue any other obligations whatsoever, except Parity Bonds provided for in Section 7.08 hereof, payable from the revenues of the System which rank prior to, or equally, as to lien on and source of and security for payment from such revenues with the Bonds; provided, however, that additional Parity Bonds may be issued as provided for in Section 7.08. All obligations hereafter issued by the City 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 Bonds to the extent such are Outstanding; provided, that no such subordinate obligations shall be issued unless all payments required to be made into the Reserve Account, the Supplemental Reserve Account and the Renewal and Replacement Fund at the time of the issuance of such subordinate obligations have been made and are current.

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

Section 7.08. Parity Bonds. No Parity Bonds payable out of the revenues of the System shall be issued after the issuance of any Bonds pursuant to this Ordinance, except under the conditions and in the manner herein provided. Except as expressly provided herein, no Parity Subordinate Bonds shall be issued so long as any Supplemental Bond remains Outstanding.

No such Parity Bonds shall be issued except for the purpose of financing the costs of the extensions, improvements and betterments to the System or refunding all or a part of one or more issues or series of Bonds or both such purposes.

No Parity Bonds shall be issued at any time, however, unless there has been procured and filed with the Clerk a written statement by the Independent Accountants, based upon the necessary investigation and certification by the Consulting Engineers, reciting the conclusion that the Net Revenues actually derived, subject to the adjustments hereinafter provided, from the System during any twelve (12) consecutive months within the eighteen (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 three (3) succeeding years after the completion of the improvements to be financed by such Parity Bonds, shall not be less than 115% of the maximum debt service in any succeeding year on the following:

(A) The Prior Bonds and any other obligations secured by or payable from the Revenues prior to or on a parity with the Bonds.

(B) The Bonds then Outstanding;

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

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

The "estimated average increased annual Net Revenues to be received in each of the three (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 any increase in rates enacted by the City, the time for appeal of which shall have expired without any successful appeal or rehearing prior to the date of delivery of such Parity Bonds, and shall not exceed the amount to be stated in a certificate of the Consulting Engineers, which shall be filed in the office of the Clerk prior to the issuance of such Parity Bonds.

The Net Revenues actually derived from the System during the twelve (12) consecutive month period hereinabove referred to may be adjusted by adding to such Net Revenues such additional Net Revenues which would have been received, in the opinion of the Consulting Engineers and the Independent Accountants, as stated in a certificate jointly made and signed by the Consulting Engineers and said Independent Accountants, on account of increased rates, rentals, fees and charges for the System enacted by the City, the time for appeal of which shall have expired without any successful appeal or rehearing prior to issuance of such Parity Bonds.

Not later than simultaneously with the delivery of such Parity Bonds, the City shall have entered into written contracts for the immediate acquisition or construction of such extensions, improvements and betterments to the System which are to be financed by such Parity Bonds.

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

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 Outstanding Bonds on such revenues. The City 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 Bonds.

Parity Bonds shall not be issued at any time, however, unless all the payments into the respective funds and accounts provided for in this Ordinance on account of the Bonds then Outstanding, and any other payments provided for in this Ordinance, shall have been made in full as required to the date of delivery of the Parity Bonds.

Notwithstanding the foregoing, the City may issue Parity Bonds without compliance with any other conditions for the purpose of refunding prior to maturity all or a part of any issues or series of Bonds provided that the annual debt service required on account of the refunding Bonds and the Bonds which are not refunded shall not be greater in any year in which the Bonds not refunded and the refunding Bonds are to be Outstanding than the annual debt service required in such year if the Bonds to be refunded were not so refunded.

With the written consent in advance of the Authority and anything to the contrary in Section 7.07 and in this Section 7.08 notwithstanding, Parity Bonds may be authorized and issued by the City pursuant to a Supplemental Resolution solely to complete the Phase I Project as described in the City's Program application to the Authority as of the date of the WDA Loan Agreements and in accordance with the plans and specifications, in the event that the Original Bonds should be insufficient, together with other funds lawfully available therefor, to pay all costs of acquisition and construction of the Phase I Project; provided, however, that, prior to the issuance of such Parity Bonds and under the provisions of this paragraph, the Consulting Engineers shall file with the Clerk a certificate to the effect that additional funds are necessary for such purpose. All such Parity Bonds authorized and issued under the provisions of this paragraph shall be limited to the aggregate principal amount required to make up any deficiency in funds for payment of the construction costs to complete the Phase I Project, and the maturities of any such Parity Bonds shall be in years and amounts suggested by the Authority.

Section 7.09. Insurance. The City will carry such insurance and in such amounts as is customarily carried with

respect to works and properties similar to the System, with a reputable insurance carrier or carriers, against loss or damage by fire, explosion, hurricane, earthquake, cyclone, occupancy or other hazards and risks. The City will require that each of its contractors and all subcontractors maintain, during the life of the construction contract, workers' compensation coverage, public liability insurance, property damage insurance and vehicle liability insurance in amounts and on terms satisfactory to the Authority, so long as the Authority is the Owner of the Original Bonds. The City 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 City, the Authority, the prime contractor and all subcontractors as their interests may appear, in accordance with the WDA Loan Agreements, during construction of the Phase I Project in the full insurable value thereof. In time of war, the City shall also carry in said amount such insurance as may be available against loss or damage by the risks and hazards of war. The proceeds of all such insurance policies shall be disposed of as provided in the Prior Ordinance and otherwise shall be placed in the Renewal and Replacement Fund and used only for the repair and restoration of the damaged or destroyed properties or for the other purposes provided herein for said Renewal and Replacement Fund. The City will also carry liability insurance for damage or injury to persons or property in amounts adequate for such purposes and customarily carried with respect to works and properties similar to the System. The City shall carry such other insurance as is required by the Authority, including but not limited to flood insurance and business interruption insurance, to the extent available at reasonable cost to the City.

Section 7.10. Services Rendered to the City. The City will not render or cause to be rendered any free services of any nature by its System; and in the event the City, or any department, agency, instrumentality, officer or employee of the City, shall avail itself of the facilities or services provided by the System or any part thereof, the same rates, fees or charges applicable to other customers receiving like services under similar circumstances shall be charged the City and any such department, agency, instrumentality, officer or employee. Such charges shall be paid as they accrue, and the City shall transfer from its general funds sufficient sums to pay such charges for services to any of its departments or properties. 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 7.11. Enforcement of Collections. The City will diligently enforce and collect all fees, rates, 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, rates, rentals or other charges which shall become delinquent to the full extent permitted or authorized by the laws of the State and the rules and regulations of the PSC. All such rates and charges, if not paid when due, shall become a lien on the premises served by the System.

Whenever any rates, rentals or charges for the services and facilities of the System shall remain unpaid for a period of thirty (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. The City further covenants and agrees that it will, to the full extent permitted by applicable law and the rules and regulations promulgated by the PSC, discontinue and shut off the services and facilities of the System and, in the event the City owns a water facility (the "Water System"), the Water System to all users of the System delinquent in payment of charges for the services of the System and will not restore such services of either system until all delinquent charges for the services of the System have been paid in full.

Section 7.12. No Competing Franchise. To the extent allowable by law, the City will not grant or cause, consent to or allow the granting of any franchise or permit to any person, firm, corporation, body, agency or instrumentality whatsoever for the providing of any services which would compete with services provided by the System.

Section 7.13. Books and Records. The City will keep books and records of the System, which shall be separate and apart from any other books, records and accounts of the City, in which complete and correct entries shall be made of all transactions relating to the System, and any Owner of a Bond or Bonds or of a Note or Notes issued pursuant to this Ordinance or the Trustee shall have the right at all reasonable times to inspect the System and all parts thereof and all records, accounts and data of the City relating thereto.

The accounting system for the System shall follow current generally accepted accounting principles in accordance with the rules and regulations of the PSC and the Act. Separate control accounting records shall be maintained by the City. Subsidiary records as may be required shall be kept in the manner, on the forms, in the books and along with other bookkeeping records as prescribed by the City. The City 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 City shall be reported to such agent of the City as the Council shall direct.

The City shall file with the Consulting Engineers, the Trustee and the Authority, and shall mail in each year to any

Owner or Owners of Bonds or Notes, as the case may be, requesting the same, an annual report containing the following:

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

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

The City shall also, at least once a year, cause the books, records and accounts of the System to be audited by Independent Accountants, shall mail upon request, and make available generally, the report of said Independent Accountants, or a summary thereof, to any Owner or Owners of Bonds or Notes, as the case may be, and shall submit said report to the Authority and the Trustee. The report of said audit shall include a statement that the City is in compliance with the terms and provisions of the WDA Loan Agreements and this Ordinance.

Section 7.14. Operating Budget. The City shall annually, at least forty-five (45) days preceding the beginning of each Fiscal Year, prepare and adopt by resolution a detailed budget of the estimated expenditures for operation and maintenance of the System during the succeeding Fiscal Year. No expenditures for the operation and maintenance of the System shall be made in any Fiscal Year in excess of the amounts provided therefor in such budget without a written finding and recommendation by the Consulting Engineers, which finding and recommendation shall state in detail the purpose of and necessity for such increased expenditures for the operation and maintenance of the System, and no such increased expenditures shall be made until the Council shall have approved such finding and recommendation by a resolution duly adopted. No increased expenditures in excess of ten percent (10%) of the amount of such budget shall be made except upon further certificate of the Consulting Engineers that such increased expenditures are necessary for the continued operation of the System. The City shall mail copies of such annual budget and all resolutions authorizing increased expenditures for operation and maintenance to the Authority and the Trustee and to any Owners of any Bonds or Notes, as the case may be, who request in writing that copies of all such budgets and resolutions be furnished and shall make available such budgets and all resolutions authorizing increased expenditures for operation and maintenance of the System at all reasonable times to any Owners of any Bonds or Notes, as the case may be, or anyone acting for and in behalf of such Owners of any Bonds or Notes, as the case may be.

Section 7.15. Connection. To the extent authorized by the laws of the State and the rules and regulations of the PSC, prospective users of the System shall be required to connect thereto.

Section 7.16. Convenant To Amend Ordinance. The City retains the right to make any amendments, insertions or deletions by Supplemental Resolution to this Ordinance as the City deems desirable or necessary prior to the issuance of the Bonds, including but not limited to amendments, insertions and deletions to comply with the Code. Notwithstanding the provisions of Section 11.01 hereof, the City shall without consent of the Owners of any Bonds or Notes, as the case may be, amend or supplement this Ordinance by a resolution supplemental hereto or any amendatory ordinance to comply with the Code if such amendment or supplement is necessary to preserve the tax-exempt status of the Bonds or Notes. The Council of the City hereby retains the specific authority to amend this Ordinance or supplement it by resolution to comply with the Code. In its determination to amend or supplement this Ordinance, the City may rely on the opinion of nationally recognized bond counsel.

Section 7.17. Public Purpose Bonds. The City shall use the Original Bond proceeds solely for the Project and as otherwise set forth herein, and the Project will be operated solely for a public purpose and as a local governmental activity of the City.

Section 7.18. Private Activity Bond Covenant. The City shall not permit at any time or times any of the proceeds of the Bonds or any other funds of the City 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 Code by reason of the classification of the Bonds as "private activity bonds" within the meaning of the Code. The City will take all actions necessary to comply with the Code in order to assure the tax-exempt status of the Bonds.

Section 7.19. Filing Covenant. The City will file all statements, instruments and returns necessary to assure the tax-exempt status of the Bonds, including, without limitation, the information return required under Section 149(e) of the Code.

Section 7.20. Federal Guarantee Covenant. The Bonds, in whole or in part, are not and will not be, directly or indirectly, federally guaranteed within the meaning of Section 149(b) of the Code.

Section 7.21. Rebate Covenant. The City is a governmental unit with general taxing powers to finance operations of or facilities of the nature of the Project and the System. As covenanted pursuant to Sections 7.17 and 7.18, the Original Bonds are not private activity bonds within the meaning of the Code, and 95% or more of the net proceeds (as defined with respect to the Code) of the Original Bonds will be used for local governmental activities of the City. The City reasonably expects it and all its subordinate entities to issue less than $5,000,000 in aggregate face amount of tax-exempt bonds (other than private activity bonds) during the calendar year, being 1987, in which the Original Bonds are to be issued. Therefore, the City believes that it is excepted from the rebate requirements of Section 148(f) of the Code. Notwithstanding the foregoing, if the City is in fact subject to such rebate requirement, the City hereby covenants to rebate to the United States the amounts required by the Code and to take all steps necessary to make such rebates. In the event the City fails to make such rebates as required, the City shall pay any and all penalties and obtain a waiver from the Internal Revenue Service in order to maintain the tax-exempt status of the interest on the Bonds.

ARTICLE VIII

INVESTMENT OF FUNDS

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

Except as otherwise specifically provided, 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, including but not limited to those in the Bond Construction Trust Fund, and used for the purpose of such fund or account. The interest accruing thereon and any profit or loss realized from such investment shall be credited or charged to the appropriate fund or account. Interest earnings on the Sinking Fund, including the Reserve Account therein, and on the Supplemental Sinking Fund, including the Supplemental Reserve Account therein, shall be transferred at least annually, prior to completion of the Phase I Project, to the Bond Construction

Trust Fund and, thereafter, to the Prior Revenue Fund or the Revenue Fund, as the case may be. 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 Owner, including the value of accrued interest and giving effect to the amortization of discount. Investments in the "consolidated fund" of the West Virginia Board of Investments shall be valued at par. The Commission or the Depository Bank, 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 shall sell and reduce to cash a sufficient amount of such investments whenever the cash balance in any account is insufficient to make the payments required from such fund or account, regardless of the loss of such liquidation. Such Depository Bank 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.

Section 8.02. Restrictions as to Arbitrage Bonds. The City shall not permit at any time or times any of the proceeds of the Bonds or any other funds of the City to be used directly or indirectly to acquire any securities or obligations the acquisition of which would cause any Bond to be an "arbitrage bond" as defined in Section 148 of the Code, and the Mayor of the City shall deliver his certificate, based upon this covenant, with regard thereto.

Section 8.03 Restriction of Yield on Bond Proceeds. The City shall comply with the yield restriction on Bond proceeds as set forth in Section 148 of the Code.

ARTICLE IX

DEFAULT AND REMEDIES

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

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

(B) If default occurs in the City's observance of any of the covenants, agreements or conditions on its part relating to the Bonds set forth in this Ordinance, the

Supplemental Resolution or the Bonds, and such default shall have continued for a period of 30 days after the City shall have been given written notice of such default by the Depository Bank holding any fund or account hereunder or an Owner of a Bond; or

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

An "Event of Default" with respect to the Bonds shall not constitute an event of default with respect to the Notes and vice versa.

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 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 City to perform its duties under the Act and this Ordinance 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 City to account as if it were the trustee of an express trust for the Registered Owners of the Bonds, and (v) by action or bill in equity enjoin any acts in violation of this Ordinance with respect to the Bonds or the rights of such Registered Owners.

Section 9.03. Appointment of Receiver. Any Owner of a Bond may, by proper legal action, compel the performance of the duties of the City under this Ordinance and the Act, including 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 is any default in the payment of interest on any Bonds when the same shall become due, or in the payment of the principal of any Bond or Bonds, either at the specified date of maturity thereof or at a date set for redemption thereof, or otherwise in the performance of any covenant contained in this Ordinance other than as to such payment and such default shall continue for a period of thirty (30) days after written notice of the City of such default, any Owner 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 on behalf of the City with power to charge rates, rentals, fees and other charges sufficient to

provide for the payment of the Bonds and any interest thereon, the deposits into the funds and accounts herein provided and the payment of Operating Expenses of the System and to apply such rates, rentals, fees, charges or other revenues in conformity with the provisions of this Ordinance and the Act.

The receiver so appointed shall forthwith, directly or by his 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 City exercise all the rights and powers of the City with respect to said facilities as the City itself might do.

Whenever all that is due upon the Bonds issued pursuant to this Ordinance and interest thereon and under any covenants of this Ordinance 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 Ordinance shall have been cured and made good, possession of the System shall be surrendered to the City upon the entry of an order of the court to that effect. Upon any subsequent default, any Owner of Bonds issued pursuant to this Ordinance 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, 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 City and for the joint protection and benefit of the City and Owners of Bonds issued pursuant to this Ordinance. 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 City and the Owners, and the curing and making good of any default under the provisions of this Ordinance, and the title to and ownership of said System shall remain in the City, and no court shall have

any jurisdiction to enter any order or decree permitting or requiring such receiver to sell, mortgage, or otherwise dispose of any assets of the System.

The receiver shall recognize that the lien of the Subordinate Bonds is prior and superior to that of the Supplemental Bonds, and that the lien of any outstanding Prior Bonds is prior and superior to that of the Bonds, and shall act accordingly.

ARTICLE X

DEFEASANCE

Section 10.01. Defeasance. If the City shall pay or cause to be paid, or there shall otherwise be paid, to the respective Owners of any Bonds the principal thereof, and redemption premium, if applicable, and any interest due or to become due thereon, at the times and in the manner respectively stipulated therein and in this Ordinance, then the respective pledges of Net Revenues, reserve accounts, unexpended Bond proceeds, and any other moneys and securities pledged under this Ordinance, and all covenants, agreements and other obligations of the City to the Owners of such Bonds shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, the Paying Agent and the Commission shall, upon the request of the City, execute and deliver to the City all such instruments as may be desirable to evidence such discharge and satisfaction, and any fiduciaries shall pay over or deliver to the City all moneys, securities and funds held by them pursuant to this Ordinance which are not required for the payment of redemption.

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 the respective principal of and interest on such Bonds shall 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 been deposited with the Commission either moneys in an amount which shall be sufficient or securities the principal of and the interest on which, when due, will provide moneys which, together with the moneys, if any, deposited with the Commission at the same or earlier time, shall be sufficient, to pay as and when due the respective principal of and interest on said Bonds on and prior to the

maturity or redemption dates, as applicable, thereof, such Bonds shall also be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section. 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 respective principal of and interest on said Bonds; provided, that any cash received from such principal or interest payments on such securities deposited with the Commission, if not then needed for such purpose, shall, to the extent practicable, be reinvested in securities maturing at times and in amounts sufficient to pay when due the respective principal of and interest to become due on said Bonds on and prior to such redemption date or maturity dates thereof as the case may be, and interest earned from such investments shall be paid over the City, as received by the Commission, free and clear of any trust, lien or pledge. For the purpose of this section, securities shall mean and include only Government Obligations. Also for the purposes of the section, the Commission may act by an agent.

Anything in this Ordinance to the contrary notwithstanding, any moneys held by the Commission or any of its agents in trust for the payment and discharge of any of the Bonds which remain unclaimed for two years after the date when such Bonds have become due and payable, either at their stated maturity dates or by call for earlier redemption, if such moneys were held by Commission at such date, or for two years after the date of deposit of such moneys if deposited with the Commission after said date when such Bonds became due and payable, shall, at the written request of the City, be repaid by the Commission to the City, as its absolute property and free from trust, and the Commission shall thereupon be released and discharged with respect thereto, and the Bondholders shall look only to the City for the payment of such Bonds; provided, however, that before being required to make any such payment to the City, the Commission shall, at the expense of the City, cause to be published at least twice, at an interval of not less than seven days between publications, in a financial journal or newspaper published daily (except Saturday, Sunday and holidays) in the English language and in circulation in New York, New York, a notice that said moneys remain unclaimed and that, after a date named in said notice, which date shall be not less than 30 days after the date of the first publication of such notice, the balance of such moneys then unclaimed will be returned to the City.

ARTICLE XI

MISCELLANEOUS

Section 11.01. Modification or Amendment. No material modification of amendment of this Ordinance, or of any ordinance or resolution amendatory hereof or supplemental hereto that would materially and adversely affect the respective rights of Owners of the Bonds shall be made without the consent in writing of the Owners of two-thirds percent (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 City to pay such principal and interest out of the revenues of the System without the consent of the respective 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.

Section 11.02. Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Ordinance shall be held invalid, such invalidity shall not affect any of the remaining provisions of this Ordinance.

Section 11.03. Repeal of Conflicting Ordinance. All ordinances, orders or resolutions, or parts thereof, in conflict with this Ordinance are, to the extent of such conflict, repealed; provided, that no provision of the Prior Ordinance shall be repealed hereby so long as the Prior Bonds are outstanding. So long as any of the Prior Bonds is outstanding, in the event of an otherwise irreconcilable conflict between the Prior Ordinance and this Ordinance, the Prior Ordinance shall govern; provided, that a conflict shall be deemed reconcilable if satisfaction of the more conservative provision at least complies with the conflicting provision.

Section 11.04. Covenant of Due Procedure. The City covenants that all acts, conditions, things and procedures required to exist, to happen, to be performed or to be taken precedent to and in the final enactment and passage of this Ordinance 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 applicable thereto; and that the Mayor, Clerk and members of the City Council 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 11.05. Effective Date. This Ordinance shall take effect after notice and public hearing hereon and otherwise in accordance with the Act.

First Reading: July 28, 1987

Second Reading and Passage: August 11, 1987

Public Hearing and Effective Date: September 8, 1987

THE CITY OF LOGAN, WEST ~~VIRG~~INIA

Thomas E. Esposito

Mayor

ATTEST:

[SEAL]

Violet Miller

City Clerk

This Ordinance
Approved as to Form:

By: Edward D'Eiland

City Attorney

EXHIBIT A

See Loan Agreement--Index No. 19

Exhibit B
Phase I Project Description

The Phase I Project, phase one of a two-phase project, consists primarily of rehabilitating approximately 9,000 feet of interceptor (including slip lining and repairing selected lines) and a pump station.

EXHIBIT C

See Supplemental Loan Agreement--Index No. 20

Supplemental Resolution
re Bond and Note Ordinance

A Resolution supplementing the Ordinance passed by the Council of The City of Logan on August 11, 1987, and effective September 8, 1987; providing as to principal amounts, maturities, interest rate and other terms of the Subordinate Sewerage System Revenue Bonds, Series 1987, and Supplemental Subordinate Sewerage System Revenue Bonds, Series 1987, of The City of Logan; providing for capitalized interest; designating a registrar, paying agent and depository bank; and making other provisions with respect to the Bonds.

WHEREAS, the Council (the "Council") of The City of Logan, West Virginia (the "City"), has duly and effectively passed as of August 11, 1987 and effective September 8, 1987, an Ordinance (the "Ordinance"), entitled:

> An Ordinance supplementing an ordinance adopted by the Council of The City of Logan, West Virginia, on February 11, 1964, entitled "An Ordinance authorizing the issuance of $308,000 principal amount of Sewer Revenue Bonds for the purpose of refunding certain outstanding bonds and to pay part of the cost of construction and acquisition of additions, extensions and improvements to the existing sewer system of The City of Logan, West Virginia"; authorizing the acquisition and construction of certain extensions, improvements and betterments to the existing public sewerage facilities of The City of Logan; authorizing the issuance of not more than $720,000 in aggregate principal amount of Subordinate Sewerage System Revenue Bonds, Series 1987, and not more than $180,000 in aggregate principal amount of Supplemental Subordinate Sewerage System Revenue Bonds, Series 1987, of The City of Logan to be used, along with other funds and moneys of or available to The City of Logan that may be lawfully expended for such purposes, to finance the cost of such acquisition and construction; providing for the sale of such Bonds to the West Virginia Water Development Authority and for the rights and remedies of and security for the registered owners of such Bonds; authorizing issuance of not more than $1,000,000 in aggregate principal amount of Sewerage System Grant Anticipation Notes,

Series 1987, to be used to finance the cost of such acquisition and construction pending the receipt of certain grant proceeds; and enacting other provisions related thereto;

and

WHEREAS, capitalized terms used and not otherwise defined in this Supplemental Resolution have the respective meanings given them in the Ordinance; and

WHEREAS, the Ordinance provides for the issuance of not more than $720,000 in aggregate principal amount of Subordinate Sewerage System Revenue Bonds, Series 1987, and not more than $180,000 in aggregate principal amount of Supplemental Subordinate Sewerage System Revenue Bonds, Series 1987, of the City (the "Bonds"), and the sale of the Bonds pursuant to the terms of the Loan Agreement and the Supplemental Loan Agreement, both dated August 21, 1987, entered into between the City and the West Virginia Water Development Authority (the "Authority"); and

WHEREAS, in the Ordinance, it is provided that the principal amounts, maturities, interest rate and other terms of the Bonds should be established by a Supplemental Resolution and that approval of Schedule X to the Loan Agreement and the Supplemental Loan Agreement and other matters relating to the Bonds be herein provided for; and

WHEREAS, the Ordinance also provides for the issuance of not more than $1,000,000 in aggregate principal amount of Sewerage System Grant Anticipation Notes, Series 1987 (the "Notes"); and

WHEREAS, the Council deems that it is not in the best interest of the City to issue the Notes at this time; and

WHEREAS, the Council deems it essential and desirable that this resolution (the "Supplemental Resolution") be adopted and that the principal amounts, maturities, interest rate, and other terms of the Bonds be fixed hereby in the manner stated herein and that approval of Schedule X to the Loan Agreement and the Supplemental Loan Agreement and other matters relating to the Bonds be herein provided for;

NOW, THEREFORE, Be It Resolved by the Council of The City of Logan, West Virginia, as follows:

(1) Pursuant to the Ordinance and the Act, this Supplemental Resolution is adopted and there are hereby authorized and ordered to be issued the Subordinate Sewerage System Revenue Bonds, Series 1987 (the "Subordinate Bonds"), of the City in the aggregate principal amount of $623,087 and the

Supplemental Subordinate Sewerage System Revenue Bonds, Series 1987 (the "Supplemental Bonds"), of the City in the aggregate principal amount of $152,833, all in the form and having the provisions set forth below and in the Ordinance.

(a) The Subordinate Bonds shall be orginally issued in the form of a single bond, numbered R-1, fully registered to the Authority, in the principal amount of $623,087. The Subordinate Bonds shall be dated the date of delivery thereof; shall bear interest at the rate of 8.38 percent per annum, payable semiannually on April 1 and October 1 of each year, beginning April 1, 1988; shall be subject to redemption only with the written consent of the Authority and upon payment of the interest and redemption premium, if any, and subject to the other requirements and otherwise in compliance with the Loan Agreement, so long as the Authority shall be the registered owner of the Subordinate Bonds; and shall mature in principal installments on October 1 of each of the years from 1989 through 2026, inclusive, in the amounts set forth in Loan Agreement "Schedule X" attached as Exhibit A hereto, specifically approved hereby and incorporated herein by reference.

(b) The Supplemental Bonds shall be originally issued in the form of a single bond, numbered SR-1, fully registered to the Authority, in the principal amount of $152,833. The Supplemental Bonds shall be dated the date of delivery thereof; shall bear no interest; shall be subject to redemption only with the written consent of the Authority and otherwise in compliance with the Supplemental Loan Agreement so long as the Authority shall be the registered owner of the Supplemental Bonds; and shall mature in principal installments on October 1 of each of the years from 1989 through 2026, inclusive, in the amounts set forth in Supplemental Loan Agreement "Schedule X" attached as Exhibit B hereto, specifically approved hereby and incorporated herein by reference.

(c) The Bonds shall be sold to the Authority at the price of 100 percent of par, there being no accrued interest.

(2) All other provisions relating to the Bonds shall be as provided in the Ordinance, and the Bonds shall be in substantially the respective forms provided in the Ordinance, with such changes, insertions and omissions as may be approved by the Mayor of the City. The execution of the Bonds by the Mayor shall be conclusive evidence of such approval..

(3) The City does hereby ratify, approve and accept the Loan Agreement and the Supplemental Loan Agreement, including the "Schedule X" attached to each, copies of which are incorporated herein by reference, and the execution and

delivery by the Mayor of the Loan Agreement and the Supplemental Loan Agreement, and the performance of the obligations contained therein, on behalf of the City have been and are hereby authorized, approved and directed.

(4) The City hereby appoints and designates The National Bank of Logan, Logan, West Virginia, as the Depository Bank.

(5) The City hereby appoints and designates the West Virginia Municipal Bond Commission as the Paying Agent.

(6) The City hereby appoints and designates One Valley Bank, National Association, Charleston, West Virginia, as the Registrar. The Mayor is hereby authorized and directed to execute and deliver the Registrar's Agreement in substantially the form attached as Exhibit C hereto and incorporated herein by reference, with such changes, insertions and omissions as may be approved by the Mayor. The execution of the Registrar's Agreement by the Mayor shall be conclusive evidence of such approval.

(7) The Mayor and City Clerk and other appropriate officers and employees of the City and the Sanitary Board are hereby authorized and directed to execute and deliver such other documents and certificates required or desirable in connection with the issuance of the Bonds.

(8) Interest on the Subordinate Bonds shall be payable from proceeds of the Subordinate Bonds in the approximate amount of $26,322.00, which amount shall be sufficient to pay interest on the Subordinate Bonds to and including March 1988, and thereafter interest shall be paid as provided in the Ordinance. The City hereby directs that such capitalized interest be deposited with the West Virginia Municipal Bond Commission and instructs the Commission to make the interest payments when due and payable.

(9) The Council hereby determines not to fund the Reserve Account or the Supplemental Reserve Account. Accordingly, the City hereby directs that no proceeds of the Bonds be placed in said reserve accounts.

(10) The financing of the Project in part with the proceeds of the Bonds is in the public interest, serves a public purpose of the City and will promote the health, welfare and safety of the residents of the City.

(11) This Supplemental Resolution shall be effective immediately upon adoption.

Resolution adopted September 8, 1987

THE CITY OF LOGAN, WEST VIRGINIA

By: Thomas E. Esposito
Thomas E. Esposito, Mayor

ATTEST:

[Seal]

Violet Miller
Violet Miller, City Clerk

This resolution approved as to form:

Edward I. Eiland
Edward I. Eiland, City Attorney

WDA-5X
(October 1986)

SCHEDULE X
DESCRIPTION OF LOCAL BONDS

Principal Amount of Local Bonds $623,087

Purchase Price of Local Bonds $623,087

Interest on the Local Bonds is payable on April 1 and October 1 in each year, beginning with the first semi-annual interest payment date after delivery of the Local Bonds to the Authority, until the Local Bonds are paid in full, at the rate of 8.38 % per annum. Principal of the Local Bonds is payable on October 1 in each year as set forth on Exhibit 1 attached hereto and incorporated herein by reference.

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

None.

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

$308,000.00 Sewer Revenue Bonds dated March 1, 1964

EXHIBIT A

CITY OF LOGAN
ANALYSIS OF 7.00% BORROWING COST FOR LOCAL ISSUER
---------- 1986 SERIES A BONDS ----------

PERIOD ENDING 10/1	COUPON	PRIN.	INTEREST	SERVICE
1988	6.38		52,650.06	52,650.06*
1989	6.38	2,574	52,214.94	54,788.94
1990	6.38	2,790	51,999.24	54,789.24
1991	6.38	3,024	51,765.44	54,789.44
1992	6.38	3,277	51,512.03	54,789.03
1993	6.38	3,552	51,237.42	54,789.42
1994	6.38	3,849	50,939.76	54,788.76
1995	6.38	4,172	50,617.21	54,789.21
1996	6.38	4,521	50,267.60	54,788.60
1997	6.38	4,900	49,888.74	54,788.74
1998	6.38	5,311	49,478.12	54,789.12
1999	6.38	5,756	49,033.06	54,789.06
2000	6.38	6,238	48,550.70	54,788.70
2001	6.38	6,761	48,027.96	54,788.96
2002	6.38	7,327	47,461.39	54,788.39
2003	6.38	7,942	46,847.38	54,789.38
2004	6.38	8,607	46,181.85	54,788.85
2005	6.38	9,328	45,460.58	54,788.58
2006	6.38	10,110	44,678.89	54,788.89
2007	6.38	10,957	43,831.67	54,788.67
2008	6.38	11,876	42,913.48	54,789.48
2009	6.38	12,871	41,918.27	54,789.27
2010	6.38	13,950	40,839.68	54,789.68
2011	6.38	15,118	39,670.67	54,788.67
2012	6.38	16,385	38,403.78	54,788.78
2013	6.38	17,758	37,030.72	54,788.72
2014	6.38	19,247	35,542.60	54,789.60
2015	6.38	20,859	33,929.70	54,788.70
2016	6.38	22,607	32,181.71	54,788.71
2017	6.38	24,502	30,287.25	54,789.25
2018	6.38	26,555	28,233.98	54,788.98
2019	6.38	28,781	26,008.67	54,789.67
2020	6.38	31,193	23,596.82	54,789.82
2021	6.38	33,806	20,982.85	54,788.85
2022	6.38	36,639	18,149.91	54,788.91
2023	6.38	39,710	15,079.56	54,789.56
2024	6.38	43,037	11,751.86	54,788.86
2025	6.38	46,644	8,145.36	54,789.36
2026	6.38	50,553	4,236.59	54,789.59
		623,087	1,511,547.50	2,134,634.50

This amount of interest assume closing Sept. 2 1987 and is subject to chan depending on th closing date

EXHIBIT I

WDA-Supp. 5X
(November 1985)

SCHEDULE X
DESCRIPTION OF SUPPLEMENTAL BONDS

Principal Amount of Supplemental Bonds	$ 152,833
Purchase Price of Supplemental Bonds	$ 152,833

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

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

$308,000 Sewer Revenue Bonds dated March 1, 1964

EXHIBIT B

CITY OF LOGAN
ANALYSIS OF 7.00% BORROWING COST FOR LOCAL ISSUER
---------- 1986 SERIES A BONDS ----------

PERIOD ENDING 10/1	ZERO COUPON BONDS
1987	.00
1988	.00
1989	4,024.92
1990	4,021.84
1991	4,021.84
1992	4,021.84
1993	4,021.84
1994	4,021.84
1995	4,021.84
1996	4,021.84
1997	4,021.84
1998	4,021.84
1999	4,021.84
2000	4,021.84
2001	4,021.84
2002	4,021.84
2003	4,021.84
2004	4,021.84
2005	4,021.84
2006	4,021.84
2007	4,021.84
2008	4,021.84
2009	4,021.84
2010	4,021.84
2011	4,021.84
2012	4,021.84
2013	4,021.84
2014	4,021.84
2015	4,021.84
2016	4,021.84
2017	4,021.84
2018	4,021.84
2019	4,021.84
2020	4,021.84
2021	4,021.84
2022	4,021.84
2023	4,021.84
2024	4,021.84
2025	4,021.84
2026	4,021.84
	152,833.00

EXHIBIT 1

REGISTRAR'S AGREEMENT

THIS REGISTRAR'S AGREEMENT, dated as of the ____ day of _____, 1987, by and between THE CITY OF LOGAN, a municipal corporation and political subdivision of the State of West Virginia (the "Governmental Agency"), and ONE VALLEY BANK, NATIONAL ASSOCIATION, a national banking association (the "Registrar").

WHEREAS, the Governmental Agency has contemporaneously with the execution hereof issued and sold its $623,087 in aggregate principal amount of Subordinate Sewerage System Revenue Bonds, Series 1987 (the "Subordinate Bonds"), in the form of one bond numbered R-1, and its $152,833 in aggregate principal amount of Supplemental Subordinate Sewerage System Revenue Bonds, Series 1987 (the "Supplemental Bonds"), in the form of one bond numbered SR-1, and both in fully registered form (collectively, the "Bonds"), pursuant to the Ordinance, passed by the Council of the City on August 11, 1987, as supplemented on September 8, 1987 (the "Ordinance");

WHEREAS, capitalized words and terms used in this Registrar's Agreement and not otherwise defined herein shall have the respective meanings given them in the Ordinance, a copy of which has been received by the Registrar and is incorporated herein by reference;

WHEREAS, the Ordinance provides for the appointment by the Governmental Agency of a Registrar for the Bonds; and

WHEREAS, the Governmental Agency desires to appoint, and by the Ordinance and this Registrar's Agreement does appoint, the Registrar to act as registrar under the Ordinance and to take certain other actions hereinafter set forth;

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

1. Upon the execution of this Registrar's Agreement by the Governmental Agency and the Registrar and during the term hereof, the Registrar does accept and shall have and carry out the powers and duties of Registrar for the Bonds, all as set forth in the Ordinance, such duties including, among other things, the duties to authenticate, register and deliver Bonds upon original issuance and when properly presented for exchange or transfer, and shall do so with the intention of maintaining the exemption of interest on the Subordinate Bonds from federal income taxation, in accordance with any rules and regulations promulgated by the United States Treasury Department or by the

Municipal Securities Rulemaking Board or similar regulatory bodies as the Governmental Agency advises it of and with generally accepted industry standards.

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

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

4. As compensation for acting as Registrar pursuant to this Registrar's Agreement, the Governmental Agency hereby agrees to pay $500 to the Registrar upon the execution of this Registrar's Agreement and from time to time reimbursement for reasonable expenses incurred in connection therewith.

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

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

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

GOVERNMENTAL AGENCY

The City of Logan
City Hall, Dingess Street
Logan, West Virginia 25601
Attention: Mayor

REGISTRAR:

One Valley Bank, National Association
Summers & Lee Streets
Box 1793
Charleston, West Virginia 25326
Attention: Corporate Trust Department

IN WITNESS WHEREOF, THE CITY OF LOGAN and ONE VALLEY BANK, NATIONAL ASSOCIATION, have respectively caused this Registrar's Agreement to be signed in their names and on their behalf, all as of the day and year first above-written.

THE CITY OF LOGAN

By: _____
MAYOR

ONE VALLEY BANK, NATIONAL ASSOCIATION

By: _____
Its _____

5843z

The City Council of the City of Logan, West Virginia, met for its regular monthly meeting on Tuesday, June 9, 1992, at 7:30 P.M. in the Council Chambers of the City Building in said city.

The following persons were present:

Thomas E. Esposito, Mayor
Levi "Duke" Caudill, Council Member
Lilly Lowe, Council Member
Stan Morgan, Council Member
Bea N. Orr, Council Member
Ruth Ware, Council Member
Edward I. Eiland, City Attorney
Vickie Luke, Acting City Clerk
Timothy Wiley, Acting Police Chief
T. D. Kauffelt, Special Counsel
for the Sanitary Board
Jim Fot, Member of the Sanitary Board
V. J. Ferzacca, Member of the Sanitary Board
Frank Sampson, Coordinator for the Sanitary Board
Terry Smith, of the firm of Kelly, Gidley, Blair
& Wolfe, Project Engineer for the Sewage
Treatment Plant Project.

The meeting was called to order by the Mayor, Thomas E. Esposito, who presided and asked Edward I. Eiland to take the minutes.

Upon motion by Mr. Caudill, seconded by Mr. Morgan, the financial statements for March and April, 1992, were approved.

The Mayor announced that special meetings of the Council may be called for June 18, June 23, and June 30.

The Mayor announced that he has ordered the Police Department to disperse crowds on the streets after the curfew begins each night.

The Mayor announced that the Farmers Market on Washington Street would begin on Friday, June 12.

Upon motion by Mr. Morgan, seconded by Mr. Caudill, the following order was entered:

"IN RE: DESIGNATION AND QUALIFICATION OF THE NATIONAL BANK OF LOGAN AS DEPOSITORY OF PUBLIC MONEYS

It is considered and ordered that The National Bank of Logan, a national banking association of Logan, West Virginia, be and it is designated as a depository of public moneys of The City of Logan for fiscal year commencing July 1, 1992, and is required to furnish security in the amount of Four Hundred Seventy-Five Thousand Dollars ($475,000.00), for the receipt, safekeeping and payment over of all moneys which may be deposited with or come under its custody and control.

In lieu of The National Bank of Logan furnishing bond as such City Depository, the council does accept the deposit by The National Bank of Logan of the following securities:

$210,000.00 West Virginia St. Hosp. Fin. Auth. Hospital
Rev. Ref. Logan Gen. Hosp. Project
dtd 4/10/86, due 4/1/93
7.6%, cusip No. 95622AQ

$265,000.00 West Virginia St. Hosp. Fin. Auth. Hospital
Rev. Ref. Logan Gen. Hosp. Project
dtd 4/1/86, due 4/1/95
8.0%. Cusip No. 956622AS3

now held by Wachovia Bank & Trust Company NA, Charlotte, NC, and The National Bank of Logan secures the performance of its obligations of such City Depository, under the terms of an agreement hypothecating such securities, which bears date as of June 9, 1992, which has been executed in duplicate by The National Bank of Logan, and it is ordered that the hypothecating of securities by The National Bank of Logan under the terms of such agreement be and the same is accepted by The City of Logan in lieu of a depository bond, and that the Mayor of The City of Logan does execute such Hypothecation agreement upon behalf of The City of Logan and that the Clerk of The City of Logan do affix the corporate seal of The City of Logan thereto and attest the same.

It is further ordered that The National Bank of Logan has qualified as a City Depository for the deposit of public moneys to the extent that the maximum of public moneys deposited with such depository at any one time shall not exceed the amount of Four Hundred Seventy-Five Thousand Dollars ($475,000.00) being the face value of the securities pledged as aforesaid.

It is further ordered that public moneys in excess of Four Hundred Seventy-Five Thousand Dollars ($475,000.00) may be deposited with The National Bank of Logan to the extent that the face value of interest bearing securities of the United States of America or the State of West Virginia in excess of Four Hundred Seventy-Five Thousand Dollars ($475,000.00) hereafter may be deposited by The National Bank of Logan with Wachovia Bank & Trust Company upon behalf of the City and such additional securities cannot be withdrawn except as provided by the terms of said Hypothecation Agreement or by order of the City of Logan.

/s/ Thomas E. Esposito

Mayor, City of Logan"

The Mayor announced that the City was unable to establish a residential area on land at the Central City approach to the walk-bridge over the Guyandotte River to Midelburg Island because that land is owned by The Board of Education of the County of Logan rather than by the City of Logan. The city attorney was directed to contact The Board of Education with a proposal to convey or lease that land to the City for use for residential parking.

AN ORDINANCE RELATING TO ABANDONED MOTOR VEHICLES, JUNKED MOTOR VEHICLES, OLD VEHICLE TIRES AND ABANDONED OR INOPERATIVE HOUSEHOLD APPLIANCES; SETTING FORTH CERTAIN FINDINGS AND A DECLARATION OF PUBLIC POLICY WITH RESPECT THERETO; DEFINING TERMS USED IN SAID ORDINANCE; PROHIBITING THE ABANDONMENT OF MOTOR VEHICLES IN CERTAIN PLACES, THE PLACING OR DEPOSITING OF A JUNKED MOTOR VEHICLE IN CERTAIN PLACES, AND THE PLACING OR DEPOSITING OF AN OLD VEHICLE TIRE OR INOPERATIVE OR ABANDONED HOUSEHOLD APPLIANCE IN CERTAIN PLACES; PROVIDING CRIMINAL OFFENSES AND PENALTIES; AUTHORIZING INJUNCTIVE RELIEF; AND PROVIDING A RULE OF CONSTRUCTIVE AND SEVERABILITY CLAUSE, which had been filed with the City Clerk more than five days prior to the date of this meeting was read by title and, upon motion by Mrs. Orr, seconded by Mrs. Lowe, was approved on first reading for further consideration and final adoption at the Council's next regular monthly meeting.

Upon motion by Mrs. Orr, seconded by Mr. Caudill, An Ordinance Providing For The Sale of a 1975 Chevrolet Truck Chassis at public auction was read in full and approved on first reading for further consideration and final adoption at the Council's next regular monthly meeting.

The Council conducted a public hearing on the adoption of An Ordinance Changing and Readjusting Rates and Charges For Furnishing Sewer Service, which ordinance was introduced at the Council's meeting on May 26, 1992. A certificate of publication in THE LOGAN BANNER as a Class II advertisement of a notice of the time and place of this hearing was presented and was ordered to be filed.

The Mayor announced that all the users of sewer service and all other interested persons who wished to be heard would now be heard. No persons asked to be heard with respect to the ordinance, but explanations of it were made by Mr. T. D. Kauffelt, Special Counsel for the Sanitary Board, and by Mr. Terry Smith, of the consulting engineering firm of Kelley, Gidley, Blair & Wolfe, Consulting Engineers. After a discussion, and upon motion by Mrs Orr, seconded by Mr. Morgan, the following ordinance was unanimously adopted:

"AN ORDINANCE CHANGING AND READJUSTING RATES AND CHARGES FOR FURNISHING SEWER SERVICE BY THE CITY OF LOGAN

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF LOGAN, WEST VIRGINIA:

I. **FINDINGS.** The Council hereby finds as follows:

A. The Sanitary Board of the City of Logan has reported and an Accounting Exhibit dated December 31, 1991, prepared by Vallet & Associates, C.P.A., which is incorporated herein by reference, demonstrates and the Council hereby finds that the rates and charges now in effect for sewer service furnished and provided by the City of Logan are not sufficient in each year for (1) the payment of the proper and reasonable expense of operation, repair, replacement, and maintenance of the City's sewage collection system and sewage treatment plant, (2) the payment of the sums required by an ordinance finally enacted on March 3, 1964, to be paid into the State Sinking Fund for the retirement and security of the City's Sewer Revenue Bonds dated the 1st day of March, 1964, (3) the payment of the sums required by an ordinance finally enacted on August 11, 1987, to be paid into the State Sinking Fund for the retirement and security of the City's Sewer Revenue Bonds dated the 25th day of September, 1987, and (4) the financing of certain improvements and betterments to said system, consisting of a new wastewater treatment plant, all in accordance with the preliminary report and plans and specifications prepared and filed by Kelley, Gidley, Blair & Wolfe, Inc., the engineers chosen by the Sanitary Board.

B. The rates and charges hereinafter established for sewer service furnished and provided by the City of Logan will be sufficient in each year for the payment of the aforementioned expense and the sums required to be paid into the State Sinking Fund for the retirement and security of the aforementioned bonds and for the financing of those improvements and betterments, and are just and equitable.

II. **RATES AND CHARGES.** The rates and charges for sewer service furnished and provided by the City of Logan are hereby changed and readjusted so that, on and after the date established in Section 3 of this Ordinance, they will be as follows:

CITY OF LOGAN - SANITARY BOARD

RATES

Applicable in the entire territory served.

AVAILABILITY OF SERVICE

Available for general domestic, commercial, and industrial service.

RATE

(based upon the metered amount of water furnished)

First 2,000 gallons used per month	$7.51 per 1,000 gallons
Next 3,000 gallons used per month	5.29 per 1,000 gallons
Next 25,000 gallons used per month	3.70 per 1,000 gallons
Next 70,000 gallons used per month	2.93 per 1,000 gallons
Next 100,000 gallons used per month	2.31 per 1,000 gallons
All over 200,000 gallons used per month	2.10 per 1,000 gallons

MINIMUM CHARGE

The above schedule is subject to a minimum charge of $15.02.

DELAYED PAYMENT PENALTY

The above schedule is net. On all accounts not paid in full within thirty (30) days of the date of the bill, ten percent (10%) will be added to the net amount shown. This delayed payment penalty is not interest and is only to be collected once for each bill where it is appropriate.

III. **EFFECTIVE DATE OF RATE AND CHARGES.** The rates and charges hereby established shall be effective forty-five (45) days after the passage of this Ordinance."

It was reported by the Sanitary Board that bids for the contract to construct a new sewage treatment plant had been opened and the low bid had been accepted.

A delegation from The Appalachian Model Railroad Society composed of Sam Shad, Mike Fuller, Mike Zenis, and Carl Fultz, asked the City's cooperation on a Model Railroad Show at Logan Grade School on July 24, 25, and 26. Upon motion by Mr. Morgan, seconded by Mrs. Orr, a resolution endorsing the show and welcoming it was unanimously approved.

Upon motion by Mr. Morgan, seconded by Mrs. Orr, the Chief of Police was directed to place a "Caution People Exiting" sign on the telephone pole at Dead Man's Curve.

There being no further business, the meeting was adjourned upon motion by Mrs. Ware, seconded by Mr. Caudill.

Edward J. Eldard
City Attorney

Thomas E. Esposito, Mayor

The City Council of The City of Logan, West Virginia, met for its regular monthly meeting on Tuesday, July 14, 1992, at 7:30 p.m. in the Council Chambers of the City Building in said city.

The following persons were present:

Thomas E. Esposito, Mayor
Levie Caudill, Council Member
Lilly Lowe, Council Member
Stan Morgan, Council Member
Bea N. Orr, Council Member
Ruth Ware, Council Member
Edward I. Eiland, City Attorney
Vickie Luke, Acting City Clerk
Timothy Wiley, Acting Police Chief
Lindsey Collier, Street Superintendent
C. Jeffrey Vallet, CPA
Taunja Willis Miller, Attorney
Stephen Matthews, of Energy Resources, Inc.
Lou Capaldini
Jackie Capaldini
Violet Oberly
Bob Weisner, WVOW News
T. D. Kiger, Reporter for THE LOGAN BANNER

The meeting was called to order by the Mayor, Thomas E. Esposito, who asked the City Attorney, Edward I. Eiland, to prepare the minutes.

The City Attorney presented and filed a petition of the Sanitary Board of the City of Logan, West Virginia, dated June 22, 1992, signed by the members of the Sanitary Board, asking the Council to enact an Amendatory and Supplemental Bond and Note Ordinance, a copy of which was thereto attached as Exhibit 1 thereto and incorporated therein by reference, which ordinance would direct the City to issue not more than $3,125,000 in aggregate principal amount of Subordinate Sewerage System Revenue Bonds, Series 1992, and not more than $125,000 in aggregate principal amount of Supplemental Subordinate Sewerage System Revenue Bonds, Series 1992, and further directs the the City establish a revolving line of credit in a principal amount of not more than $500,000 to pay the cost of a new secondary wastewater treatment plant and necessary appurtenances, to the extent that those bonds and the City's grant from the United States Environmental Protection Agency are not timely available therefor, and issue a Sewerage System Construction Note, Series 1992, in a principal amount of note more than $500,000 to evidence the City's obligation to repay draws upon the 1992 Line of Credit and, if necessary, Subordinate Sewerage System Revenue Bonds, Series 1992, in an aggregate principal amount of not more than $550,000 to pay the principal of and interest on the 1992 Note at or prior to maturity.

Thereupon an ordinance which had been filed with the City Clerk on July 9, 1992, and which is titled as follows:

"AN ORDINANCE AMENDING AND SUPPLEMENTING AN ORDINANCE PASSED BY THE COUNCIL OF THE CITY OF LOGAN, WEST VIRGINIA, ON AUGUST 11, 1987, ENTITLED 'AN ORDINANCE SUPPLEMENTING AN ORDINANCE ADOPTED BY THE COUNCIL OF THE CITY OF LOGAN, WEST VIRGINIA, ON FEBRUARY 11, 1964, ENTITLED "AN ORDINANCE AUTHORIZING THE ISSUANCE OF $308,000 PRINCIPAL AMOUNT OF SEWER REVENUE BONDS FOR THE PURPOSE OF REFUNDING CERTAIN OUTSTANDING BONDS AND TO PAY PART OF THE COST OF CONSTRUCTION AND

ACQUISITION OF ADDITIONS, EXTENSIONS AND IMPROVEMENTS TO THE EXISTING SEWER SYSTEM OF THE CITY OF LOGAN, WEST VIRGINIA"; AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN EXTENSIONS, IMPROVEMENTS AND BETTERMENTS TO THE EXISTING PUBLIC SEWERAGE FACILITIES OF THE CITY OF LOGAN; AUTHORIZING ISSUANCE OF NOT MORE THAN $720,000 IN AGGREGATE PRINCIPAL AMOUNT OF SUBORDINATE SEWERAGE SYSTEM REVENUE BONDS, SERIES 1987, AND NOT MORE THAN $180,000 IN AGGREGATE PRINCIPAL AMOUNT OF SUPPLEMENTAL SUBORDINATE SEWERAGE SYSTEM REVENUE BONDS, SERIES 1987, OF THE CITY OF LOGAN TO BE USED, ALONG WITH OTHER FUNDS AND MONEYS OF OR AVAILABLE TO THE CITY OF LOGAN THAT MAY BE LAWFULLY EXPENDED FOR SUCH PRUPOSES, TO FINANCE THE COST OF SUCH ACQUISITION AND CONSTRUCTION; PROVIDING FOR THE SALE OF SUCH BONDS TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY AND FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING ISSUANCE OF NOT MORE THAN $1,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWERAGE SYSTEM GRANT ANTICIPATION NOTES, SERIES 1987, TO BE USED TO FINANCE THE COST OF SUCH ACQUISITION AND CONSTRUCTION PENDING THE RECEIPT OF CERTAIN GRANT PROCEEDS; AND ENACTING OTHER PROVISIONS RELATING THERETO"; AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN ADDITIONAL EXTENSIONS, IMPROVEMENTS AND BETTERMENTS TO THE EXISTING PUBLIC SEWERAGE FACILITIES OF THE CITY OF LOGAN; AUTHORIZING ISSUANCE OF NOT MORE THAN $3,125,000 IN AGGREGATE PRINCIPAL AMOUNT OF SUBORDINATE SEWERAGE SYSTEM BONDS, SERIES 19;92, AND NOT MORE THAN $125,000 IN AGGREGATE PRINCIPAL AMOUNT OF SUPPLEMENTAL SUBORDINATE SEWERAGE SYSTEM REVENUE BONDS, SERIES 1992, OF THE CITY OF LOGAN TO BE USED, ALONG WITH OTHER FUNDS AND MONEYS OF OR AVAILABLE TO THE CITY OF LOGAN THAT MAY BE LAWFULLY EXPENDED FOR SUCH PURPOSES, TO FINANCE THE COST OF SUCH ACQUISITION AND CONSTRUCTION; PROVIDING FOR THE SALE OF SUCH BONDS TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY AND FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNER OF SUCH BONDS; AUTHORIZING A REVOLVING LINE OF CREDIT IN AN AMOUNT NOT TO EXCEED $500,000 TO PROVIDE FUNDS FOR SUCH ACQUISITION AND CONSTRUCTION TO THE EXTENT BOND PROCEEDS, GRANT RECEIPTS OR OTHER FUNDS ARE NOT TIMELY AVAILABLE THEREFOR AND AN AGREEMENT WITH RESPECT TO SAID LINE OF CREDIT; AUTHORIZING ISSUANCE OF A SEWERAGE SYSTEM CONSTRUCTION NOTE OF THE CITY OF LOGAN IN A STATED PRINCIPAL AMOUNT NOT TO EXCEED $500,000 TO EVIDENCE THE CITY'S OBLIGATION TO REPAY ANY DRAWS UPON SAID LINE OF CREDIT AND THE ISSUANCE, IF NECESSARY, OF NOT MORE THAN $500,000 IN AGGREGATE PRINCIPAL AMOUNT OF SUBORDINANCE SEWERAGE SYSTEM REVENUE BONDS OF THE CITY OF LOGAN TO PROVIDE FOR THE PAYMENT OF THE PRINCIPAL OF AND INTERRST ON SAID NOTE; AND ENACTING OTHER PROVISIONS RELATING THERETO."

was read by title, the reading thereof in full having been waived and dispensed with upon motion by Mr. Morgan, seconded by Mrs. Ware, and was passed on first reading, to be considered for final adoption at a special meeting to be held on Tuesday, July 21, 1992, at 6:00 p.m., upon motion by Mrs. Ware, seconded by Mrs. Orr.

Upon motion by Mrs. Ware, seconded by Mr. Caudill, the following ordinance, which had been filed with the Clerk on March 27, 1992, and had been passed on first reading on June 9, 1992, was read in full and finally adopted:

"AN ORDINANCE PROVIDING FOR THE SALE
OF A 1975 CHEVROLET TRUCK CHASSIS

BE IT ORDAINED that the 1975 Chevrolet Truck Chassis, Serial Number CCE615V131509, be sold for a fair and adequate consideration, cash, at public auction at a time and place established by the Mayor, after notice of the time, terms, and place of sale, together with a description of the property to be sold, is published once a week for two successive weeks in The Logan Banner, which notice shall state that the sale must be approved by the City Council of the City of Logan and that the City of Logan reserves the right to reject any and all bids.

This ordinance shall be effective from passage."

The Mayor announced that the sale required by that ordinance would be held on August 11, 1992, at 7:30 p.m. in the Council Chambers of the City Building.

Upon motion by Mr. Caudill, seconded by Mrs. Ware, the following ordinance, which had been passed on first reading on June 9, 1992, and had been filed with the Clerk more than five days prior thereto, and which was read by title, the reading in full thereof having been waived and dispensed with upon motion by Mrs. Orr, seconded by Mr. Morgan, was finally adopted:

"AN ORDINANCE RELATING TO ABANDONED MOTOR VEHICLES, JUNKED MOTOR VEHICLES, OLD VEHICLE TIRES AND ABANDONED OR INOPERATIVE HOUSEHOLD APPLIANCES; SETTING FORTH CERTAIN FINDINGS AND A DECLARATION OF PUBLIC POLICY WITH RESPECT THERETO; DEFINING TERMS USED IN SAID ORDINANCE; PROHIBITING THE ABANDONMENT OF MOTOR VEHICLES IN CERTAIN PLACES, THE PLACING OR DEPOSITING OF A JUNKED MOTOR VEHICLE IN CERTAIN PLACES, AND THE PLACING OR DEPOSITING OF AN OLD VEHICLE TIRE OR INOPERATIVE OR ABANDONED HOUSEHOLD APPLIANCE IN CERTAIN PLACES; PROVIDING CRIMINAL OFFENSES AND PENALTIES; AUTHORIZING INJUNCTIVE RELIEF; AND PROVIDING A RULE OF CONSTRUCTIVE AND SEVERABILITY CLAUSE:

BE IT ORDAINED:

1. Findings; statement of policy.

The Council recognizes and declares that abandoned motor vehicles, junked motor vehicles, old vehicle tires and certain abandoned or inoperative household appliances are and constitute a public nuisance and hazard to both adults and children and therefore are dangerous and constitute a clear and present danger; that said abandoned motor vehicles, junked motor vehicles, old vehicle tires and certain abandoned or inoperative household appliances serve as harborage and breeding places for rodents, mosquitoes, fleas, ticks, mice, rats and other insects, pests, and flies injurious to the public health, safety and general welfare; that abandoned motor vehicles and junked motor vehicles serve frequently as temporary or permanent places of human residence unconducive to public health, safety and welfare; that the accumulation and storage of any of such items or parts thereof on private or public property, including but not limited to highways, is hereby found to create a condition tending to reduce the value of private property and to promote blight and deterioration which if permitted to remain will continue to destroy the natural beauty of this State and have adverse economic and social effects; that said abandoned motor vehicles, junked motor vehicles, old vehicle tires and certain abandoned or inoperative household appliances constitute an unattractive nuisance creating a hazard to the health and safety of minors; and that it is in the public interest and welfare to provide for a program to eliminate the unsightly practice of abandoning motor vehicles, old vehicle tires and certain abandoned or inoperative household appliances. In view of these findings the Council declares it to be the public policy of the City of Logan to eliminate the present danger resulting from abandoned motor vehicles, junked motor vehicles, old vehicle tires and certain abandoned or inoperative household appliances and to eliminate the visual pollution resulting from these items. The Council further finds and declares that the presence of an abandoned motor vehicle, junked motor vehicle, old vehicle tire or an abandoned or inoperative household appliance, or any part thereof, on private or public property, including but not limited to highways, except as expressly hereinafter permitted, is a public nuisance injurious to the public health, safety and general welfare of the citizens of this City which shall be abated as such by the methods provided in this ordinance.

2. Definitions.

Unless the context clearly indicates a different meaning, as used in this article:

(1) 'Abandoned household appliance' means a refrigerator, deepfreeze, range, stove, automatic dishwasher, clothes washer, clothes dryer, trash compactor, television set, radio, air conditioning unit, commode or bed springs, and which is not in an enclosed building, a licensed salvage yard or the actual possession of a demolisher.

(2) 'Abandoned motor vehicle' means any motor vehicle, or major part thereof, which is inoperative and which has been abandoned on public or private property for any period of time over five days, other than in an enclosed building or in a licensed salvage yard or at the business establishment of a demolisher, or any motor vehicle, or major part thereof, which has remained illegally on public or private property for any period of time over five days, or any motor vehicle, or major part thereof, which has remained on private property for any period of time over three days, or any motor vehicle, or major part thereof,

which is unattended, discarded, deserted and unlicensed and is not in an enclosed building, a licensed salvage yard or the actual possession of a demolisher.

(3) 'Demolisher' means any person licensed by the commissioner of the department of highways whose business, to any extent or degree, is to convert a motor vehicle or any part thereof or an inoperative household appliance into processed scrap or scrap metal, or into saleable parts, or otherwise to wreck or dismantle vehicles or appliances.

(4) 'Enclosed building' means a structure surrounded by walls or one continuous wall, and having a roof enclosing the entire structure and includes a permanent appendage thereto.

(5) 'Inoperative household appliance' means a refrigerator, deepfreeze, range, stove, automatic dishwasher, clothes washer, clothes dryer, trash compactor, television set, radio, air conditioning unit, commode or bed springs, which by reason of mechanical or physical defects can no longer be used for its intended purpose, and which is either not serving a functional purpose or use or is not in an enclosed building, a licensed salvage yard or the actual possession of a demolisher.

(6) 'Junked motor vehicle' means a motor vehicle, or any part thereof (other than an on-premise farm utility vehicle), which (a) is discarded, wrecked, ruined, scrapped, inoperative, or dismantled, (b) cannot pass the state inspection required by article sixteen, chapter seventeen-C of the West Virginia Code and (c) is either not serving a functional purpose or use or is not in an enclosed building, a licensed salvage yard or the actual possession of a demolisher.

(7) 'Licensed salvage yard' means a salvage yard licensed under article twenty-three of chapter 17 of the West Virginia Code.

(8) 'Motor vehicle' means a vehicle which is or was self-propelled, including but not limited to automobiles, trucks, buses and motorcycles.

(9) 'Old vehicle tire' means a pneumatic tire in which compressed air is designed to support a load, but which because of wear, damage or defect can no longer safely be used on a motor vehicle and which is either not serving a functional purpose or use or is not in an enclosed building, a licensed salvage yard or the actual possession of a demolisher.

(10) 'Person' includes a natural person, corporation, firm, partnership, association or society, and the plural as well as the singular.

3. Abandonment of motor vehicle prohibited; penalty.

(a) No person shall, within this City, abandon a motor vehicle upon the right-of-way of any public highway, upon any other public property, or upon any private property unless it be at a licensed salvage yard or at the business establishment of a demolisher.

(b) Any person who violates any provision of subsection (a) of this section shall be guilty of a misdemeanor, and, upon conviction thereof, shall be fined not less than twenty-five dollars nor more than five hundred dollars or imprisoned in the county jail not more than thirty days, or both fined and imprisoned.

4. Junked motor vehicles prohibited in certain places; penalty.

No person shall, within this City, place or deposit any junked motor vehicle upon the right-of-way of any public highway or upon any other public property; nor shall any person, within this City, place or deposit any junked motor vehicle upon any private property unless it be at a licensed salvage yard or at the business establishment of a demolisher. Any person who violates any provision of this section shall be guilty of a misdemeanor, and, upon conviction thereof, shall be fined not less than twenty-five dollars nor more than five hundred dollars or imprisoned in the county jail for not more than thirty days, or both fined and imprisoned.

5. Old vehicle tires and inoperative or abandoned household appliances in certain places prohibited; penalty.

No person shall, within this City, place or deposit any old vehicle tire or inoperative or abandoned household appliance upon the right-of-way of any public highway or upon any other public property place, deposit or nor abandon the same upon any private property unless it be at a licensed salvage yard or at the business establishment of a demolisher. Any person who violates

any provision of this section shall be guilty of a misdemeanor, and, upon conviction thereof, shall be fined not less than twenty-five dollars nor more than five hundred dollars or imprisoned in the county jail for not more than thirty days, or both fined and imprisoned.

6. Injunctive relief; additional remedy.

In addition to all other remedies provided for in this ordinance, the mayor of this City may apply to the circuit court, or the judge thereof in vacation, of the county, for an injunction to restrain, prevent or abate the maintenance and storage of abandoned motor vehicles, junked motor vehicles, old vehicle tires or inoperative or abandoned household appliances, in violation of any provision of this ordinance, or the violation of any other provision of this article.

7. Construction; severable provisions.

The provisions of this ordinance shall be liberally construed to accomplish the objectives and purposes hereof. If any provision of this article or the application thereof to any person or circumstance be held invalid or unconstitutional by any court of competent jurisdiction, such invalidity or unconstitutionality shall not affect or invalidate other provisions or applications, and to this end, all of the provisions of this article are hereby declared to be severable.

8. Effective date.

This ordinance shall become effective upon passage."

Upon motion by Mrs. Ware, seconded by Mr. Morgan, the Mayor was directed to terminate the City's group health insurance plan with Great Western Insurance Company as of August 1, 1992, and to sign an agreement with Principal Mutual Life Insurance Company for group health insurance for the City's employees effective on that date.

Upon motion by Mr. Caudill, seconded by Mrs. Orr, the City's participation in the Summer Youth Program was approved.

The following letter to the Mayor and Council from the Logan County Chamber of Commerce dated June 9, 1992, was read:

"Mayor Tom Esposito
219 Dingess Street
Logan, WV 25601

Dear Mayor Esposito and Council:

The Logan County Chamber of Commerce would like to say 'thank you' for making a real effort this spring in cleaning up Logan County. It was nice to see the streets being cleaned and washed!

Congratulations to the City of Logan Street Department for sponsoring the 'City Special Spring Clean-up' during June 1 through June 3. This project is a positive way to remove trash or debris not otherwise available to the citizens.

We hope that the citizens of Logan will continue your program to keep the city clean. It's a matter of pride!

Sincerely,

/s/ Judy

Judy McCormick
Managing Director"

Upon motion by Mrs. Ware, seconded by Mrs. Lowe, the financial statement for May, 1992, was approved.

The Mayor announced that he has appointed Timothy Wiley as Chief of Police. Upon motion by Mrs. Ware, seconded by Mr. Caudill, the Council consented to that appointment. Thereupon the said Timothy Wiley took the oath of his office.

There was a discussion of the proposal of Energy Resources, Inc., to provide consulting services to the City concerning its gas and electricity service. Mr. C. Jeffrey Vallet, CPA, was requested to investigate this proposal and report to the August meeting of the Council.

Upon motion by Mrs. Orr, seconded by Mrs. Ware, the Mayor was directed to convey to the Kiwanis Club of Logan the City's thanks for the Club's recent clean-up activities.

Upon motion by Mrs. Ware, seconded by Mr. Caudill, the meeting as adjourned.

Mayor

City Attorney

AN ORDINANCE CHANGING AND READJUSTING RATES AND CHARGES FOR FURNISHING SEWER SERVICE BY THE CITY OF LOGAN

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF LOGAN, WEST VIRGINIA:

I. FINDINGS. The Council hereby finds as follows:

A. The Sanitary Board of the City of Logan has reported and an Accounting Exhibit dated December 31, 1991, prepared by Vallet & Associates, C.P.A., which is incorporated herein by reference, demonstrates and the Council hereby finds that the rates and charges now in effect for sewer service furnished d and provided by the City of Logan are not sufficient in each year for (1) the payment of the proper and reasonable expense of operation, repair, replacement, and maintenance of the City's sewage collection system and sewage treatment plant, (2) the payment of the sums required by an ordinance finally enacted on March 3, 1964, to be paid into the State Sinking Fund for the retirement and security of the City's Sewer Revenue Bonds dated the 1st day of March, 1964, (3) the payment of the sums required by an ordinance finally enacted on August 11, 1987, to be paid into the State Sinking Fund for the retirement an security of the City's Sewer Revenue Bonds dated the 25th day of September, 1987, and (4) the financing of certain improvements and betterments to said system, consisting of a new wastewater treatment plant, all in accordance with the preliminary report and plans and specifications prepared and filed by Kelley, Gidley, Blair & Wolfe, Inc., the engineers chosen by the Sanitary Board.

B. The rates and charges hereinafter established for sewer service furnished and provided by the City of Logan will be sufficient in each year for the payment of the aforementioned expense and the sums required to be paid into the State Sinking Fund for the retirement and security of the aforementioned bonds and for the financing of those improvements and betterments, and are just and equitable.

II. RATES AND CHARGES. The rates and charges for sewer service furnished and provided by the City of Logan are hereby changed and readjusted so that, on and after the date established in Section 3 of this Ordinance, they will be as follows:

CITY OF LOGAN - SANITARY BOARD

RATES

Applicable in the entire territory served.

AVAILABILITY OF SERVICE

Available for general domestic, commercial, and industrial service.

RATE

(based upon the metered amount of water furnished)

First 2,000 gallons used per month	$7.51 per 1,000 gallons
Next 3,000 gallons used per month	5.29 per 1,000 gallons
Next 25,000 gallons used per month	3.70 per 1,000 gallons
Next 70,000 gallons used per month	2.93 per 1,000 gallons
Next 100,000 gallons used per month	2.31 per 1,000 gallons
All over 200,000 gallons used per month	2.10 per 1,000 gallons

MINIMUM CHARGE

The above schedule is subject to a minimum charge of $15.02.

DELAYED PAYMENT PENALTY

The above schedule is net. On all accounts not paid in full within thirty (30) days of the date of the bill, ten percent (10%) will be added to the net amount shown. This delayed payment penalty is not interest and is only to be collected once for each bill where it is appropriate.

III. EFFECTIVE DATE OF RATE AND CHARGES. The rates and charges hereby established shall be effective forty-five (45) days after the passage of this Ordinance.

C E R T I F I C A T E

I, Vickie Luke, Acting City Clerk of the City of Logan, West Virginia, hereby certify that the foregoing is a true and correct copy of "An Ordinance Changing and Readjusting Rates And Charges For Furnishing Sewer Service by The City of Logan" which was finally adopted by the City Council of that city on June 9, 1992.

Given under my hand and the Official Seal of The City of Logan, West Virginia, this 17th day of June, 1992.

Vickie Luke
Acting City Clerk

Paid 6-16-92
Check 2713

I, Mary C. Sewtelle, Classified Manager of THE LOGAN BANNER, a newspaper published in Logan County, West Virginia, do hereby certify that the annexed notice was published in said paper for 2 successive times on the following dates: May 28 and June 4, 1992

Given under my hand this 8th day of June, 1992.

Mary C. Sewtelle
CLASSIFIED MANAGER

State of West Virginia
County of Logan, to-wit

Subscribed and sworn before me this 8th day of June, 1992.

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
BARBARA J. SMITH
P.O. Box 149
Man, WV 25635
My Comm. Exp. Jan. 7, 1997

Barbara J. Smith
NOTARY PUBLIC

COPY OF PUBLICATION

NOTICE OF HEARING ON ORDINANCE CHANGING AND RE-ADJUSTING RATES AND CHARGES FOR FURNISHING SEWER SERVICE BY THE CITY OF LOGAN

Notice is hereby given that at its regular monthly meeting on Tuesday, June 9, 1992, at 7:30 p.m., the City Council of the City of Logan, West Virginia, in the Council Chambers of the City Building in said city, will consider and vote on the final adoption of the following ordinance:

AN ORDINANCE CHANGING AND RE-ADJUSTING RATES AND CHARGES FOR FURNISHING SEWER SERVICE BY THE CITY OF LOGAN

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF LOGAN, WEST VIRGINIA:

I. FINDINGS. The Council hereby finds as follows:

A. The Sanitary Board of the City of Logan has reported and an Accounting Exhibit dated December 31, 1991, prepared by Vallet & Associates, C.P.A., which is incorporated herein by reference, demonstrates and the Council hereby finds that the rates and charges now in effect for sewer service furnished and provided by the City of Logan are not sufficient in each year for (1) the payment of the proper and reasonable expense of operation, repair, replacement, and maintenance of the City's sewage collection system and sewage treatment plant, (2) the payment of the sums required by an ordinance finally enacted on March 3, 1964, to be paid into the State Sinking Fund for the retirement and security of the City's Sewer Revenue Bonds dated the 1st day of March, 1954, (3) the payment of the sums required by an ordinance finally enacted on August 11, 1987, to be paid into the State Sinking Fund for the retirement and security of the City's Sewer Revenue Bonds dated the 25th day of September, 1987, and (4) the financing of certain improvements and betterments to said system, consisting of a new wastewater treatment plant, all in accordance with the preliminary report and plans and specifications prepared and filed by Kelley, Gidley, Blair & Wolfe, Inc., the engineers chosen by the Sanitary Board.

B. The rates and charges hereinafter established for sewer service furnished and provided by the City of Logan will be sufficient in each year for the payment of the aforementioned expense and the sums required to be paid into the State Sinking Fund for the retirement and security of the aforementioned bonds and for the financing of those improvements and betterments, and are just and equitable.

II. RATES AND CHARGES. The rates and charges for sewer service furnished and provided by the City of Logan are hereby changed and readjusted so that, on and after the date established in Section 3 of this Ordinance, they will be as follows:

CITY OF LOGAN - SANITARY BOARD

RATES

Applicable in the entire territory served.

AVAILABILITY OF SERVICE

Available for general domestic, commercial, and industrial service.

RATE

(based upon the metered amount of water furnished)

First 2,000 gallons used per month - $7.51 per 1,000 gallons
Next 3,000 gallons used per month - 5.29 per 1,000 gallons
Next 25,000 gallons used per month - 3.70 per 1,000 gallons
Next 70,000 gallons used per month - 2.93 per 1,000 gallons
Next 100,000 gallons used per month - 2.31 per 1,000 gallons
All over 200,000 gallons used per month - 2.10 per 1,000 gallons

MINIMUM CHARGE

The above schedule is subject to a minimum charge of $15.02.

DELAYED PAYMENT PENALTY

The above schedule is net. On all accounts not paid in full within thirty (30) days of the date of the bill, ten percent (10%) will be added to the net amount shown. This delayed payment penalty is not interest and is only to be collected once for each bill where it is appropriate.

III. EFFECTIVE DATE OF RATE AND CHARGES. The rates and charges hereby established shall be effective forty-five (45) days after the passage of this Ordinance.

The effect of that ordinance will be to change and re-adjust rates and charges for furnishing sewer service by the City of Logan.

The proposed ordinance may be inspected by the public at the office of the City Clerk in said City Building and in the office of the Water Board, 730 Stratton Street, Logan, West Virginia.

Interested parties may appear at the meeting and be heard with respect to the proposed ordinance.

This notice is given by order of said City Council and pursuant to the provisions of Section 4, Article II, Chapter 8, Section 13, Article 13, Chapter 8, and Section 16, Article 13, Chapter 16 of the CODE OF WEST VIRGINIA.

VICKIE LUKE, Acting City Clerk

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

STATE OF WEST VIRGINIA,

COUNTY OF KANAWHA, to-wit:

I, HOWARD M. CUNNINGHAM, Executive Secretary of the Public Service Commission of West Virginia, certify that the attached is a true and complete copy of the water tariff of the City of Logan issued June 9, 1992, effective July 24, 1992, as the same appears on file in the Tariff Office of the Public Service Commission.

Given under my hand and the seal of the Public Service Commission of West Virginia, in the City of Charleston, this 25th day of March, 1993.

HOWARD M. CUNNINGHAM
Executive Secretary

P. S. C. W. Va. No. 6

Cancels P. S. C. W. Va. No. 5

CITY OF LOGAN, a municipal utility

OF

Logan, West Virginia

Rates, Rules and Regulations for Furnishing

SEWERAGE AND SEWER DISPOSAL SERVICE

AT

Logan, Logan County, West Virginia.

Filed with THE PUBLIC SERVICE COMMISSION

OF

WEST VIRGINIA

Issued June 9, 19 92 Effective July 24, 19 92

Passed by City Council.

Issued by CITY OF LOGAN
(Name of Utility)

By

Mayor

RULES AND REGULATIONS

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

CITY OF LOGAN - SANITARY BOARD

RATES

Applicable in the entire territory served.

AVAILABILITY OF SERVICE

Available for general domestic, commercial, and industrial service.

(A)

RATE

(based upon the metered amount of water furnished)

First 2,000 gallons used per month	$7.51 per 1,000 gallons
Next 3,000 gallons used per month	5.29 per 1,000 gallons
Next 25,000 gallons used per month	3.70 per 1,000 gallons
Next 70,000 gallons used per month	2.93 per 1,000 gallons
Next 100,000 gallons used per month	2.31 per 1,000 gallons
All over 200,000 gallons used per month	2.10 per 1,000 gallons

(A)

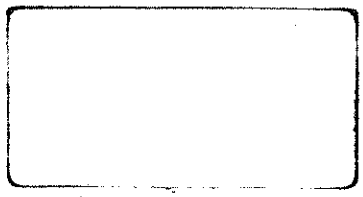
MINIMUM CHARGE

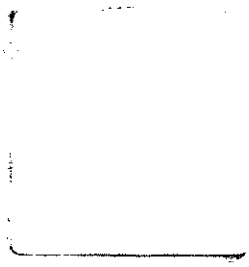
The above schedule is subject to a minimum charge of $15.02.

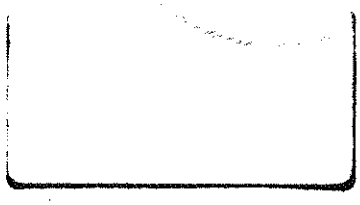
DELAYED PAYMENT PENALTY

The above schedule is net. On all accounts not paid in full within thirty (30) days of the date of the bill, ten percent (10%) will be added to the net amount shown. This delayed payment penalty is not interest and is only to be collected once for each bill where it is appropriate.

(A) Indicates advance







Introduced: June 22, 1992

Introduced by: C. J. Fot Adopted: June 22, 1992

RESOLUTION OF THE SANITARY BOARD OF THE CITY OF LOGAN, WEST VIRGINIA, AUTHORIZING AND DIRECTING DELIVERY TO THE COUNCIL OF THE CITY OF LOGAN OF A PETITION REQUESTING THE COUNCIL TO AUTHORIZE ACQUISITION AND CONSTRUCTION OF THE PHASE II PROJECT, ISSUANCE OF REVENUE BONDS TO FINANCE THE COST THEREOF, ESTABLISHMENT OF A REVOLVING LINE OF CREDIT EVIDENCED BY A NOTE AND ISSUANCE, IF NECESSARY, OF ADDITIONAL REVENUE BONDS TO PAY SUCH NOTE

WHEREAS, the Sanitary Board (the "Board") of The City of Logan, West Virginia (the "City"), was established pursuant to an Ordinance passed by the Council of the City (the "Council") on April 12, 1948; and

WHEREAS, pursuant to the provisions of Section 5, Article 13, Chapter 16 of the Code of West Virginia, 1931, as amended, before the City may construct or acquire any extensions, improvements or betterments to the existing sewerage system of the City, the Council must enact an Ordinance upon petition of the Sanitary Board; and

WHEREAS, it is in the best interest of the City that there be acquired and constructed certain extensions, improvements and betterments to the existing sewerage system of the City, consisting primarily of a new secondary wastewater treatment plant and necessary appurtenances (the "Phase II Project"); and

WHEREAS, it is in the best interest of the City that Subordinate Sewerage System Revenue Bonds, Series 1992, in an aggregate principal amount not to exceed $3,125,000 and Supplemental Subordinate Sewerage System Revenue Bonds, Series 1992, in an aggregate principal amount not to exceed $125,000 (together, the 1992 Bonds), be issued to finance the cost of the Phase II Project; and

WHEREAS, it is in the best interest of the City that a revolving line of credit be established in a principal amount not to exceed $500,000 to pay the cost of the Phase II Project to the extent that the proceeds of the 1992 Bonds and the City's grant from the United States Environmental Protection Agency are not timely available therefor (the "1992 Line of Credit"), that a Sewerage System Construction Note, Series 1992, be issued in a stated principal amount not to exceed $500,000 (the "1992 Note") to evidence the City's obligation to repay draws upon the 1992 Line of Credit and that Subordinate

Sewerage System Revenue Bonds be issued, if necessary, in an aggregate principal amount not to exceed $550,000 to pay the principal of and interest on the 1992 Note at or prior to maturity; and

WHEREAS, it is in the best interest of the City that the 1992 Bonds respectively be issued on a parity with the City's Subordinate Sewerage System Revenue Bonds, Series 1987, and Supplemental Subordinate Sewerage System Revenue Bonds, Series 1987 (the "Original Bonds"), and that the Ordinance authorizing the Original Bonds (the "Original Ordinance") be supplemented and amended in connection with the issuance of the 1992 Bonds; and

WHEREAS, it is in the best interest of the City that the Council enact an Ordinance amending and supplementing the Original Ordinance, authorizing the acquisition and construction of the Phase II Project and authorizing the financing of the costs thereof as described in the Petition of the Board attached as Exhibit A and incorporated herein by reference (the "Petition");

NOW, THEREFORE, BE IT RESOLVED by the Sanitary Board of The City of Logan:

(1) That the Petition be adopted and executed on behalf of the Board; and

(2) That the Mayor of the City, as Ex-Officio Chairman of the Board, be hereby authorized and directed to deliver the Petition to the Council at its next regularly scheduled meeting, being July 7, 1992.

Adopted June 22, 1992.

THE SANITARY BOARD OF THE
CITY OF LOGAN, WEST VIRGINIA

BY _____
MAYOR OF THE CITY AND
EX-OFFICIO CHAIRMAN

_____
MEMBER

_____
MEMBER

1373P

PETITION OF THE SANITARY BOARD OF THE CITY OF LOGAN, WEST VIRGINIA

TO: THE COUNCIL OF THE CITY
OF LOGAN, WEST VIRGINIA:

Pursuant to the provisions of Section 5 of Chapter 16, Article 13, of the Code of West Virginia, 1931, as amended (the "Act"), the Sanitary Board (the "Board") of The City of Logan, West Virginia (the "City"), which was established pursuant to an Ordinance passed by the Council of the City (the "Council") on April 12, 1948, hereby petitions the Council to enact an Amendatory and Supplemental Bond and Note Ordinance in substantially the form attached as Exhibit I hereto and incorporated herein by reference, which shall:

(a) Amend and supplement the Bond and Note Ordinance passed by the Council of the City on August 11, 1987, as supplemented (the "Original Ordinance"), pursuant to which the City issued $623,087 in aggregate principal amount of Subordinate Sewerage System Revenue Bonds, Series 1987 (the "Original Subordinate Bonds"), and $152,833 in aggregate principal amount of Supplemental Subordinate Sewerage System Revenue Bonds, Series 1987 (the "Original Supplemental Bonds"; together with the Original Subordinate Bonds, the "Original Bonds");

(b) Set forth a brief and general description of the extensions, improvements and betterments to be made to the existing sewerage system of the City, consisting primarily of a new secondary wastewater treatment plant and necessary appurtenances (the "Phase II Project"), in accordance with the plans and specifications prepared by Kelley, Gidley, Blair & Wolfe, Inc., the engineers chosen by the Board (the "Consulting Engineers") and on file with the Board;

(c) Set forth the cost of the Phase II Project as currently estimated by the Consulting Engineers, being $3,952,200, as the same may be revised to reflect conditions imposed by the West Virginia Department of Natural Resources; provided, that in no event may the cost require an increase in the rates enacted by the Council on June 9, 1992;

(d) Order the construction and acquisition of the Phase II Project;

(e) Direct that the City issue pursuant to the Act and the Original Ordinance not more than $3,125,000 in aggregate principal amount of Subordinate Sewerage System Revenue Bonds, Series 1992, on a parity with the Original Subordinate Bonds and not more than $125,000 in aggregate principal amount of Supplemental Subordinate Sewerage System Revenue Bonds, Series 1992 (together, the "1992 Bonds"), on a parity with the Original Supplemental Bonds or such other amounts as may be found necessary to pay the costs of the Phase II Project and make other necessary provisions;

(f) Direct that the City establish a revolving line of credit in a principal amount of not more than $500,000 to pay the cost of the Phase II Project to the extent proceeds of the 1992 Bonds and of the City's grant from the United States Environmental Protection Agency are not timely available therefor (the "1992 Line of Credit"), issue a Sewerage System Construction Note, Series 1992, in a stated principal amount of not more than $500,000 (the "1992 Note") to evidence the City's obligation to repay draws upon the 1992 Line of Credit and issue, if necessary, Subordinate Sewerage System Revenue Bonds, Series 1992, in an aggregate principal amount of not more than $550,000 to pay the principal of and interest on the 1992 Note at or prior to maturity; and

(g) Contain such other provisions as may be necessary in the premises.

The Board respectfully represents to the Council that, during the acquisition and construction of the Phase II Project, one of the two persons appointed to the Board by Council will be a registered professional engineer.

This petition was duly authorized at a meeting of the Board duly called and held on June 22, 1992.

Witness our signatures on June 22, 1992, 1992.

THE SANITARY BOARD OF THE
CITY OF LOGAN, WEST VIRGINIA

By _____
MAYOR OF THE CITY AND
EX-OFFICIO CHAIRMAN

_____
MEMBER

_____
MEMBER

1372P

The City Council of The City of Logan, West Virginia, met for its regular monthly meeting on Tuesday, July 14, 1992, at 7:30 p.m. in the Council Chambers of the City Building in said city.

The following persons were present:

Thomas E. Esposito, Mayor
Levie Caudill, Council Member
Lilly Lowe, Council Member
Stan Morgan, Council Member
Bea N. Orr, Council Member
Ruth Ware, Council Member
Edward I. Eiland, City Attorney
Vickie Luke, Acting City Clerk
Timothy Wiley, Acting Police Chief
Lindsey Collier, Street Superintendent
C. Jeffrey Vallet, CPA
Taunja Willis Miller, Attorney
Stephen Matthews, of Energy Resources, Inc.
Lou Capaldini
Jackie Capaldini
Violet Oberly
Bob Weisner, WVOW News
T. D. Kiger, Reporter for THE LOGAN BANNER

The meeting was called to order by the Mayor, Thomas E. Esposito, who asked the City Attorney, Edward I. Eiland, to prepare the minutes.

The City Attorney presented and filed a petition of the Sanitary Board of the City of Logan, West Virginia, dated June 22, 1992, signed by the members of the Sanitary Board, asking the Council to enact an Amendatory and Supplemental Bond and Note Ordinance, a copy of which was thereto attached as Exhibit 1 thereto and incorporated therein by reference, which ordinance would direct the City to issue not more than $3,125,000 in aggregate principal amount of Subordinate Sewerage System Revenue Bonds, Series 1992, and not more than $125,000 in aggregate principal amount of Supplemental Subordinate Sewerage System Revenue Bonds, Series 1992, and further directs the the City establish a revolving line of credit in a principal amount of not more than $500,000 to pay the cost of a new secondary wastewater treatment plant and necessary appurtenances, to the extent that those bonds and the City's grant from the United States Environmental Protection Agency are not timely available therefor, and issue a Sewerage System Construction Note, Series 1992, in a principal amount of note more than $500,000 to evidence the City's obligation to repay draws upon the 1992 Line of Credit and, if necessary, Subordinate Sewerage System Revenue Bonds, Series 1992, in an aggregate principal amount of not more than $550,000 to pay the principal of and interest on the 1992 Note at or prior to maturity.

Thereupon an ordinance which had been filed with the City Clerk on July 9, 1992, and which is titled as follows:

"AN ORDINANCE AMENDING AND SUPPLEMENTING AN ORDINANCE PASSED BY THE COUNCIL OF THE CITY OF LOGAN, WEST VIRGINIA, ON AUGUST 11, 1987, ENTITLED 'AN ORDINANCE SUPPLEMENTING AN ORDINANCE ADOPTED BY THE COUNCIL OF THE CITY OF LOGAN, WEST VIRGINIA, ON FEBRUARY 11, 1964, ENTITLED "AN ORDINANCE AUTHORIZING THE ISSUANCE OF $308,000 PRINCIPAL AMOUNT OF SEWER REVENUE BONDS FOR THE PURPOSE OF REFUNDING CERTAIN OUTSTANDING BONDS AND TO PAY PART OF THE COST OF CONSTRUCTION AND

ACQUISITION OF ADDITIONS, EXTENSIONS AND IMPROVEMENTS TO THE EXISTING SEWER SYSTEM OF THE CITY OF LOGAN, WEST VIRGINIA"; AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN EXTENSIONS, IMPROVEMENTS AND BETTERMENTS TO THE EXISTING PUBLIC SEWERAGE FACILITIES OF THE CITY OF LOGAN; AUTHORIZING ISSUANCE OF NOT MORE THAN $720,000 IN AGGREGATE PRINCIPAL AMOUNT OF SUBORDINATE SEWERAGE SYSTEM REVENUE BONDS, SERIES 1987, AND NOT MORE THAN $180,000 IN AGGREGATE PRINCIPAL AMOUNT OF SUPPLEMENTAL SUBORDINATE SEWERAGE SYSTEM REVENUE BONDS, SERIES 1987, OF THE CITY OF LOGAN TO BE USED, ALONG WITH OTHER FUNDS AND MONEYS OF OR AVAILABLE TO THE CITY OF LOGAN THAT MAY BE LAWFULLY EXPENDED FOR SUCH PRUPOSES, TO FINANCE THE COST OF SUCH ACQUISITION AND CONSTRUCTION; PROVIDING FOR THE SALE OF SUCH BONDS TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY AND FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING ISSUANCE OF NOT MORE THAN $1,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWERAGE SYSTEM GRANT ANTICIPATION NOTES, SERIES 1987, TO BE USED TO FINANCE THE COST OF SUCH ACQUISITION AND CONSTRUCTION PENDING THE RECEIPT OF CERTAIN GRANT PROCEEDS; AND ENACTING OTHER PROVISIONS RELATING THERETO"; AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN ADDITIONAL EXTENSIONS, IMPROVEMENTS AND BETTERMENTS TO THE EXISTING PUBLIC SEWERAGE FACILITIES OF THE CITY OF LOGAN; AUTHORIZING ISSUANCE OF NOT MORE THAN $3,125,000 IN AGGREGATE PRINCIPAL AMOUNT OF SUBORDINATE SEWERAGE SYSTEM BONDS, SERIES 19;92, AND NOT MORE THAN $125,000 IN AGGREGATE PRINCIPAL AMOUNT OF SUPPLEMENTAL SUBORDINATE SEWERAGE SYSTEM REVENUE BONDS, SERIES 1992, OF THE CITY OF LOGAN TO BE USED, ALONG WITH OTHER FUNDS AND MONEYS OF OR AVAILABLE TO THE CITY OF LOGAN THAT MAY BE LAWFULLY EXPENDED FOR SUCH PURPOSES, TO FINANCE THE COST OF SUCH ACQUISITION AND CONSTRUCTION; PROVIDING FOR THE SALE OF SUCH BONDS TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY AND FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNER OF SUCH BONDS; AUTHORIZING A REVOLVING LINE OF CREDIT IN AN AMOUNT NOT TO EXCEED $500,000 TO PROVIDE FUNDS FOR SUCH ACQUISITION AND CONSTRUCTION TO THE EXTENT BOND PROCEEDS, GRANT RECEIPTS OR OTHER FUNDS ARE NOT TIMELY AVAILABLE THEREFOR AND AN AGREEMENT WITH RESPECT TO SAID LINE OF CREDIT; AUTHORIZING ISSUANCE OF A SEWERAGE SYSTEM CONSTRUCTION NOTE OF THE CITY OF LOGAN IN A STATED PRINCIPAL AMOUNT NOT TO EXCEED $500,000 TO EVIDENCE THE CITY'S OBLIGATION TO REPAY ANY DRAWS UPON SAID LINE OF CREDIT AND THE ISSUANCE, IF NECESSARY, OF NOT MORE THAN $500,000 IN AGGREGATE PRINCIPAL AMOUNT OF SUBORDINANCE SEWERAGE SYSTEM REVENUE BONDS OF THE CITY OF LOGAN TO PROVIDE FOR THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON SAID NOTE; AND ENACTING OTHER PROVISIONS RELATING THERETO."

was read by title, the reading thereof in full having been waived and dispensed with upon motion by Mr. Morgan, seconded by Mrs. Ware, and was passed on first reading, to be considered for final adoption at a special meeting to be held on Tuesday, July 21, 1992, at 6:00 p.m., upon motion by Mrs. Ware, seconded by Mrs. Orr.

Upon motion by Mrs. Ware, seconded by Mr. Caudill, the following ordinance, which had been filed with the Clerk on March 27, 1992, and had been passed on first reading on June 9, 1992, was read in full and finally adopted:

"AN ORDINANCE PROVIDING FOR THE SALE
OF A 1975 CHEVROLET TRUCK CHASSIS

BE IT ORDAINED that the 1975 Chevrolet Truck Chassis, Serial Number CCE615V131509, be sold for a fair and adequate consideration, cash, at public auction at a time and place established by the Mayor, after notice of the time, terms, and place of sale, together with a description of the property to be sold, is published once a week for two successive weeks in The Logan Banner, which notice shall state that the sale must be approved by the City Council of the City of Logan and that the City of Logan reserves the right to reject any and all bids.

This ordinance shall be effective from passage."

The Mayor announced that the sale required by that ordinance would be held on August 11, 1992, at 7:30 p.m. in the Council Chambers of the City Building.

Upon motion by Mr. Caudill, seconded by Mrs. Ware, the following ordinance, which had been passed on first reading on June 9, 1992, and had been filed with the Clerk more than five days prior thereto, and which was read by title, the reading in full thereof having been waived and dispensed with upon motion by Mrs. Orr, seconded by Mr. Morgan, was finally adopted:

"AN ORDINANCE RELATING TO ABANDONED MOTOR VEHICLES, JUNKED MOTOR VEHICLES, OLD VEHICLE TIRES AND ABANDONED OR INOPERATIVE HOUSEHOLD APPLIANCES; SETTING FORTH CERTAIN FINDINGS AND A DECLARATION OF PUBLIC POLICY WITH RESPECT THERETO; DEFINING TERMS USED IN SAID ORDINANCE; PROHIBITING THE ABANDONMENT OF MOTOR VEHICLES IN CERTAIN PLACES, THE PLACING OR DEPOSITING OF A JUNKED MOTOR VEHICLE IN CERTAIN PLACES, AND THE PLACING OR DEPOSITING OF AN OLD VEHICLE TIRE OR INOPERATIVE OR ABANDONED HOUSEHOLD APPLIANCE IN CERTAIN PLACES; PROVIDING CRIMINAL OFFENSES AND PENALTIES; AUTHORIZING INJUNCTIVE RELIEF; AND PROVIDING A RULE OF CONSTRUCTIVE AND SEVERABILITY CLAUSE:

BE IT ORDAINED:

1. Findings; statement of policy.

The Council recognizes and declares that abandoned motor vehicles, junked motor vehicles, old vehicle tires and certain abandoned or inoperative household appliances are and constitute a public nuisance and hazard to both adults and children and therefore are dangerous and constitute a clear and present danger; that said abandoned motor vehicles, junked motor vehicles, old vehicle tires and certain abandoned or inoperative household appliances serve as harborage and breeding places for rodents, mosquitoes, fleas, ticks, mice, rats and other insects, pests, and flies injurious to the public health, safety and general welfare; that abandoned motor vehicles and junked motor vehicles serve frequently as temporary or permanent places of human residence unconducive to public health, safety and welfare; that the accumulation and storage of any of such items or parts thereof on private or public property, including but not limited to highways, is hereby found to create a condition tending to reduce the value of private property and to promote blight and deterioration which if permitted to remain will continue to destroy the natural beauty of this State and have adverse economic and social effects; that said abandoned motor vehicles, junked motor vehicles, old vehicle tires and certain abandoned or inoperative household appliances constitute an unattractive nuisance creating a hazard to the health and safety of minors; and that it is in the public interest and welfare to provide for a program to eliminate the unsightly practice of abandoning motor vehicles, old vehicle tires and certain abandoned or inoperative household appliances. In view of these findings the Council declares it to be the public policy of the City of Logan to eliminate the present danger resulting from abandoned motor vehicles, junked motor vehicles, old vehicle tires and certain abandoned or inoperative household appliances and to eliminate the visual pollution resulting from these items. The Council further finds and declares that the presence of an abandoned motor vehicle, junked motor vehicle, old vehicle tire or an abandoned or inoperative household appliance, or any part thereof, on private or public property, including but not limited to highways, except as expressly hereinafter permitted, is a public nuisance injurious to the public health, safety and general welfare of the citizens of this City which shall be abated as such by the methods provided in this ordinance.

2. Definitions.

Unless the context clearly indicates a different meaning, as used in this article:

(1) 'Abandoned household appliance' means a refrigerator, deepfreeze, range, stove, automatic dishwasher, clothes washer, clothes dryer, trash compactor, television set, radio, air conditioning unit, commode or bed springs, and which is not in an enclosed building, a licensed salvage yard or the actual possession of a demolisher.

(2) 'Abandoned motor vehicle' means any motor vehicle, or major part thereof, which is inoperative and which has been abandoned on public or private property for any period of time over five days, other than in an enclosed building or in a licensed salvage yard or at the business establishment of a demolisher, or any motor vehicle, or major part thereof, which has remained illegally on public or private property for any period of time over five days, or any motor vehicle, or major part thereof, which has remained on private property for any period of time over three days, or any motor vehicle, or major part thereof,

which is unattended, discarded, deserted and unlicensed and is not in an enclosed building, a licensed salvage yard or the actual possession of a demolisher.

(3) 'Demolisher' means any person licensed by the commissioner of the department of highways whose business, to any extent or degree, is to convert a motor vehicle or any part thereof or an inoperative household appliance into processed scrap or scrap metal, or into saleable parts, or otherwise to wreck or dismantle vehicles or appliances.

(4) 'Enclosed building' means a structure surrounded by walls or one continuous wall, and having a roof enclosing the entire structure and includes a permanent appendage thereto.

(5) 'Inoperative household appliance' means a refrigerator, deepfreeze, range, stove, automatic dishwasher, clothes washer, clothes dryer, trash compactor, television set, radio, air conditioning unit, commode or bed springs, which by reason of mechanical or physical defects can no longer be used for its intended purpose, and which is either not serving a functional purpose or use or is not in an enclosed building, a licensed salvage yard or the actual possession of a demolisher.

(6) 'Junked motor vehicle' means a motor vehicle, or any part thereof (other than an on-premise farm utility vehicle), which (a) is discarded, wrecked, ruined, scrapped, inoperative, or dismantled, (b) cannot pass the state inspection required by article sixteen, chapter seventeen-C of the West Virginia Code and (c) is either not serving a functional purpose or use or is not in an enclosed building, a licensed salvage yard or the actual possession of a demolisher.

(7) 'Licensed salvage yard' means a salvage yard licensed under article twenty-three of chapter 17 of the West Virginia Code.

(8) 'Motor vehicle' means a vehicle which is or was self-propelled, including but not limited to automobiles, trucks, buses and motorcycles.

(9) 'Old vehicle tire' means a pneumatic tire in which compressed air is designed to support a load, but which because of wear, damage or defect can no longer safely be used on a motor vehicle and which is either not serving a functional purpose or use or is not in an enclosed building, a licensed salvage yard or the actual possession of a demolisher.

(10) 'Person' includes a natural person, corporation, firm, partnership, association or society, and the plural as well as the singular.

3. Abandonment of motor vehicle prohibited; penalty.

(a) No person shall, within this City, abandon a motor vehicle upon the right-of-way of any public highway, upon any other public property, or upon any private property unless it be at a licensed salvage yard or at the business establishment of a demolisher.

(b) Any person who violates any provision of subsection (a) of this section shall be guilty of a misdemeanor, and, upon conviction thereof, shall be fined not less than twenty-five dollars nor more than five hundred dollars or imprisoned in the county jail not more than thirty days, or both fined and imprisoned.

4. Junked motor vehicles prohibited in certain places; penalty.

No person shall, within this City, place or deposit any junked motor vehicle upon the right-of-way of any public highway or upon any other public property; nor shall any person, within this City, place or deposit any junked motor vehicle upon any private property unless it be at a licensed salvage yard or at the business establishment of a demolisher. Any person who violates any provision of this section shall be guilty of a misdemeanor, and, upon conviction thereof, shall be fined not less than twenty-five dollars nor more than five hundred dollars or imprisoned in the county jail for not more than thirty days, or both fined and imprisoned.

5. Old vehicle tires and inoperative or abandoned household appliances in certain places prohibited; penalty.

No person shall, within this City, place or deposit any old vehicle tire or inoperative or abandoned household appliance upon the right-of-way of any public highway or upon any other public property place, deposit or nor abandon the same upon any private property unless it be at a licensed salvage yard or at the business establishment of a demolisher. Any person who violates

any provision of this section shall be guilty of a misdemeanor, and, upon conviction thereof, shall be fined not less than twenty-five dollars nor more than five hundred dollars or imprisoned in the county jail for not more than thirty days, or both fined and imprisoned.

6. Injunctive relief; additional remedy.

In addition to all other remedies provided for in this ordinance, the mayor of this City may apply to the circuit court, or the judge thereof in vacation, of the county, for an injunction to restrain, prevent or abate the maintenance and storage of abandoned motor vehicles, junked motor vehicles, old vehicle tires or inoperative or abandoned household appliances, in violation of any provision of this ordinance, or the violation of any other provision of this article.

7. Construction; severable provisions.

The provisions of this ordinance shall be liberally construed to accomplish the objectives and purposes hereof. If any provision of this article or the application thereof to any person or circumstance be held invalid or unconstitutional by any court of competent jurisdiction, such invalidity or unconstitutionality shall not affect or invalidate other provisions or applications, and to this end, all of the provisions of this article are hereby declared to be severable.

8. Effective date.

This ordinance shall become effective upon passage."

Upon motion by Mrs. Ware, seconded by Mr. Morgan, the Mayor was directed to terminate the City's group health insurance plan with Great Western Insurance Company as of August 1, 1992, and to sign an agreement with Principal Mutual Life Insurance Company for group health insurance for the City's employees effective on that date.

Upon motion by Mr. Caudill, seconded by Mrs. Orr, the City's participation in the Summer Youth Program was approved.

The following letter to the Mayor and Council from the Logan County Chamber of Commerce dated June 9, 1992, was read:

"Mayor Tom Esposito
219 Dingess Street
Logan, WV 25601

Dear Mayor Esposito and Council:

The Logan County Chamber of Commerce would like to say 'thank you' for making a real effort this spring in cleaning up Logan County. It was nice to see the streets being cleaned and washed!

Congratulations to the City of Logan Street Department for sponsoring the 'City Special Spring Clean-up' during June 1 through June 3. This project is a positive way to remove trash or debris not otherwise available to the citizens.

We hope that the citizens of Logan will continue your program to keep the city clean. It's a matter of pride!

Sincerely,

/s/ Judy

Judy McCormick
Managing Director"

Upon motion by Mrs. Ware, seconded by Mrs. Lowe, the financial statement for May, 1992, was approved.

The Mayor announced that he has appointed Timothy Wiley as Chief of Police. Upon motion by Mrs. Ware, seconded by Mr. Caudill, the Council consented to that appointment. Thereupon the said Timothy Wiley took the oath of his office.

There was a discussion of the proposal of Energy Resources, Inc., to provide consulting services to the City concerning its gas and electricity service. Mr. C. Jeffrey Vallet, CPA, was requested to investigate this proposal and report to the August meeting of the Council.

Upon motion by Mrs. Orr, seconded by Mrs. Ware, the Mayor was directed to convey to the Kiwanis Club of Logan the City's thanks for the Club's recent clean-up activities.

Upon motion by Mrs. Ware, seconded by Mr. Caudill, the meeting as adjourned.

Mayor

Edward J. Eiland
City Attorney

M I N U T E S

A special meeting of the City Council of the City of Logan, West Virginia, was held on Tuesday, July 21, 1992, at 6:00 p.m., in the Council Chambers of the City Building in said City pursuant to the following notice given and posted as required by law:

"NOTICE OF SPECIAL COUNCIL MEETING

"TO: LEVIE CAUDILL, Council Member
LILLY LOWE, Council Member
STAN MORGAN, Council Member
BEA N. ORR, Council Member
RUTH WARE, Council Member
VICKIE LUKE, Acting City Clerk
Editor, THE LOGAN BANNER
News Editor, WLOG
News Editor, WVOW
All Members of the Public

"I hereby call a special meeting of the City Council of the City of Logan for Tuesday, July 21, 1992, at 6:00 p.m. in the Council Chambers of the City Building in said City for the following purposes:

"1. To consider and finally adopt an ordinance authorizing the issuance of Sewerage System Revenue Bonds to finance the acquisition and construction of a new wastewater treatment plant and also authorizing the establishment of a revolving line of credit for interim financing of that project, evidenced by a note to be paid, if necessary, by the issuance of additional bonds.

"2. To adopt a resolution providing for the publication of an abstract of said ordinance and scheduling a date for a public hearing at which any person interested may appear and present protests to the ordinance.

"3. To take such other actions as may be necessary or appropriate in connection with said ordinance and resolution.

"The public is invited to attend.

"/s/ THOMAS E. ESPOSITO
"THOMAS E. ESPOSITO, MAYOR"

The following persons were present:

THOMAS E. ESPOSITO, Mayor

LEVIE CAUDILL, Council Member

LILLY LOWE, Council Member

STAN MORGAN, Council Member

EDWARD I. EILAND, City Attorney

TAUNJA WILLIS MILLER, Bond Council

FRANKLIN E. SAMPSON, Coordinator for the project to acquire and construct a new sewage treatment plant

T. D. KIGER, reporter for THE LOGAN BANNER

The meeting was called to order by Mayor Thomas E. Esposito, who presided and asked Edward I. Eiland to take the minutes.

Upon motion by Mr. Morgan and seconded by Mrs. Lowe, the following ordinance was unanimously adopted:

The City of Logan, West Virginia

Amendatory and Supplemental Bond

and Note Ordinance

TABLE OF CONTENTS

	Page
ARTICLE I. Definitions, Statutory Authority	2
Section 1.01. Definitions	2
Section 1.02. Authority of this Amendatory Ordinance	6
Section 1.03. Findings	6
ARTICLE II. Authorization of Phase II Project	10
Section 2.01. Authorization of Phase II Project	10
ARTICLE III. Authorization, Terms, Execution, Registration, and Sale of 1992 Bonds; Authorization and Execution of 1992 Authority Loan Agreements	10
Section 3.01. Authorization of 1992 Bonds	10
Section 3.02. Terms of 1992 Bonds	10
Section 3.03. Other Provisions with Respect to the 1992 Bonds	11
Section 3.04. 1992 Bonds Not To Be Indebtedness of the City	11
Section 3.05. 1992 Bonds Secured by Subordinate and Parity Pledge of Net Revenues	11
Section 3.06. Form of 1992 Bonds	12
Section 3.07. Sale of 1992 Bonds; Execution of 1992 Authority Loan Agreements	27
Section 3.08. 1992 Bonds Are Issued as Parity Bonds	27
Section 3.09. Certificate of Consulting Engineers	28
ARTICLE IV. System Revenues and Application Thereof	28
Section 4.01. Continuance of Funds and Accounts with the Depository Bank	28
Section 4.02. Continuance of Funds and Accounts with Commission	28
Section 4.03. Authorized by Original Ordinance	29
ARTICLE V. Application of 1992 Bond Proceeds; Funds and Accounts; Transfers and Existing Funds	29
Section 5.01. Application of 1992 Bond Proceeds	29
Section 5.02. 1992 Bond Construction Trust Fund	30
Section 5.03. Origination Fee Account	31
ARTICLE VI. Line of Credit	32
Section 6.01. Authorization of 1992 Line of Credit	32
Section 6.02. Authorization of 1992 Note	32
Section 6.03. Execution of 1992 Note	33
Section 6.04. Negotiability, Transfer and Registration	33
Section 6.05. Form of 1992 Note	34
Section 6.06. Security for 1992 Note	34
Section 6.07. 1992 Notes Are Special Obligations	34
Section 6.08. 1992 Note Payment Fund	35

Section 6.09. Conversion to Long-Term Obligation. 35
Section 6.10. 1992 Line of Credit Bonds 36
Section 6.11. Draws upon 1992 Line of Credit. 36
Section 6.12. 1992 Line of Credit Construction Trust Fund 37
Section 6.13. 1992 Line of Credit Bond Proceeds 37
Section 6.14. 1992 Note and 1992 Line of Credit Bonds Secured by Ordinance. 37
Section 6.15. Covenants with Owner of 1992 Note 37
Section 6.16. Required Notices to 1992 Note Depository and Owner of 1992 Note. 38
Section 6.17. Grant Anticipation Notes. 39
Section 6.18. Events of Default 39
Section 6.19. Remedies. 39
Section 6.20. Appointment of Receiver 40
Section 6.21. Modification or Amendment 40
Section 6.22. The Bank. 41
Section 6.23. 1992 Note Depository. 41
Section 6.24. 1992 Note Registrar 41
Section 6.25. Notice to Authority 41

ARTICLE VII. Additional Covenants of the City 41
Section 7.01. Covenants 41
Section 7.02. Rates 42
Section 7.03. Completion, Operation and Maintenance; Schedule of Cost . . . 42
Section 7.04. Sale of the System. 42
Section 7.05. Parity Bonds. 42
Section 7.06. Insurance 43
Section 7.07. Enforcement of Collections. 43
Section 7.08. Books, Records and Reports. 43
Section 7.09. Operating Budget. 43
Section 7.10. Covenant to Amend Ordinance 44
Section 7.11. Public Purpose Bonds. 44
Section 7.12. Private Activity Bond Covenant. 44
Section 7.13. Filing Covenants. 44
Section 7.14. Federal Guarantee Covenant. 44
Section 7.15. Rebate Covenant 45
Section 7.16. Further Action. 45

ARTICLE VIII. Investment of Funds. 45
Section 8.01. Investments Particular to the 1992 Bonds. 45
Section 8.02. Arbitrage 46
Section 8.03. Tax Certificate and Rebate. 46
Section 8.04. Restriction of Yield and Bond Proceeds. 46

ARTICLE IX. Defaults and Remedies. 48

Section 9.01. Appointment of Receiver 48

ARTICLE X. Miscellaneous. 48

Section 10.01. Amendment of Section 11.01 of the Original Ordinance. 48

Section 10.02. Severability of Invalid Provision 48

Section 10.03. Repeal of Conflicting Ordinances. 48

Section 10.04. Covenant of Due Procedure 49

Section 10.05. Effective Date. 49

Exhibit A - Phase II Project Description

Exhibit B - 1992 Loan Agreement

Exhibit C - 1992 Supplemental Loan Agreement

AMENDATORY AND SUPPLEMENTAL BOND AND NOTE ORDINANCE

AN ORDINANCE AMENDING AND SUPPLEMENTING AN ORDINANCE PASSED BY THE COUNCIL OF THE CITY OF LOGAN, WEST VIRGINIA, ON AUGUST 11, 1987, ENTITLED "AN ORDINANCE SUPPLEMENTING AN ORDINANCE ADOPTED BY THE COUNCIL OF THE CITY OF LOGAN, WEST VIRGINIA, ON FEBRUARY 11, 1964, ENTITLED 'AN ORDINANCE AUTHORIZING THE ISSUANCE OF $308,000 PRINCIPAL AMOUNT OF SEWER REVENUE BONDS FOR THE PURPOSE OF REFUNDING CERTAIN OUTSTANDING BONDS AND TO PAY PART OF THE COST OF CONSTRUCTION AND ACQUISITION OF ADDITIONS, EXTENSIONS AND IMPROVEMENTS TO THE EXISTING SEWER SYSTEM OF THE CITY OF LOGAN, WEST VIRGINIA'; AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN EXTENSIONS, IMPROVEMENTS AND BETTERMENTS TO THE EXISTING PUBLIC SEWERAGE FACILITIES OF THE CITY OF LOGAN; AUTHORIZING ISSUANCE OF NOT MORE THAN $720,000 IN AGGREGATE PRINCIPAL AMOUNT OF SUBORDINATE SEWERAGE SYSTEM REVENUE BONDS, SERIES 1987, AND NOT MORE THAN $180,000 IN AGGREGATE PRINCIPAL AMOUNT OF SUPPLEMENTAL SUBORDINATE SEWERAGE SYSTEM REVENUE BONDS, SERIES 1987, OF THE CITY OF LOGAN TO BE USED, ALONG WITH OTHER FUNDS AND MONEYS OF OR AVAILABLE TO THE CITY OF LOGAN THAT MAY BE LAWFULLY EXPENDED FOR SUCH PURPOSES, TO FINANCE THE COST OF SUCH ACQUISITION AND CONSTRUCTION; PROVIDING FOR THE SALE OF SUCH BONDS TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY AND FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING ISSUANCE OF NOT MORE THAN $1,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWERAGE SYSTEM GRANT ANTICIPATION NOTES, SERIES 1987, TO BE USED TO FINANCE THE COST OF SUCH ACQUISITION AND CONSTRUCTION PENDING THE RECEIPT OF CERTAIN GRANT PROCEEDS; AND ENACTING OTHER PROVISIONS RELATING THERETO"; AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN ADDITIONAL EXTENSIONS, IMPROVEMENTS AND BETTERMENTS TO THE EXISTING PUBLIC SEWERAGE FACILITIES OF THE CITY OF LOGAN; AUTHORIZING ISSUANCE OF NOT MORE THAN $3,125,000 IN AGGREGATE PRINCIPAL AMOUNT OF SUBORDINATE SEWERAGE SYSTEM REVENUE BONDS, SERIES 1992, AND NOT MORE THAN $125,000 IN AGGREGATE PRINCIPAL AMOUNT OF SUPPLEMENTAL SUBORDINATE SEWERAGE SYSTEM REVENUE BONDS, SERIES 1992, OF THE CITY OF LOGAN TO BE USED, ALONG WITH OTHER FUNDS AND MONEYS OF OR AVAILABLE TO THE CITY OF LOGAN THAT MAY BE LAWFULLY EXPENDED FOR SUCH PURPOSES, TO FINANCE THE COST OF SUCH ACQUISITION AND CONSTRUCTION; PROVIDING FOR THE SALE OF SUCH BONDS TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY AND FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNER OF SUCH BONDS; AUTHORIZING A REVOLVING LINE OF CREDIT IN AN AMOUNT NOT TO EXCEED $500,000 TO PROVIDE FUNDS FOR SUCH ACQUISITION AND CONSTRUCTION TO THE EXTENT BOND PROCEEDS, GRANT RECEIPTS OR OTHER FUNDS ARE NOT TIMELY AVAILABLE THEREFOR AND AN AGREEMENT WITH RESPECT TO SAID LINE OF CREDIT; AUTHORIZING ISSUANCE OF A SEWERAGE SYSTEM CONSTRUCTION NOTE OF THE CITY OF LOGAN IN A STATED PRINCIPAL AMOUNT NOT TO EXCEED $500,000 TO EVIDENCE THE CITY'S OBLIGATION TO REPAY ANY DRAWS UPON SAID LINE OF CREDIT AND THE ISSUANCE, IF NECESSARY, OF NOT MORE THAN $550,000 IN AGGREGATE PRINCIPAL AMOUNT OF SUBORDINATE SEWERAGE SYSTEM REVENUE BONDS OF THE CITY OF LOGAN TO PROVIDE FOR THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON SAID NOTE; AND ENACTING OTHER PROVISIONS RELATING THERETO.

Be It Enacted and Ordained by the Council of The City of Logan, West Virginia:

ARTICLE I

DEFINITIONS, STATUTORY AUTHORITY AND FINDINGS

Section 1.01. Definitions. Except as provided below, terms used in this Amendatory Ordinance have the meanings set forth in the Original Ordinance, as amended by this Amendatory Ordinance, unless the context expressly requires otherwise.

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

B. "Advance-Refunded Municipal Bonds" means obligations, the interest on which is excludable from gross income for federal income tax purposes, which have been advance-refunded

prior to their maturity and are fully and irrevocably secured as to principal and interest by Governmental Obligations held in trust for the payment thereof, and which obligations are serial bonds or term bonds not callable prior to maturity except at the option of the holder or owner thereof.

C. "Amendatory Ordinance" means this ordinance as hereafter amended or supplemented.

D. "Authority" means the West Virginia Water Development Authority, which shall be the original purchaser of the 1992 Bonds, as hereinafter defined, or any other agency of the State that succeeds to the functions of the Authority.

E. "Bank" means The National Bank of Logan, a national banking association with its principal offices in Logan, West Virginia, or other similar institution identified in the Supplemental Resolution, and any successor thereto.

F. "Code" means the Internal Revenue Code of 1986, as amended, including the rules and regulations promulgated pursuant thereto or to any predecessors or successors thereof.

G. "Costs" or "Costs of the Phase II Project" means those costs described in Subsection 1.03(E) hereof to be a part of the costs of the construction and acquisition of the Phase II Project, as hereinafter defined.

H. "Grant Agreement" means the written commitment, dated September 30, 1985, and forwarded to the City on October 7, 1985, for the payment of the Grant, specifying the amount of such Grant, the terms and conditions upon which such Grant is made and the date or dates or event or events upon which such Grant is to be paid to the City, as the same shall be supplemented or amended from time to time.

I. "Operating Expenses" includes the fees and charges due to the trustee for the Authority's bonds pursuant to Section 4.7 of the 1992 Loan Agreement, and fees and expenses of the Authority and any default interest thereon, all to the extent such are not capitalized from the proceeds of the 1992 Bonds.

J. "Ordinance" means the Original Ordinance, as hereinafter defined, as amended and supplemented by this Amendatory Ordinance and as further amended or supplemented. Unless the context clearly requires to the contrary, references to "this Ordinance" in the Original Ordinance mean the Ordinance.

K. "Original Ordinance" means the Bond and Note Ordinance passed by the Council of the City on August 11, 1987, described further in the title hereto.

L. "Origination Fee" means any fee to be paid by the City with respect to its participation in the State's revolving fund program established pursuant to Title VI of the Water Quality Act of 1987, to provide funds for the acquisition and construction of wastewater projects.

M. "Owner" or similar terms used in reference to the 1992 Note means the Bank and any registered assignee or assignees as the owner or owners of the 1992 Note.

N. "Phase II Line of Credit" means the revolving line of credit established by the City with The National Bank of Logan for interim financing of the design and construction of the Phase II Project, as hereinafter defined, and authorized by an ordinance passed by the Council on August 9, 1988.

O. "Phase II Line of Credit Bonds" means the subordinate bonds authorized by Article V of the ordinance establishing the Phase II Line of Credit.

P. "Phase II Note" means the note dated April 24, 1989, evidencing the City's obligation to repay draws under the Phase II Line of Credit.

Q. "Phase II Project" means the extensions, improvements and betterments to the existing sewerage system of the City described in Exhibit A attached hereto and incorporated herein by reference.

R. "Prior Bonds" means the City's Sewer Revenue Bonds dated as of March 1, 1964, issued in the aggregate principal amount of $308,000 and outstanding as of the date of introduction of this Amendatory Ordinance in the aggregate principal amount of $91,000, the lien of which Prior Bonds on the Net Revenues is prior and superior to that of the Bonds.

S. "Project" means the extensions, improvements and betterments to the existing sewerage system of the City as described in the Grant Agreement and includes the Phase II Project.

T. "Qualified Investments" means and includes, in addition to items (a) through (g) listed in the Original Ordinance, Advance-Refunded Municipal Bonds.

U. "Supplemental Resolution" means any ordinance or resolution of the Council amending or supplementing this Amendatory Ordinance and, when preceded by the article "the," refers specifically to the Supplemental Resolution authorizing the sale of the 1992 Bonds or the establishment of the 1992 Line of Credit; provided, that any matter intended by this Amendatory Ordinance to be included in the Supplemental Resolution with respect to the 1992 Bonds or the 1992 Line of Credit and not so included may be included in another Supplemental Resolution.

V. "1992 Bondholder" or "Owner of the 1992 Bonds" or any similar term means any person who is the registered owner of any Outstanding 1992 Bond or 1992 Bonds.

W. "1992 Bonds" means the 1992 Subordinate Bonds and the 1992 Supplemental Bonds, both as hereinafter defined.

X. "1992 Bond Construction Trust Fund" means the 1992 Bond Construction Trust Fund established by Section 5.02.

Y. "1992 Line of Credit" means the revolving line of credit established for the City by the Bank in an amount not to exceed $500,000.

Z. "1992 Line of Credit Agreement" means the agreement to be approved as to form and substance by the Supplemental Resolution, establishing the 1992 Line of Credit with the Bank.

AA. "1992 Line of Credit Bonds" means the not more than $550,000 in aggregate principal amount of Subordinate Sewerage System Revenue Bonds, authorized by Section 6.10 to be issued, if necessary, to pay the principal of and interest on the 1992 Note.

BB. "1992 Loan Agreement" means the Loan Agreement between the Authority and the City, in substantially the form attached as Exhibit B hereto and incorporated herein by reference, with any changes, insertions or deletions as may be requested by the Authority and approved by the Supplemental Resolution, providing for the purchase of the 1992 Subordinate Bonds from the City by the Authority.

CC. "1992 Note" means the Sewerage System Construction Note, in a stated principal amount not to exceed $500,000, authorized by Section 6.02 to evidence the City's obligation to repay any draws under the 1992 Line of Credit.

DD. "1992 Note Depository" means the Bank, in its capacity as a national banking association or state bank eligible under the laws of the State to receive deposits of state and municipal funds and insured by the FDIC, and any successor thereto appointed pursuant to Section 6.23.

EE. "1992 Note Payment Fund" means the Sewerage System 1992 Construction Note Payment Fund established by Section 6.08.

FF. "1992 Note Registrar" means the Bank, acting in the capacity as registrar, paying agent and authenticating agent for the 1992 Note, and any successor thereto appointed pursuant to Section 6.24.

GG. "1992 Reserve Account Requirement" means, as of any date of calculation, the maximum amount of principal and interest that will become due on the 1992 Subordinate Bonds in the then current or any succeeding year.

HH. "1992 Subordinate Bonds" means the not more than $3,125,000 in aggregate principal amount of Subordinate Sewerage System Revenue Bonds, Series 1992, originally authorized hereby to pay a portion of the costs of the Phase II Project.

II. "1992 Supplemental Bonds" means the not more than $125,000 in aggregate principal amount of Supplemental Subordinate Sewerage System Revenue Bonds, Series 1992, originally authorized hereby to pay a portion of the costs of the Phase II Project.

JJ. "1992 Supplemental Loan Agreement" means the Supplemental Loan Agreement between the Authority and the City, in substantially the form attached as Exhibit C hereto and incorporated herein by reference, with any changes, insertions or deletions requested by the Authority and approved by the Supplemental Resolution, providing for the purchase of the 1992 Supplemental Bonds from the City by the Authority.

KK. "1992 WDA Loan Agreements" or "1992 Authority Loan Agreements" means, collectively, the 1992 Loan Agreement and the 1992 Supplemental Loan Agreement.

LL. The terms "herein," "hereunder," "hereby," "hereto," "hereof" and any similar terms refer to this Amendatory Ordinance; and the term "hereafter" means after the date of enactment of this Amendatory Ordinance. Unless the context clearly requires to the contrary, the use of such terms in the Original Ordinance refers to the Ordinance.

Section 1.02. Authority of this Amendatory Ordinance. This Amendatory Ordinance is enacted pursuant to the provisions of the Original Ordinance, the Act and other applicable provisions of law and, so long as any of the Prior Bonds is outstanding, is supplemental to the Prior Ordinance and, so long as any of the Bonds is Outstanding, is amendatory of and supplemental to the Original Ordinance.

Section 1.03. Findings. In addition to those findings set forth in the Original Ordinance, it is hereby found, determined and declared as follows:

A. The Sanitary Board has presented a petition to the City for acquisition and construction of the Phase II Project, enactment of this Amendatory Ordinance, issuance of the 1992 Bonds, establishment of the 1992 Line of Credit, issuance of the 1992 Note, and, if necessary, issuance of the 1992 Line of Credit Bonds.

B. The City has been awarded the Grant pursuant to the Grant Agreement.

C. It is deemed necessary and desirable for the health, welfare and safety of the inhabitants of the City that the Phase II Project be acquired and constructed in accordance with the plans and specifications prepared by the Consulting Engineers, subject to the approval of the EPA, the issuance of a certificate of convenience and necessity by the PSC and any more specific authorizations by the Supplemental Resolution, which plans and specifications are on file with the Sanitary Board and the City Clerk and which Phase II Project is generally described in Exhibit A hereto.

D. The estimated maximum cost of the Phase II Project is $3,952,200, of which approximately $2,913,985 will be obtained from the proceeds of the 1992 Bonds and approximately $1,038,215 will be obtained from the Grant. The City may obtain other grants and contributions as may be necessary to pay the cost of the Phase II Project. The cost of the Phase II Project may be revised to reflect conditions imposed by the West Virginia Department of Natural Resources and set forth in the Grant Agreement; provided, that in no event shall the cost require an increase in the rates for the use of the System enacted by the Council on June 9, 1992.

E. It is deemed necessary for the City to issue its 1992 Subordinate Bonds in the aggregate principal amount of not more than $3,125,000 and its 1992 Supplemental Bonds in the aggregate principal amount of not more than $125,000, both to finance costs of construction and acquisition of the Phase II Project. Said costs shall be deemed to include the costs of all property rights, easements and franchises deemed necessary or convenient therefor; interest upon the 1992 Subordinate Bonds prior to and during construction or acquisition and for six months after completion of construction of the Phase II Project; engineering, fiscal and legal expenses; expenses for estimates of costs and revenues; expenses for plans, specifications and surveys; other expenses necessary or incident for determining the feasibility or practicability or the enterprise; administrative expense, any fees or expenses of the Authority and any default interest thereon, Origination Fee, commitment fees, discount, initial fees for the service of registrars, paying agents, depositories or trustees or other costs in connection with the sale of the 1992 Bonds, the 1992 Note or the 1992 Line of Credit Bonds, and such other expenses as may be necessary or incidental to the financing herein authorized, the construction or acquisition of the Phase II Project and the placing of the same in operation, and the performance of the things herein required or permitted, in connection with any thereof; provided, that reimbursement to the City for any amounts expended by it for allowable costs prior to the issuance of the 1992 Bonds or the repayment of indebtedness incurred by the City for such purposes shall be deemed costs of the Phase II Project.

F. The period of usefulness of the System after completion of the Phase II Project will not be less than forty years.

G. It is necessary and in the best interests of the City to establish the 1992 Line of Credit to provide funds for the acquisition and construction of the Phase II Project to the extent 1992 Bond proceeds, Grant Receipts or other funds are not timely available therefor, to enter into the 1992 Line of Credit Agreement with the Bank, to issue the 1992 Note to evidence the City's obligation to repay any draw upon the 1992 Line of Credit, and, if necessary, to issue the 1992 Line of Credit Bonds or to take such other acts as are hereinafter set forth to provide for the payment of the principal of and interest on the 1992 Note on or prior to the maturity thereof.

H. There are outstanding on the date of introduction of this Amendatory Ordinance $91,000 in aggregate principal amount of Prior Bonds. The holders of the Prior Bonds shall have a lien on the Net Revenues prior and superior to that of the Bondholders. There are also outstanding on the date of introduction of this Amendatory Ordinance $614,699 in aggregate principal amount of Original Subordinate Bonds and $140,767 in aggregate principal amount of Original Supplemental Bonds. The Owners of the Original Bonds shall have a lien on the Net Revenues on a parity with that of the 1992 Bondholders. Other than the Prior Bonds and the Original Bonds, there are no obligations of the City outstanding which will rank prior to or on a parity with the 1992 Bonds as to their respective liens and sources of and security for payment. There is also outstanding on the date of introduction of this Amendatory Ordinance the Phase II Note in the stated principal amount of $250,000, which is subordinate to both the Prior Bonds and the Bonds as to security for payment from the Net Revenues.

I. The issuance of the 1992 Bonds on a basis subordinate to the Prior Bonds and on a parity with the Original Bonds and the issuance of the 1992 Note and the 1992 Line of Credit Bonds, if necessary, are being authorized in an effort to aid in the abatement or reduction of the pollution of waters and streams situate in and about the City, including the Guyandotte River. The City derives revenues from the System, and said revenues are pledged or encumbered only in connection with the Prior Bonds, the Original Bonds and the Phase II Note.

J. The principal of and interest on the 1992 Bonds will be paid solely from the proceeds thereof and the Net Revenues derived from the operation of the System. The principal of and interest on any 1992 Letter of Credit Bonds will be paid solely from the Net Revenues derived from the operation of the System, and the principal of and interest on the 1992 Note will be paid solely from the proceeds of the Grant Receipts and, if necessary, the net proceeds of the 1992 Letter of Credit Bonds and, as hereinafter provided, the Net Revenues. None of such 1992 Bonds, 1992 Note or 1992 Line of Credit Bonds shall in any respect be a corporate indebtedness of the City within the meaning of any charter, statutory or constitutional provisions or limitations. The 1992 Note and any 1992 Letter of Credit Bonds issued pursuant to this Ordinance are and shall be junior, subordinate and inferior as to source of payment and security and in all other respects to the Prior Bonds and the Bonds; provided, however, that the Owner of the 1992 Note shall have a

first lien on the net proceeds of any 1992 Letter of Credit Bonds determined by a Supplemental Resolution and a lien on the Grant Receipts, subject only to the Phase II Note.

K. The estimated revenues to be derived in each year after the enactment of this Amendatory Ordinance from the operation of the System will be sufficient to pay all the costs of the operation and maintenance of the System, the principal of and interest on the Prior Bonds, the Bonds and any 1992 Letter of Credit Bonds and all sinking fund and other payments provided for in the Prior Ordinance and the Ordinance. It is in the best interest of the City that its 1992 Bonds be sold to the Authority pursuant to the terms and provisions of the 1992 Authority Loan Agreements.

L. The City has complied with all requirements of West Virginia law relating to authorization of and construction, acquisition and operation of the Project and issuance of the 1992 Bonds and the 1992 Note or will have so complied prior to issuance thereof, including, among other things, the obtaining of a certificate of convenience and necessity from the PSC by final order not subject to appeal or rehearing.

M. The Code provides exceptions from the rebate provisions for issues of small governmental units meeting certain requirements. It is in the best interest of the City and its inhabitants to qualify for the small governmental unit exception from the rebate provisions. Accordingly, it is hereby found and determined:

(1) The City is a governmental unit with general taxing powers.

(2) The 1992 Bonds and the 1992 Note are not private activity bonds as defined by the Code.

(3) Ninety-five percent (95%) or more of the net proceeds (as defined with respect to the Code) of the 1992 Bonds and the 1992 Note will be used for local governmental activities of the City.

(4) The City reasonably expects that the aggregate face amount of all tax-exempt bonds (other than private activity bonds) issued by the City and all subordinate entities thereof during the calendar year in which the 1992 Bonds and the 1992 Note will be issued will not exceed $5,000,000. The City reasonably expects to issue the 1992 Bonds and the 1992 Note in 1992.

N. The City will not permit, at any time, any of the proceeds of the Bonds and the 1992 Line of Credit or any other funds of the City 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 Code.

O. The City will file all statements, instruments and returns necessary to assure the tax-exempt status of the Bonds and the 1992 Note.

P. Neither the Bonds nor the 1992 Note will not be federally guaranteed within the meaning of the Code.

Q. It is reasonably anticipated that all proceeds of the 1992 Bonds will be spent within three years from the date of issuance of the Authority's bonds from which payment for the 1992 Subordinate Bonds is made.

R. The City and all subordinate issuers do not reasonably expect to issue more than $10,000,000 of tax-exempt obligations during the calendar year 1992, and the City hereby designates the 1992 Note as "qualified tax-exempt obligations" as defined in Section 265(b)(3)(B) of the Code.

ARTICLE II

AUTHORIZATION OF PHASE II PROJECT

Section 2.01. Authorization of Phase II Project. There is hereby authorized the acquisition and construction of the Phase II Project in accordance with the plans and specifications therefor prepared by the Consulting Engineers; provided, that such plans and specifications, and the acquisition and construction of the Phase II Project in accordance therewith, are subject to the issuance of a certificate of convenience and necessity by the PSC and to any specific authorization by the Supplemental Resolution.

ARTICLE III

AUTHORIZATION, TERMS, EXECUTION, REGISTRATION, AND SALE OF 1992 BONDS; AUTHORIZATION AND EXECUTION OF 1992 AUTHORITY LOAN AGREEMENTS

Section 3.01. Authorization of 1992 Bonds. For the purposes of financing a portion of the costs of acquisition and construction of the Phase II Project not otherwise provided for, of paying the costs of issuance of the 1992 Bonds, and, if authorized by the Supplemental Resolution, of funding the Reserve Account and the Supplemental Reserve Account on account of the 1992 Bonds

or providing for interest on the 1992 Subordinate Bonds during construction, or both, there shall be issued the 1992 Bonds of the City. The proceeds of the 1992 Bonds shall be applied as provided in Section 5.01.

Section 3.02. Terms of 1992 Bonds. The 1992 Subordinate Bonds shall be originally issued in the form of a single bond, designated Subordinate Sewerage System Revenue Bond, Series 1992, Number R-1, fully registered to the Authority, in the principal amount of not more than $3,125,000, as shall be set forth in the Supplemental Resolution. The 1992 Subordinate Bonds shall be dated the date of delivery thereof; shall bear interest at the rate per annum, not to exceed 12%, as shall be set forth in the Supplemental Resolution, payable semi-annually, on April 1 and October 1 of each year, beginning with the date set forth in the Supplemental Resolution; shall be subject to redemption only with the written consent of the Authority and upon payment of the interest and redemption premium, if any, and subject to the other requirements and otherwise in compliance with the 1992 Loan Agreement, so long as the Authority shall be the Owner of the 1992 Subordinate Bonds; and shall mature in principal installments on October 1 of each of the years and in the amounts set forth in the 1992 Loan Agreement "Schedule X" to be approved by the Supplemental Resolution.

The 1992 Supplemental Bonds shall be originally issued in the form of a single bond, designated Supplemental Subordinate Sewerage System Revenue Bond, Series 1992, numbered SR-1, fully registered to the Authority, in the principal amount of not more than $125,000, as shall be set forth in the Supplemental Resolution. The 1992 Supplemental Bonds shall be dated the date of delivery thereof; shall bear no interest; shall be subject to redemption only with the written consent of the Authority and otherwise in compliance with the 1992 Supplemental Loan Agreement, so long as the Authority shall be the Owner of the 1992 Supplemental Bonds; and shall mature in principal installments on October 1 of each of the years and in the amounts set forth in the 1992 Supplemental Loan Agreement "Schedule X" to be approved by the Supplemental Resolution.

Section 3.03. Other Provisions with Respect to the 1992 Bonds. The 1992 Bonds shall be executed as set forth in Subsection 3.03 of the Ordinance. The 1992 Bonds shall be authenticated and registered in accordance with Section 3.04 of the Ordinance, and the Certificate of Authentication and Registration on the 1992 Bonds shall be substantially in the form set forth in Section 3.06 of this Amendatory Ordinance. The 1992 Bonds shall be negotiable and shall be subject to transfer and registration as provided in Section 3.05 of the Ordinance. Any 1992 Bonds mutilated, destroyed, stolen, or lost shall be dealt with as prescribed by Section 3.06 of the Ordinance.

Section 3.04. 1992 Bonds Not To Be Indebtedness of the City. The 1992 Bonds shall not, in any event, be or constitute an indebtedness of the City within the meaning of any constitutional or statutory provision or limitation, but shall be payable solely from the Net Revenues and otherwise as provided in the Ordinance. No Owner or Owners of any of the 1992 Bonds shall ever have the right to compel the exercise of the taxing power of the City to pay the 1992 Bonds or the interest thereon.

Section 3.05. 1992 Bonds Secured by Subordinate and Parity Pledge of Net Revenues. The payment of the debt service of all of the 1992 Subordinate Bonds shall be secured forthwith equally and ratably with each other by a lien on the Net Revenues derived from the System, which lien is junior, subordinate and inferior to that on account of the Prior Bonds and which lien is on a parity with that on account of the Original Subordinate Bonds and any other Subordinate Bonds that may be issued pursuant to the Ordinance. The payment of the debt service of all the 1992 Supplemental Bonds shall also be secured forthwith equally and ratably with each other by a lien on the Net Revenues derived from the System, but junior, subordinate and inferior to the lien on the Net Revenues in favor of both the Prior Bonds and the Subordinate Bonds. Such Net Revenues, in an amount sufficient, after paying the principal of and interest on the Prior Bonds and making the other payments required under the Prior Ordinance, to pay the principal of and interest on the Bonds, and to make the payments required into the Sinking Fund and the Reserve Account therein, the Renewal and Replacement Fund, and the Supplemental Sinking Fund and the Supplemental Reserve Account therein, all as established in the Original Ordinance and continued hereby, are hereby irrevocably pledged to the payment of the principal of and interest on the Bonds as the same become due.

Section 3.06. Form of 1992 Bonds. The text of the 1992 Bonds shall be in substantially the following tenor, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted by this Amendatory Ordinance or by any Supplemental Resolution adopted or enacted prior to the issuance thereof:

[Form of 1992 Subordinate Bond]

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF LOGAN
SUBORDINATE SEWERAGE SYSTEM REVENUE BOND, SERIES 1992

No. R-____ $_____

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF LOGAN, a municipal corporation of the State of West Virginia (the "City"), for value received, hereby promises to pay, solely from the

special funds provided therefor, as hereinafter set forth, to the West Virginia Water Development Authority (the "Authority") or registered assigns the sum of _____ ($_____), in installments on 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.

Interest on each installment shall run from the date of this Bond and until payment of such installment, and such interest shall be payable on the 1st day of April and the 1st day of October in each year beginning _____ 1, 19__. Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of principal, 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, as Paying Agent (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 _____, as registrar (the "Registrar"), on the 15th day of the month 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 as otherwise provided by the Loan Agreement, dated as of _____, between the City and the Authority.

The series of bonds of which this Bond is one (the "Bonds") are issued (i) to pay costs of acquisition and construction of certain extensions, improvements and betterments to the existing public sewerage system of the City (the "Phase II Project") (said existing system, together with the Phase II Project and any further extensions, improvements or betterments thereto, is hereinafter referred to as the "System")[; (ii) to pay interest on the Bonds during and for six months after completion of construction of the Phase II Project; (iii) to fund the Reserve Account, as hereinafter defined; and (iv)] and (ii) to pay certain costs of issuance hereof and related costs. This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13 of the Code of West Virginia, 1931, as amended (the "Act"), and the Ordinance duly passed by the Council of the City on the 11th day of August, 1987, as amended and supplemented by the Amendatory and Supplemental Ordinance duly passed by the Council of the City on the __ day of _____, 1992, and as supplemented by a resolution duly adopted by the Council of the City on _____, 19__ (collectively, the "Ordinance"), and is subject to all the terms and conditions thereof. The Ordinance provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Ordinance.

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Ordinance) to be derived from the operation of the System, [moneys in the Reserve Account created under the Ordinance (the "Reserve Account")] and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the City within the meaning of any constitutional or statutory provisions or limitations, nor shall the City be obligated to pay the same or the interest hereon except from said special fund provided from the Net Revenues[, the moneys in the Reserve Account] and unexpended Bond proceeds. Pursuant to the Ordinance, the City 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 to provide for the proper and reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the amount required to pay the maximum amount due in any year of principal of and interest on the Bonds, on the Supplemental Bonds, as hereinafter defined, and on all obligations secured by or payable from such revenues prior to or on a parity with the Bonds and said Supplemental Bonds, including the Original Bonds and the Prior Bonds, both as hereinafter defined; provided, however, that so long as there exists in the Reserve Account sufficient moneys to pay the maximum amount of principal and interest which will become due on the Bonds in the then current or any succeeding year and on the Original Bonds in any year, there exists in the reserve account for said Supplemental Bonds and the Original Supplemental Bonds, as defined in the Ordinance, sufficient moneys to pay the maximum amount of principal and interest, if any, which will become due on said Supplemental Bonds and Original Supplemental Bonds in any year, and the reserve accounts for any such obligations prior to or on a parity with the Bonds or said Supplemental Bonds, including said Prior Bonds, are funded at the respective requirements therefor, such percentage may be reduced to 110%. The City has entered into certain further covenants with the Registered Owners of the Bonds for the terms of which reference is made to the Ordinance. Remedies provided the registered owners of the Bonds are exclusively as provided in the Ordinance, to which reference is here made for a detailed description thereof.

This Bond is transferable, as provided in the Ordinance, only upon the books of the Registrar kept for that purpose at the office of the Registrar by the registered owner or by its attorney or legal representative 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 or legal representative duly authorized in writing.

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

This Bond is issued contemporaneously with the Supplemental Subordinate Sewerage System Revenue Bonds, Series 1992, of the City (the "Supplemental Bonds"), issued in the aggregate principal amount of $_____, which Supplemental Bonds are junior and subordinate with respect to liens and sources of and security for payment to the Bonds of this issue.

THIS BOND IS JUNIOR, SUBORDINATE AND INFERIOR AS TO LIEN ON AND SOURCE AND SECURITY FOR PAYMENT FROM THE NET REVENUES AND IN ALL OTHER RESPECTS TO THE CITY'S SEWER REVENUE BONDS DATED AS OF MARCH 1, 1964, OUTSTANDING AS OF THE DATE HEREOF IN THE AGGREGATE PRINCIPAL AMOUNT OF $_____.

THIS BOND IS ON A PARITY AS TO LIEN ON AND SOURCE AND SECURITY FOR PAYMENT FROM THE NET REVENUES AND IN ALL OTHER RESPECTS (EXCEPT FOR ITS LIEN ON THE PROCEEDS HEREOF) TO THE CITY'S SUBORDINATE SEWERAGE SYSTEM REVENUE BONDS, SERIES 1987, OUTSTANDING AS OF THE DATE HEREOF IN THE AGGREGATE PRINCIPAL AMOUNT OF $_____.

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 Phase II Project described in the Ordinance, 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 City, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia and that a sufficient amount of the revenues of the System has been pledged to and will be set aside into said special fund by the City for the prompt payment of the principal of and interest on this Bond.

All provisions of the Ordinance, 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 LOGAN has caused this Bond to be signed by its Mayor and its corporate seal to be hereunto affixed or imprinted hereon and attested by its Clerk, and has caused this Bond to be dated _____, 1992.

[SEAL]

_____
Mayor

ATTEST:

_____
City Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Subordinate Sewerage System Revenue Bonds, Series 1992, described in the within-mentioned Ordinance and has been duly registered in the name of the registered owner set forth above on 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 said Bond on the books kept for registration of the within Bond of said City with full power of substitution in the premises.

Dated: _____, ____.

_____

In the presence of:

_____

[Form of 1992 Supplemental Bond]

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF LOGAN
SUPPLEMENTAL SUBORDINATE SEWERAGE SYSTEM REVENUE BOND,
SERIES 1992

No. SR- _____ $_____

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF LOGAN, a municipal corporation of the State of West Virginia (the "City"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the West Virginia Water Development Authority (the "Authority") or registered assigns the sum of _____ ($_____), in installments on 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.

Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of principal, 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, as paying agent (the "Paying Agent"). This Bond bears no interest.

This Bond may be redeemed prior to its stated date of maturity in whole or in part at any time, but only with the express written consent of the Authority and as otherwise provided by the Supplemental Loan Agreement, dated as of _____, between the City and the Authority.

The bonds of the series of which this Bond is one (the "Bonds") are issued to pay costs of acquisition and construction of certain extensions, improvements and betterments to the existing public sewerage system of the City (the "Phase II Project") (said existing system, together with the Phase II Project and any further extensions, improvements and betterments thereto, is hereinafter referred to as the "System")[, to fund the Supplemental Reserve Account, as hereinafter defined,] and to pay certain costs of issuance hereof and related costs. This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13 of the Code of West Virginia, 1931, as amended (the "Act"), an Ordinance duly passed by the Council of the City on the 11th day of August, 1987, as amended and supplemented by the Amendatory and Supplemental Ordinance duly passed by the Council of the City on the ____ day of _____, 1992, and a supplemental resolution duly adopted by the Council of the City on the _____ day of _____, 19___ (collectively called the "Ordinance"), and is subject to all the terms and conditions thereof. The Ordinance provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds.

This Bond is issued contemporaneously with the Subordinate Sewerage System Revenue Bonds, Series 1992, of the City (the "Subordinate Bonds"), issued in the aggregate principal amount of $_____, which Subordinate Bonds rank prior with respect to liens and sources of and security for payment to the Bonds of this issue.

THIS BOND AND THE SUBORDINATE BONDS ARE JUNIOR, SUBORDINATE AND INFERIOR AS TO LIEN ON AND SOURCE AND SECURITY FOR PAYMENT FROM THE NET REVENUES AND IN ALL OTHER RESPECTS TO THE CITY'S SEWER REVENUE BONDS DATED AS OF MARCH 1, 1964, OUTSTANDING AS OF THE DATE HEREOF IN THE AGGREGATE PRINCIPAL AMOUNT OF $_____(THE "PRIOR BONDS"). THE LIEN ON ACCOUNT OF THIS BOND ON SUCH NET REVENUES IS ALSO JUNIOR, SUBORDINATE AND INFERIOR TO THE LIEN THEREON CREATED ON ACCOUNT OF THE SUBORDINATE BONDS AND THE CITY'S SUBORDINATE SEWERAGE SYSTEM REVENUE BONDS, SERIES 1987, OUTSTANDING ON THE DATE HEREOF IN THE AGGREGATE PRINCIPAL AMOUNT OF $_____ (THE "ORIGINAL SUBORDINATE BONDS").

THIS BOND IS ON A PARITY AS TO LIEN ON AND SOURCE AND SECURITY FOR PAYMENT FROM THE NET REVENUES AND IN ALL OTHER RESPECTS (EXCEPT FOR ITS LIEN ON THE PROCEEDS HEREOF) TO THE CITY'S SUPPLEMENTAL SUBORDINATE SEWERAGE SYSTEM REVENUE BONDS, SERIES 1987, OUTSTANDING ON THE DATE HEREOF IN THE AGGREGATE PRINCIPAL AMOUNT OF $_____ (THE "ORIGINAL SUPPLEMENTAL BONDS").

This Bond is payable only from and secured by a lien, subordinate only to that of the Prior Bonds, the Original Subordinate Bonds and the Subordinate Bonds, on the Net Revenues (as defined in the Ordinance) to be derived from the operation of the System[, moneys in the Supplemental Reserve Account created under the Ordinance (the "Supplemental Reserve Account")] and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the City within the meaning of any constitutional or statutory provisions or limitations, nor shall the City be obligated to pay the same except from said special fund provided from the Net Revenues[, the moneys in the Supplemental Reserve Account] and unexpended Bond proceeds. Pursuant to the Ordinance the City 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 to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the amount required to pay the maximum amount due in any year of principal of and interest on the Bonds, the Subordinate Bonds, the Original Subordinate Bonds and the Original Supplemental Bonds and all other obligations secured by or payable from the revenues of the System prior to or on a parity with the Bonds and the Subordinate Bonds, including the Prior Bonds; provided however, that so long as there exists in the Supplemental Reserve Account an amount at least equal to the maximum amount of principal and interest, if any, which will become due on the Bonds and the Original Supplemental Bonds in any year, and in the reserve account for the Subordinate Bonds and the Original Subordinate Bonds, as defined in the Ordinance, an amount at least equal to the maximum amount of principal and interest that will become due on the Subordinate Bonds in the then current or any succeeding year and on the Original Subordinate Bonds in any year, and the reserve accounts for any such obligations prior to or on a parity with the Bonds or the Subordinate Bonds, including the Prior Bonds, are funded at the respective requirements therefor, such percentage may be reduced to 110%. The City has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Ordinance. Remedies provided the registered owners of the Bonds are exclusively as provided in the Ordinance, to which reference is here made for a detailed description thereof.

This Bond is transferable, as provided in the Ordinance, only upon the books of _____, _____, West Virginia, as registrar (the "Registrar"), kept for that purpose at the office of the Registrar by the registered owner, or by its attorney or legal representative 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 or legal representative duly authorized in writing.

Subject to the registration requirements, 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.

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 Phase II Project described in the Ordinance, 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; provided, that such lien on moneys deposited in the 1992 Bond Construction Trust Fund created by the Ordinance shall be subordinate to that of the Subordinate Bonds.

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

All provisions of the Ordinance, 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 LOGAN has caused this Bond to be signed by its Mayor and its corporate seal to be hereunto affixed and attested by its Clerk, and has caused this Bond to be dated _____, 1992.

[SEAL]

_____
Mayor

ATTEST:

_____
City Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Supplemental Subordinate Sewerage System Revenue Bonds, Series 1992, described in the within-mentioned Ordinance and has been duly registered in the name of the registered owner set forth above on 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 said Bond on the books kept for registration of the within Bond of said City with full power of substitution in the premises.

Dated: _____, _____.

_____

In the presence of:

_____

Section 3.07. Sale of 1992 Bonds; Execution of 1992 Authority Loan Agreements. The 1992 Bonds shall be sold to the Authority pursuant to the terms and conditions of the 1992 Authority Loan Agreements; provided, that the City must satisfy certain legal and other requirements of the Program. Execution and delivery to the Authority of the 1992 Authority Loan Agreements by the Mayor and the Clerk are hereby specifically authorized, confirmed and ratified. The 1992 Authority Loan Agreements are specifically incorporated in this Amendatory Ordinance.

Section 3.08. 1992 Bonds Are Issued as Parity Bonds. The 1992 Bonds are issued as and shall constitute Parity Bonds in accordance with Section 7.08 of the Ordinance. Prior to the issuance of the 1992 Bonds, the following must occur:

A. The City must receive the written approval of the Authority for the issuance of the Parity Subordinate Bonds while the Original Supplemental Bonds remain Outstanding.

B. There must be procured and filed with the City Clerk a written statement by the Independent Accountants, based upon the necessary investigation and certification by the Consulting Engineers, reciting the conclusion that the Net Revenues actually derived, subject to the adjustments set forth in Section 7.08 of the Ordinance, from the System during any twelve (12) consecutive months within the eighteen (18) months immediately preceding the date of the actual issuance of the 1992 Bonds, plus the estimated average increased annual Net Revenues to be received in each of the three (3) succeeding years after the completion of the Phase II Project, shall not be less than One Hundred Fifteen Percent (115%) of the maximum debt service in any succeeding year on the following:

(1) the Prior Bonds and any other obligations secured by or payable from the revenues prior to or on a parity with the Bonds;

(2) the Bonds then Outstanding;

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

(4) the 1992 Bonds.

C. Unless waived in writing by the Authority, the City must enter into written contracts for the immediate acquisition or construction of the Phase II Project not later than simultaneously with the delivery of the 1992 Bonds.

D. The 1992 Bonds shall not be issued unless all the payments into the respective funds and accounts provided for in the Prior Ordinance on account of the Prior Bonds outstanding and in the Original Ordinance on account of the Original Bonds Outstanding, and any other payments provided for in the Ordinance, shall have been made in full as required to the date of delivery of the 1992 Bonds.

Section 3.09. Certificate of Consulting Engineers. Prior to the issuance of the 1992 Bonds, the City must obtain the certificate of the Consulting Engineers in the form attached to the City's Program loan application, to the effect that the Phase II Project has been or will be constructed in accordance with the approved plans, specifications and design as submitted to the Authority, the Phase II Project is adequate for the purposes for which it was designed, and the funding plan as submitted to the Authority is sufficient to pay the costs of acquisition and construction of the Phase II Project.

ARTICLE IV

SYSTEM REVENUES AND APPLICATION THEREOF

Section 4.01. Continuance of Funds and Accounts with the Depository Bank. The Revenue Fund and the Renewal and Replacement Fund established by the Ordinance are hereby continued and shall apply to the 1992 Bonds with the same effect as if they had been created hereunder.

Section 4.02. Continuance of Funds and Accounts with Commission. A. The Sinking Fund and the Reserve Account therein and the Supplemental Sinking Fund and the Supplemental Reserve Account therein established by the Ordinance are hereby continued and shall apply to the 1992 Bonds with the same effect as if they had been created hereunder. The amounts to be deposited into the Sinking Fund, the Reserve Account therein, the Supplemental Sinking Fund and the Supplemental Reserve Account therein prescribed by Section 5.03 of the Ordinance shall be increased as required to provide for payment of the 1992 Bonds as provided by the Ordinance; provided, that the 1992 Reserve Account Requirement is based on the then current or any succeeding year.

B. Deposits into the Sinking Fund required by Subsection 5.03(C)(1) of the Ordinance shall be adjusted if necessary for the first interest payment date on the 1992 Subordinate Bonds less than seven months after issuance of the 1992 Subordinate Bonds or completion of construction of the Phase II Project, as applicable.

C. Deposits into the Reserve Account required by Subsection 5.03(C)(3) of the Ordinance shall be increased so that 1/120th of the Reserve Account Requirement with respect to the Original Subordinate Bonds and 1/120th of the 1992 Reserve Account Requirement on account of the 1992 Subordinate Bonds shall be deposited each month. Deposits into the Supplemental Reserve Account required by Subsection 5.03(E)(2) of the Ordinance shall be increased so that 1/120th of the Supplemental Reserve Account Requirement with respect to the Original Supplemental Bonds and 1/120th of the Supplemental Reserve Account Requirement on account of the 1992 Supplemental Bonds shall be deposited each month.

D. Subsection 5.03(C)(4) of the Original Ordinance is hereby amended and re-enacted to read as follows:

> (4) Moneys in the Sinking Fund shall be used only for the purposes of paying principal of and interest on the Subordinate Bonds as the same shall become due. Moneys in the Reserve Account in the Sinking Fund shall be used only for the purpose of paying principal of or interest on the Subordinate Bonds, as the same shall become due, when other moneys in the Sinking Fund are insufficient therefor, and for no other purpose. All investment earnings on moneys in the Sinking Fund and the Reserve Account shall be transferred, not less than once each year, to the Bond Construction Trust Fund prior to completion of the Phase I Project, and thereafter to the 1992 Bond Construction Trust Fund prior to the completion of the Phase II Project, and thereafter to the Revenue Fund or the Prior Revenue Fund, as the case may be.

Section 4.03. Authorized by Original Ordinance. The deposits into the funds and accounts described in this section are made pursuant to Subsection 5.03(F) of the Ordinance.

ARTICLE V

APPLICATION OF 1992 BOND PROCEEDS; FUNDS AND ACCOUNTS;
TRANSFERS AND EXISTING FUNDS

Section 5.01. Application of 1992 Bond Proceeds. From the monies received from the sale of any or all of the 1992 Bonds, the following amounts shall be first deducted and deposited in the order set forth below:

A. If required by the Supplemental Resolution, the amount of the proceeds which shall be at least sufficient to pay interest on the 1992 Subordinate Bonds for the period specified in the Supplemental Resolution shall be deposited in the Sinking Fund at the Commission; provided, that such period may not extend beyond the date which is six months after the estimated date of completion of construction of the Phase II Project.

B. If required by the Supplemental Resolution, the amount of the proceeds which shall be at least sufficient to fund the 1992 Reserve Account Requirement and the Supplemental Reserve Account Requirement on account of the 1992 Bonds shall be first credited to the 1992 Bond Construction Trust Fund and then deposited in the Reserve Account and the Supplemental Reserve Account, respectively, with the Commission; provided, that such amounts shall not exceed in the aggregate 10% of the proceeds in the 1992 Bonds.

C. The remaining monies derived from the sale of the 1992 Bonds shall be deposited by the City in the 1992 Bond Construction Trust Fund and applied to the cost of the Phase II Project, including but not limited to payment of the cost of issuance, repayment of any Authority Step 1 or Step 2 Loan and, if determined to be in the best interests of the City, repayment of the Phase II Note.

Section 5.02. 1992 Bond Construction Trust Fund. The 1992 Bond Construction Trust Fund is hereby established with the Depository Bank. It shall be kept separate and apart from all other funds of the City, including the Bond Construction Trust Fund created under the Original Ordinance, and used and applied by the City solely for the payment of the cost of the Phase II Project, which include but are not limited to the cost of the issuance of the 1992 Bonds as well as construction of the Phase II Project, as more fully set out in Section 1.03(E), and for no other purposes whatsoever. Unless invested in Qualified Investments, the monies in said fund shall be secured at all times by the deposit in the Depository Bank, as security, of direct obligations of the United States of America, having a fair market value at least equal to the balance in said fund in excess of the amount insured by the FDIC. Any monies not needed immediately for said purposes shall be invested in Qualified Investments having maturities so as to enable the monies to be available as deemed necessary by the Consulting Engineers and otherwise in accordance with Article VIII. If for any reason such proceeds, or any part thereof, are not necessary for, or are not applied to, such purposes, then such unapplied proceeds (1) may, during the period of three years from the date of issuance of the Authority's bonds with the proceeds of which the 1992 Subordinate Bonds are purchased, be used for construction and acquisition of the remainder of the Phase II Project or other capital construction or acquisition needs of the System; (2) thereafter, shall be used to make up any deficiency in the Reserve Account or the Supplemental Reserve Account or to fund the Reserve Account and then the Supplemental Reserve Account at the respective requirements therefor; and (3) if the reserve accounts are fully funded and no deficiencies exist, shall be deposited by the City in escrow with an escrow trustee and used to redeem 1992 Bonds at the first redemption date and, prior thereto, to pay a proportionate amount of principal of the 1992 Bonds by depositing in the Sinking Fund and the Supplemental Sinking Fund, respectively, an amount which bears the same ratio to the principal coming due in that year as the excess proceeds bore to the initial aggregate principal amount of the 1992 Subordinate Bonds and the 1992 Supplemental Bonds, as the case may be. All such proceeds shall constitute a trust fund for such purposes, and there is hereby created a lien upon such monies until so applied in favor of the Owners of the 1992 Bonds; provided, that the lien in favor of the Owners of the 1992 Subordinate Bonds shall be prior to the lien in favor of the Owners of the 1992 Supplemental Bonds.

Expenditures or disbursements by the Depository Bank from the 1992 Bond Construction Trust Fund, except for legal, fiscal and engineering expenses, expenses in connection with the issuance and sale of the 1992 Bonds, any Origination Fee, repayment to the Authority of any Step 1 or Step 2 loans, a repayment of the Phase II Note, shall be made only after such expenditures or disbursements shall have been approved in writing by the Board and the Consulting Engineers.

If the Authority does not agree in writing that the proceeds of the 1992 Subordinate Bonds and the 1992 Supplemental Bonds may be comingled in the 1992 Bond Construction Trust Fund, separate accounts within the 1992 Bond Construction Trust Fund shall be created therefor.

Section 5.03. Origination Fee Account. An Origination Fee Account is hereby established with the trustee for the Authority's bonds issued to fund the purchase of the 1992 Subordinate Bonds. The portion of the proceeds of the 1992 Subordinate Bonds, if any, designated by the Supplemental Resolution for the Origination Fee shall be first credited to the 1992 Bond Construction Trust Fund and then deposited in the Origination Fee Account. Amounts may be disbursed from the Origination Fee Account only to pay the Origination Fee as and when required to satisfy the requirements of the State's revolving fund program established pursuant to Title VI of the Water Quality Act of 1987 or for such other purposes as the Authority may approve in writing.

ARTICLE VI

LINE OF CREDIT

Section 6.01. Authorization of 1992 Line of Credit. For the purpose of providing funds for the acquisition and construction of the Phase II Project to the extent 1992 Bond proceeds, Grant Receipts or other funds are not timely available thereof, the 1992 Line of Credit to be established by the Bank is hereby authorized, and upon approval by the Supplemental Resolution, the Mayor of the City is hereby authorized and directed to execute the 1992 Line of Credit Agreement. The 1992 Line of Credit may be in addition to, in substitution for, or as an extension and expansion of the Phase II Line of Credit.

Section 6.02. Authorization of 1992 Note. For the purpose of evidencing the City's obligation to repay any draw upon the 1992 Line of Credit and, thus, of financing a portion of the cost of acquisition and construction of the Phase II Project, there shall be issued the 1992 Note of the City, in the stated principal amount of not to exceed $500,000. The 1992 Note shall be originally issued in single, fully registered form, without coupons, and shall be dated as of the date of delivery thereof. There shall be attached to the 1992 Note a Record of Advances and Payments, upon which the date and principal amount of any draw upon the Line of Credit, the date and amount of any payment of principal of and interest on the 1992 Note and the amount of the 1992 Note outstanding after either of said transactions shall be recorded. Anything to the contrary herein, in the 1992 Line of Credit Agreement or therein notwithstanding, the 1992 Note shall evidence only the outstanding indebtedness recorded on the Record of Advances and Payments attached thereto, and interest shall accrue only on the amount of each advance from the actual date thereof as listed on said Record of Advances and Payments. Each such advance shall bear interest at the rate, not to exceed 12 percent per annum, specified in the Supplemental Resolution. Interest shall cease to accrue on the amount of the 1992 Note outstanding, or portions thereof, as the same are paid, as reflected by said Record of Advances and Payments. The 1992 Note shall mature on such date or dates, not later than 48 months after the date thereof, specified in the Supplemental Resolution. Interest on the 1992 Note shall be payable as specified in the Supplemental Resolution. The 1992 Note shall be subject to such further terms as shall be provided by the 1992 Line of Credit Agreement or said Supplemental Resolution. Notwithstanding the foregoing, the terms of the 1992 Note, other than the principal amount thereof, maximum rate of interest thereon, and maximum maturity thereof, may be modified by the Supplemental Resolution, subject to the limits of the Act.

The 1992 Note shall be payable as to principal upon presentation, and, in the case of payment at maturity, surrender, at the principal office of the 1992 Note Registrar, in any coin or currency which on such date of payment is legal tender for the payment of public and private debts under the laws of the United States of America. The 1992 Note is subject to prepayment in whole or in part at any time, upon two days' written notice (or telephone notice, confirmed in writing as soon as practical) to the 1992 Note Registrar and the 1992 Note Owner; provided, that any payment of principal, in whole or in part, prior to the final maturity of the 1992 Note shall be recorded by the 1992 Note Registrar on the Record of Advances and Payments attached to the 1992 Note, and the 1992 Note shall be returned to the Owner.

Section 6.03. Execution of 1992 Note. The 1992 Note shall be executed in the name of the City by the signature of its Mayor, and the seal of the City shall be affixed thereto and attested by the signature of the City Clerk. Any 1992 Note may be signed and sealed on behalf of the City by such person as at the actual time of the execution of such 1992 Note shall hold the proper office of the City, although at the date of such 1992 Note such person may not have held such office or may not have been so authorized.

Section 6.04. Negotiability, Transfer and Registration. Subject to the restrictions on transfer set forth below, the 1992 Note shall be and have all of the qualities and incidents of a negotiable instrument under the Uniform Commercial Code of the State, and each successive Owner, in accepting the 1992 Note, shall be conclusively deemed to have agreed that the 1992 Note shall be incontestable in the hands of a bona fide holder for value.

So long as the 1992 Note or any portion thereof remains outstanding, the 1992 Note Registrar shall keep and maintain at its principal office books for the registration and transfer of the 1992 Note. The 1992 Note shall be transferable only upon such bonds of the 1992 Note Registrar by the Owner thereof in person or by his attorney duly authorized in writing, upon surrender thereof, together with a written instrument of transfer satisfactory to the 1992 Note Registrar duly executed by the registered owner or his duly authorized attorney. Upon the transfer of the 1992 Note, there shall be issued at the option of the Owner or the transferee another 1992 Note or Notes of the aggregate stated principal amount equal to the stated principal amount of such transferred 1992 Note and outstanding in the aggregate principal amount equal to the advanced but unpaid amount of the transferred 1992 Note as reflected on the Record of Advances and Payments attached thereto.

In all cases in which the privilege of transferring the 1992 Note is exercised, 1992 Notes shall only be issued in accordance with the provisions of this Amendatory Ordinance. All 1992 Notes surrendered in any such transfers shall forthwith be cancelled by the 1992 Note Registrar. For every such transfer of 1992 Notes, the 1992 Note Registrar may make a charge sufficient to reimburse its office for any tax, fee or other governmental charge required to be paid with respect to such transfer and the cost of preparing each 1992 Note upon each transfer, and any other expenses of the 1992 Note Registrar incurred in connection therewith, which sum or

sums shall be paid by the person requesting such transfer as a condition precedent to the exercise of the privilege of making such transfer.

Section 6.05. Form of 1992 Note. The text of the 1992 Note shall be in substantially the form set forth by the Supplemental Resolution. The 1992 Note shall not become valid until authenticated by the 1992 Note Registrar.

Section 6.06. Security for 1992 Note. The principal of and interest on the 1992 Note are payable solely from and secured by the net proceeds of the Grant Receipts and such other sources, including the net proceeds of the 1992 Line of Credit Bonds, as are hereinafter set forth. The principal and interest on the 1992 Note are further payable from and secured by the Net Revenues derived from the operation of the System; provided, that such lien on the Net Revenues is and shall be junior, inferior and subordinate in all respects to the lien thereon of the Holders and owners of the Prior Bonds and the Bonds. If the 1992 Line of Credit is in addition to the Phase II Line of Credit, the 1992 Notes shall be subordinate as to lien on and source of and security for payment from the Grant Receipts and Net Revenues to the Phase II Note and from the Net Revenues to any Phase II Line of Credit Bonds.

Section 6.07. 1992 Notes Are Special Obligations. The 1992 Note shall be a special obligation of the City, payable as to principal and interest solely from said sources described in this Article. The 1992 Note does not and shall not constitute an indebtedness of the City within the meaning of any charter, constitutional or statutory provisions. The general funds of the City are not liable, and neither the full faith and credit nor the taxing power of the City is pledged, for the payment of the 1992 Note. The Owner of the 1992 Note shall never have the right to compel the forfeiture of any property of the City. The 1992 Note shall not be a debt of the City, nor a legal or equitable pledge, charge, lien or encumbrance upon any property of the City or upon any of its income, receipts or revenues except the Grant Receipts, the net proceeds of the 1992 Line of Credit Bonds, the Net Revenues and other funds pledged thereto by this Ordinance.

Notwithstanding anything in this Amendatory Ordinance, the City shall not be required to advance any money derived from any source of income other than the Grant Receipts, the net proceeds of the 1992 Line of Credit Bonds, the Net Revenues and other funds pledged by this Amendatory Ordinance for the payment of the principal of or interest on the 1992 Note or for the performance of any of its duties under this Amendatory Ordinance. The City may, however, advance funds for any such purpose, provided that such funds are derived from a source legally available for such purpose and may be used by the City for such purpose without incurring indebtedness.

Section 6.08. 1992 Note Payment Fund. There is hereby created and established with the 1992 Note Depository a special fund, designated "Sewerage System 1992 Construction Note Payment Fund." The 1992 Note Depository shall segregate all funds and securities in the 1992 Note Payment Fund from other deposits and funds of the 1992 Note Depository and other deposits and funds of the City, including, unless the 1992 Line of Credit is an expansion and extension of the Phase II Line of Credit, the payment fund established therefor. All moneys in the 1992 Note Payment Fund, until payment in full of all principal and interest owing on the 1992 Note at its maturity, shall be held in trust for the Owner of the 1992 Note, and the City shall have no rights with respect thereto except to receive the balance therein after payment of the 1992 Note and the interest thereon and the charges, if any, of the 1992 Note Depository and the 1992 Note Registrar. Pending such application, moneys in the 1992 Note Payment Fund shall be invested and reinvested in Qualified Investments. Any balance received by the City shall be applied to the costs of the Phase II Project. At least one day prior to the maturity of the 1992 Note, there shall be deposited in the 1992 Note Payment Fund, Grant Receipts or other moneys, including Net Revenues and the net proceeds of the 1992 Line of Credit Bonds, if necessary, in an amount sufficient to pay the principal of and interest on the 1992 Note at maturity. The City may at any time prepay all or any portion of the 1992 Note outstanding as herein provided. The 1992 Note Depository shall transfer any such principal payment, whether at maturity or a prepayment, or whether in whole or in part, to the 1992 Note Registrar for payment, and the 1992 Note Registrar shall make such payment as provided in this Article VI.

Section 6.09. Conversion to Long-Term Obligation. Notwithstanding the foregoing, the City may, rather than pay the principal of the 1992 Note at or prior to the maturity thereof, convert the 1992 Note to a long-term obligation, subject to such terms, rate or rates of interest and other provisions as shall be mutually agreeable to the Owner and the City and authorized by the Supplemental Resolution, payable from the Net Revenues of the System on a basis junior, subordinate and inferior to the Prior Bonds, the Bonds and the Phase II Line of Credit Bonds. Such long-term obligation may constitute the 1992 Line of Credit Bonds authorized hereunder.

Section 6.10. 1992 Line of Credit Bonds. A. For the purpose of paying the principal of and interest on the 1992 Note at or prior to maturity, to the extent not otherwise provided for, there is hereby authorized to be issued, and the City hereby agrees to issue, the 1992 Line of Credit Bonds in a principal amount not to exceed $550,000. The 1992 Line of Credit Bonds shall be issued at such time and in such amount, bear interest at such rate or rates not to exceed twelve percent (12%) per annum and be subject to such terms, all as shall be determined by a Supplemental Resolution.

B. The principal of and interest on the 1992 Line of Credit Bonds shall be payable only from, and secured by, the Net Revenues derived from the operation of the System; provided, that such lien on the Net Revenues shall be junior, inferior and subordinate in all respects to the lien thereon of the Holders and owners of the Prior Bonds and the Bonds and, if the 1992 Line of Credit is established in addition to the Phase II Line of Credit, such lien shall be subordinate to that of the owners of the Phase II Notes or any Phase II Line of Credit Bonds.

C. There shall be created and established with the Commission upon the issuance of the 1992 Line of Credit Bonds a special fund, to be designated the "1992 Line of Credit Debt Service Fund" and, within such fund, a special account, to be designated the "1992 Line of Credit Reserve Account." Deposits into the 1992 Line of Credit Debt Service Fund for the payment of principal of and interest and fiscal agency or other charges on the 1992 Line of Credit Bonds, and payments in to the 1992 Line of Credit Reserve Account, shall be made both at the times and in the proportions, and such fund and account shall otherwise be handled, as set forth in Subsection 13(D) of the Prior Ordinance for the Sinking Fund and Reserve Account, respectively, created for the Prior Bonds. Said deposits from the Net Revenues on account of the 1992 Line of Credit Bonds shall be made only after those deposits required by Section 13(D) of the Prior Ordinance and by Section 5.03 of the Ordinance and any deposits required by the Authority Loan Agreements.

Section 6.11. Draws upon 1992 Line of Credit. The City may draw upon the 1992 Line of Credit from time to time, upon the resolution of Council (or, if authorized by the Supplemental Resolution, upon the resolution of the Sanitary Board), and otherwise as provided by the 1992 Line of Credit Agreement.

Section 6.12. 1992 Line of Credit Construction Trust Fund. There is hereby created and established with the 1992 Note Depository a special fund, designated the "Sewerage System 1992 Line of Credit Construction Trust Fund." Any draws upon the 1992 Line of Credit shall be deposited in the 1992 Line of Credit Construction Trust Fund and shall be kept separate and apart from all other funds of the City or the 1992 Note Depository and expended solely for the purposes hereinafter provided. Expenditures may be made from the 1992 Line of Credit Construction Trust Fund for paying the costs of acquisition and construction of the Phase II Project to the extent 1992 Bond proceeds, Grant Receipts or other funds are not timely available therefor; provided, that no expenditures shall be made from said fund without the approval of the Sanitary Board and the Consulting Engineers. The balance of any such deposit in the 1992 Line of Credit Construction Trust Fund, in excess of the amount secured by FDIC, shall at all times be secured to the full extent thereof by Government Obligations or such other obligations as shall be eligible as security for deposits of state and municipal funds under the laws of the State. Any balance in the 1992 Line of Credit Construction Trust Fund after the completion of the Phase II Project shall be deposited in the 1992 Note Payment Fund and used only for the payment of the 1992 Note as provided in this Amendatory Ordinance. Pending the authorized use thereof, moneys in the 1992 Line of Credit Construction Trust Fund shall be invested in Qualified Investments.

Section 6.13. 1992 Line of Credit Bond Proceeds. The proceeds of the 1992 Line of Credit Bonds, if necessary, after the payment of the cost of issuance thereof, shall be applied as provided by Section 6.08.

Section 6.14. 1992 Note and 1992 Line of Credit Bonds Secured by Ordinance. All of the covenants and agreements contained in the Ordinance shall be deemed to have been made, to the extent applicable, for the benefit of the Owner of the 1992 Note and, subsequently, of the registered owners of the 1992 Line of Credit Bonds (except as to details inconsistent with this Amendatory Ordinance). Such covenants and agreements shall be fully enforceable in the manner provided in the Ordinance by the Owner of the 1992 Note or the registered owners of the 1992 Line of Credit Bonds; provided, that Subsection 13(A) of the Prior Ordinance and Section 7.04 of the Ordinance shall not be applicable to the 1992 Note; and provided, further, that any such rights and remedies shall be junior, subordinate and inferior to those of the Holders and owners of the Prior Bonds, the Bonds and, if applicable, the Phase II Note or any Phase II Line of Credit Bonds.

Section 6.15. Covenants with Owner of 1992 Note. In order to secure the payment of the 1992 Note, the City hereby particularly covenants and agrees with the Owner of the 1992 Note, and makes provisions which shall be a part of the contract with such Owner, that the City, if and so long as any of the 1992 Note is outstanding and unpaid:

(A) Will proceed with all practicable dispatch to construct the Phase II Project;

(B) Will not make or cause or permit to be made any application of the proceeds of the 1992 Note or of any moneys held in the 1992 Note Payment Fund or the 1992 Note Construction Trust Fund except in accordance with the provisions of this Amendatory Ordinance;

(C) Will comply in all respects with the terms and provisions of the Grant Agreement and with all applicable state and federal laws and regulations governing the implementation of the Grant Agreement;

(D) Will impose and collect rates and charges for the use and services of the System in accordance with the requirements of the Prior Ordinance, the Ordinance and the 1992 Authority Loan Agreements;

(E) Will take all actions necessary to preserve its right to receive reimbursements under the Grant Agreement;

(F) Will promptly request any reimbursements to which it has become entitled under the Grant Agreement;

(G) Will not unilaterally terminate, or enter into any agreement to terminate, the Grant Agreement;

(H) Except with respect to the Prior Bonds, the Bonds, the Phase II Note, any Phase II Line of Credit Bonds, and the grant anticipation notes provided for by Section 6.17, will not create a pledge or otherwise encumber the Net Revenues prior to or on a parity with the lien thereon of the Owner of the 1992 Note, and, except with respect to Phase II Note or said grant anticipation notes, will not create a pledge or otherwise encumber the Grant Receipts prior to or on a parity with the lien created hereby on behalf of the 1992 Note.

Section 6.16. Required Notices to 1992 Note Depository and Owner of 1992 Note. The City will give to the Bank, the 1992 Note Depository and the Owner of the 1992 Note prompt written notice, appropriately documented, of any change in the status of the Grant and of any authorization of additional indebtedness of the City, and particularly of any of the following events:

(A) Any modification of the Grant;

(B) The suspension of the Grant;

(C) The lifting or cancellation of the suspension of the Grant;

(D) The termination of the Grant;

(E) The annulment of the Grant; or

(F) The authorization by the City of any additional indebtedness related to the System.

Whenever the Bank and the 1992 Note Depository shall have received notice that the Grant Agreement has been suspended or a stop-work order has been issued, no further draws upon the 1992 Line of Credit or withdrawals from the 1992 Line of Credit Construction Trust Fund shall be made until the 1992 Note Depository shall have received notice of the lifting of such suspension or stop-work order.

Section 6.17. Grant Anticipation Notes. Notwithstanding any provision of this Amendatory Ordinance to the contrary, the City may hereafter issue grant anticipation notes with a lien on the Net Revenues and the Grant Receipts prior to or on a parity with that of the 1992 Note, all as may be set forth in a resolution supplemental hereto.

Section 6.18. Events of Default. Each of the following events shall constitute an "Event of Default" with respect to the 1992 Note or the 1992 Line of Credit Bonds, as the case may be:

(A) If default occurs in the due and punctual payment of the principal of or interest on the 1992 Note or any 1992 Line of Credit Bond, as the case may be;

(B) If default occurs in the City's observance of any of the covenants, agreements or conditions on its part relating to the 1992 Note, or the 1992 Line of Credit Bonds, as the case may be, in this Amendatory Ordinance or any resolution or ordinance supplemental hereto or amendatory hereof or in the 1992 Note or the 1992 Line of Credit Bonds, as the case may be, contained, and such default shall have continued for a period of thirty (30) days after the City shall have been given written notice of such default by the 1992 Note Depository or any Owner or registered owner of the 1992 Note or a 1992 Line of Credit Bond, as the case may be; or

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

Section 6.19. Remedies. Upon the happening and continuance of any Event of Default, the Owner of the 1992 Note or any registered owner of a 1992 Line of Credit Bond, as the case may be, may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his 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 the Owner of the 1992 Note or the respective registered owners of the 1992 Line of Credit Bonds, as the same may be, including the right to require the City to perform its respective duties under the Act and this Amendatory Ordinance relating thereto, (iii) bring suit upon the 1992 Note or the 1992 Line of Credit Bonds, as the case may be, (iv) by action at law or bill in equity, require the City to account as if it were the trustee of an express trust for the Owner of the 1992 Note or the respective registered owners of the 1992 Line of Credit Bonds, as the case may be, and (v) by action at law or bill in equity enjoin any acts in violation of this Amendatory Ordinance with respect to the rights of the Owner of the 1992 Note or the respective registered owners of the 1992 Line of Credit Bonds, as the case may be; all subject, however, to the rights of the holders and Owners of the Prior Bonds, the Bonds, the Phase II Note and the Phase II Line of Credit Bonds.

Section 6.20. Appointment of Receiver. The Owner of the 1992 Note or any registered owner of the 1992 Line of Credit Bonds, as the case may be, may, by proper legal action, compel the performance of the duties of the City under this Amendatory Ordinance and the Act, all as provided by Subsection 13(L) of the Prior Ordinance and Section 9.03 of the Ordinance, subject, however, to the rights of the holders and Owners of the Prior Bonds and the Bonds and of any Phase II Note or Phase II Line of Credit Bonds.

Section 6.21. Modification or Amendment. No material modification of or amendment to this Amendatory Ordinance or any ordinance or resolution amendatory hereof or supplemental hereto which would materially and adversely affect the rights of any Owner of the 1992 Note or any

registered owner of the 1992 Line of Credit Bonds shall be made without the consent in writing of the Owners or registered owners of two-thirds (2/3) or more in principal amount of the 1992 Note or 1992 Line of Credit Bonds, as the case may be, then outstanding; provided, however, that no change shall be made in the maturity of any 1992 Note or 1992 Line of Credit Bond or the rate or rates of interest thereon, or in the principal amounts thereof, or affecting the unconditional promise of the City to pay the principal of and interest on the 1992 Note or 1992 Line of Credit Bonds out of the funds respectively pledged therefor without the consent of the Owners or registered owners thereof, as the case may be. No amendment or modification shall be made which would reduce the percentage of the principal amount of the 1992 Note or 1992 Line of Credit Bonds, as the case may be, required for consent to the above-permitted amendments or modifications.

Section 6.22. The Bank. The Bank may serve as the 1992 Note Registrar and the 1992 Note Depository regardless of its ownership of the 1992 Note. The Bank is further hereby authorized to authenticate the 1992 Note and any 1992 Notes issued in exchange or as replacements therefor prior to the delivery thereof.

Section 6.23. 1992 Note Depository. The City may pay to the 1992 Note Depository from time to time reasonable compensation for all services rendered by the 1992 Note Depository and all reasonable expenses, charges, counsel fees and other disbursements incurred by the 1992 Note Depository in connection with its performance of its functions hereunder. The City shall from time to time have the right to appoint a successor 1992 Note Depository, provided that such successor 1992 Note Depository be a bank or national banking association located in the State and insured by the FDIC. The depository bank shall signify its acceptance of the duties and obligations hereby imposed by executing and delivering to the City a written acceptance thereof.

Section 6.24. 1992 Note Registrar. The 1992 Note Depository shall also serve as the 1992 Note Registrar for the 1992 Note. The 1992 Note Depository's acceptance of the trusts and the duties of 1992 Note Depository provided for in Section 6.23 shall also include the duties and obligations of 1992 Note Registrar. Any successor 1992 Note Registrar for the 1992 Note shall be designated by the City in a Supplemental Resolution and must be a bank, trust company or national banking association. Any such successor 1992 Note Registrar shall signify its acceptance of the duties and obligations imposed upon it pursuant hereto by executing and delivering to the City a written acceptance thereof. The 1992 Note Registrar shall be entitled to payment and reimbursement for reasonable fees for its services rendered hereunder and all advances, counsel fees and other expenses reasonably and necessarily made or incurred by such 1992 Note Registrar in connection with such services, solely from moneys available therefor.

Section 6.25. Notice to Authority. The City shall give the Authority written notice of the issuance of the 1992 Note, any 1992 Line of Credit Bonds or Phase II Line of Credit Bonds or any grant anticipation notes authorized by Section 6.17 hereof.

ARTICLE VII

ADDITIONAL COVENANTS OF THE CITY

Section 7.01. Covenants. All the covenants, agreements and provisions set forth in the Original Ordinance shall be and constitute valid and legally binding covenants of the City and be enforceable in any court of competent jurisdiction by any Owner or Owners of the 1992 Bonds as if they were set forth in full in this Amendatory Ordinance. The following shall also apply with respect to the 1992 Bonds.

Section 7.02. Rates. Prior to the issuance of the 1992 Bonds, equitable rates or charges for the use of and services rendered by the System will be established all in the manner and form required by law, and copies of such rates and charges so established will be continuously on file with the City Clerk, which copies will be open to inspection by all interested parties. The rates and charges shall be effective as prescribed by State statute and the rules and regulations of the PSC. The schedule of rates and charges shall at all times be adequate to produce gross revenues from the System sufficient to pay operating expenses and to make the prescribed payments into the funds and accounts created under the Prior Ordinance and the Ordinance and to enable the 1992 Bonds to be issued as Bonds on a parity with the Original Bonds.

Section 7.03. Completion, Operation and Maintenance; Schedule of Cost. The City will expeditiously complete the Phase II Project and will maintain the System in good condition and will operate the same as a revenue producing enterprise in an efficient and economical manner, making such expenditures for equipment and for renewal, repair and replacement as may be proper for the economical operation and maintenance thereof from the revenues of the System in the manner provided in the Ordinance.

Upon completion of the Phase II Project, the City shall file with the Authority a schedule in substantially the form of Amended Schedule A to the Program loan application, setting forth the actual costs of the Phase II Project and sources of funds therefor.

Section 7.04. Sale of the System. When only the 1992 Bonds are Outstanding, in addition to the circumstances allowing sale or other disposition of the System pursuant to Section 7.06 of the Ordinance, the City may sell or otherwise dispose of all or a part of the System as otherwise required by State law or with the written consent of the Authority.

Section 7.05. Parity Bonds. With the written consent in advance of the Authority and anything to the contrary in Sections 7.07 or 7.08 of the Ordinance notwithstanding, Parity Bonds

may be authorized and issued by the City pursuant to a Supplemental Resolution solely to complete the Phase II Project as described in the City's Program application to the Authority as of the date of the 1992 Authority Loan Agreements and in accordance with the plans and specifications, in the event that the 1992 Bonds should be insufficient, together with other funds lawfully available therefore, to pay all costs of acquisition and construction of the Phase II Project; provided, however, that prior to the issuance of such Parity Bonds under the provision of this paragraph, the Consulting Engineers shall file with the Clerk a certificate to the effect that additional funds are necessary for such purpose. All such Parity Bonds authorized and issued under the provisions of this section shall be limited to the aggregate principal amount required to make up any deficiency in funds for payment of the construction costs to complete the Phase II Project, and the maturities of any such Parity Bonds shall be in years and amounts suggested by the Authority.

Section 7.06. Insurance. In addition to the insurance required by Section 7.09 of the Ordinance, the City will require that each of its contractors and all subcontractors maintain, during the life of the construction contract, workers' compensation coverage, public liability insurance, property damage insurance and vehicle liability insurance in amounts and on terms satisfactory to the Authority, so long as the Authority is the Owner of the 1992 Bonds. The City 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 City, the Authority, the prime contractor and all subcontractors as their interests may appear, in accordance with the 1992 Authority Loan Agreements, during construction of the Phase II Project in the full insurable value thereof.

Section 7.07. Enforcement of Collections. If the City does not own the Water System referred to in Section 7.11 of the Ordinance, it shall enter into a termination agreement with the provider of water for the customers of the System.

Section 7.08. Books, Records and Reports. In addition to the requirements set forth in Section 7.13 of the Ordinance, the report of the required audit shall include a statement that the City is in compliance with the terms and provisions of the 1992 Authority Loan Agreements and the Ordinance and that the revenues from the System are adequate to meet its operation and maintenance expenses and debt service requirements. The City shall timely file or cause to be filed all reports and certificates required by the 1992 Authority Loan Agreements.

Commencing on the date contracts are executed for construction of the Phase II Project and for two years following completion of the Phase II Project, the City each month shall complete a monthly financial report in the form attached as Exhibit C to the 1992 Authority Loan Agreements and forward a copy of such report to the Authority by the 10th of each month.

Section 7.09. Operating Budget. The City shall submit to the Authority a copy of the annual budget required by Section 7.14 of the Ordinance within 30 days of the adoption thereof.

Section 7.10. Covenant to Amend Ordinance. The City retains the right to make any amendments, insertions or deletions by Supplemental Resolution to the Ordinance as the City deems desirable or necessary prior to the issuance of the 1992 Bonds, including but not limited to amendments, insertions and deletions to comply with the Code. Notwithstanding the provisions of Section 11.01 of the Ordinance, the City shall without consent of the Owners of any Bonds amend or supplement the Ordinance by a resolution supplemental thereto or any amendatory ordinance to comply with the Code if such amendment or supplement is necessary to preserve the tax-exempt status of the Bonds. The Council of the City hereby retains the specific authority to amend the Ordinance or supplement it by resolution to comply with the Code. In its determination to amend or supplement the Ordinance, the City may rely upon the opinion of nationally recognized bond counsel.

The City also retains the right to make any amendments, insertions or deletions by Supplemental Resolution of the Ordinance as the City deems necessary prior to the issuance of the 1992 Bonds to meet the requirements of the Authority.

Section 7.11. Public Purpose Bonds. The City shall use the 1992 Bond proceeds solely for the Project and as otherwise set forth herein, and the Project will be operated solely for a public purpose and as a local governmental activity of the City. The City will timely provide to the Authority any information with respect to the proceeds required by the 1992 Authority Loan Agreements.

Section 7.12. Private Activity Bond Covenant. The City shall not permit at any time or times any of the proceeds of the Bonds or any other funds of the City to be use 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 Code by reason of the classification of the Bonds as private activity bonds within the meaning of the Code. The City will take all actions necessary to comply with the Code in order to maintain the tax-exempt status of the Bonds.

Section 7.13. Filing Covenants. The City will file all statements, instruments and returns necessary to assure the tax-exempt status of the 1992 Bonds, including, without limitation, the information return required under Section 149(e) of the Code.

Section 7.14. Federal Guarantee Covenant. The 1992 Bonds, in whole or in part, are not and will not be directly or indirectly, federally guaranteed within the meaning of Section 149(b) of the Code.

Section 7.15. Rebate Covenant. The City is a governmental unit with general taxing powers to finance operations of or facilities of the nature of the Project and the System. As covenanted above, the 1992 Bonds are not private activity bonds within the meaning of the Code, and ninety-five percent (95%) or more of the net proceeds (as defined with respect to the Code) of the 1992 Bonds will be used for local governmental activities of the City. The City reasonably expects it and all its subordinate entities to issue less than $5,000,000 in aggregate face amount of tax-exempt bonds (other than private activity bonds) during the calendar year, being 1992, in which the 1992 Bonds are to be issued. Therefore, the City believes that it is excepted from the rebate requirements of Section 148(f) of the Code. Notwithstanding the foregoing, if the City is in fact subject to such rebate requirements, the City hereby covenants to rebate to the United States the amounts required by the Code and to take all steps necessary to make such rebates as further described in Section 8.03. In the event the City fails to make such rebates as required, the City shall pay any and all penalties and obtain a waiver from the Internal Revenue Service in order to maintain the tax-exempt status of interest on the 1992 Bonds.

Section 7.16. Further Action. The City will take any and all actions that may be required of it (including, without limitation, those deemed necessary by the Authority) so that the income on the Bonds will be and remain excludable from gross income in 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.

ARTICLE VIII

INVESTMENT OF FUNDS

Section 8.01. Investments Particular to the 1992 Bonds. Except as otherwise specifically provided in the Ordinance, any investments shall be held in and at all times deemed a part of the fund or account in which such moneys were originally held, including, but not limited to those in the 1992 Bond Construction Trust Fund, and used for the purpose of such fund or account. The interest accruing thereon and any profit or loss realized from such investment shall be credited or charged to the appropriate fund or account. Interest earnings on the Sinking Fund, including the Reserve Account therein, and on the Supplemental Sinking Fund, including the Supplemental Reserve Account therein, shall be transferred at least annually prior to completion of the Phase I Project, to the Bond Construction Trust Fund and, thereafter, prior to completion of the Phase II Project to the 1992 Bond Construction Trust Fund and, thereafter, to the Prior Revenue Fund or the Revenue Fund, as the case may be.

Section 8.02. Arbitrage. The City 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 1992 Bonds which would cause the 1992 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 1992 Bonds) so that the interest on the 1992 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 exclusions. The City shall take any and all actions, and refrain from taking any actions, as shall be deemed necessary by the Authority to maintain the exclusion from gross income for federal income tax purposes of interest on the Authority's bonds used to fund the purchase of the 1992 Subordinate Bonds.

Section 8.03. Tax Certificate and Rebate. The City shall deliver a certificate of arbitrage, a tax certificate or other similar certificate to be prepared by nationally recognized bond counsel or tax counsel relating to payment of arbitrage rebate and other tax matters as a condition to issuance of the 1992 Bonds. In addition, the City covenants to comply with all regulations from time to time in effect and applicable to the 1992 Bonds as may be necessary in order to maintain the exclusion from gross income for federal income tax purposes of interest on the Authority's bonds used to fund the purchase of the 1992 Subordinate Bonds and 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 Ordinance.

If it is determined that the City does not quality for an exception to Section 148 of the Code or the City is otherwise subject to rebate in connection with the 1992 Bonds, the City 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 City shall deposit, or cause to be deposited, with the Depository Bank in a separate fund designated 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, if any, and used only for payment of rebatable arbitrage to the United States. The City 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 City to be used for any lawful purpose of the System. The City 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 City shall assure that such payments are made by the City to the United States, on a timely basis, from any funds lawfully available therefor. In addition, the City 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 City. To the extent not so performed by the Authority, the City and the Depository Bank (at the expense of the City) may provide for the employment of independent attorneys, accountants or consultants compensated on such reasonable basis as the City or the Depository Bank may deem appropriate in order to assure compliance with this Section 8.03. The City 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. In the event the City fails to make such rebates as required, the City 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 1992 Bonds from gross income for federal income tax purposes.

The City 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 City qualifies for the small governmental issue exception to rebate or any other exception therefrom, then the City 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 1992 Bonds subject to rebate. The City shall also furnish to the Authority, at any time, such additional information relating to rebate as may be reasonably requested by the Authority, including information with respect to earnings on all funds constituting "gross proceeds" of the Bonds (as defined in the Code.)

Section 8.04. Restriction of Yield and Bond Proceeds. The City shall comply with the yield restriction on Bond proceeds as set forth in Section 148 of the Code.

ARTICLE IX

DEFAULTS AND REMEDIES

Section 9.01. Appointment of Receiver. In addition to the powers set forth in Section 9.03 of the Ordinance, any receiver appointed pursuant to that section shall also have the power to construct the Phase II Project.

ARTICLE X

MISCELLANEOUS

Section 10.01. Amendment of Section 11.01 of the Original Ordinance. Section 11.01 of the Original Ordinance is hereby amended and reenacted to read as follows:

> Section 11.01. Modification or Amendment. No material modification or amendment of this Ordinance, or of any ordinance or resolution amendatory hereof or supplemental hereto, that would materially and adversely affect the respective rights of Owners of the Bonds shall be made without the consent in writing of the Owners of 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 City to pay such principal and interest out of the revenues of the System without the consent of the respective Owner thereof. No amendment or modification shall be made that will reduce the principal amount of Bonds required for consent to the above-permitted amendment or modifications.

Section 10.02. Severability of Invalid Provision. If any section, paragraph, clause or provision of this Amendatory Ordinance or of the Ordinance shall be held invalid, such invalidity shall not affect any of the remaining provisions of this Amendatory Ordinance or the Ordinance.

Section 10.03. Repeal of Conflicting Ordinances. All ordinances, orders or resolutions, or parts thereof, in conflict with the Ordinance are, to the extent of such conflict, repealed; provided, that no provision of the Prior Ordinance shall be repealed hereby so long as the Prior Bonds are outstanding. So long as any of the Prior Bonds is outstanding, in the event of an otherwise irreconcilable conflict between the Prior Ordinance and the Ordinance, the Prior Ordinance shall govern; provided, that a conflict shall be deemed reconcilable if satisfaction of the more conservative provision at least complies with the conflicting provision.

Section 10.04. Covenant of Due Procedure. The City covenants that all acts, conditions, things and procedures required to exist, to happen, to be performed or to be taken precedent to and in the final enactment and passage of this Amendatory 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 applicable thereto; and that the Mayor, Clerk and members of the City Council 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 10.05. Effective Date. This Amendatory Ordinance shall take effect after notice and public hearing hereon and otherwise in accordance with the Act.

First Reading: July 14, 1992
Second Reading and Passage _____, 1992
Public Hearing and Effective Date _____, 1992

THE CITY OF LOGAN, WEST VIRGINIA

_____
MAYOR

ATTEST: [SEAL]

_____
CITY CLERK

This Ordinance approved as to form:

_____
CITY ATTORNEY

Exhibit A

PHASE II PROJECT DESCRIPTION

The Phase II Project will consist of construction of a 0.53 MGD secondary wastewater treatment facility to include: oxidation ditch, intra-channel clarifier, ultraviolet disinfection, sludge dewatering beds, service water pumping system, laboratory and control building, two pump stations, emergency generator, approximately 4,200 L.F. of 15" DIP force main, as well as all components necessary for a complete facility. Additional conditions may be imposed by the West Virginia Department of Natural Resources and incorporated into the Phase II Project.

Exhibit B

WDA-5
(June 1992)

LOAN AGREEMENT

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

_____
(Governmental Agency)

W I T N E S S E T H:

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

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

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

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

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

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

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

ARTICLE I

Definitions

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

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

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

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

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

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

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

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

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

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

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

ARTICLE II

The Project and the System

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

Virginia Division of Natural Resources (or in the process of preparation by such Director), has been approved by the West Virginia Bureau of Public Health and is consistent with the standards set by the West Virginia Water Resources Board for the waters of the State affected thereby.

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

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

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

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

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

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

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

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

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

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

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

ARTICLE III

Conditions to Loan; Issuance of Local Bonds

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE IV

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

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

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

(b) Covenants substantially as follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE V

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

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

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

5.3 In the event the Governmental Agency defaults in the payment of any fees due to the Authority pursuant to Section 4.6 hereof, the amount of such default shall bear interest at the interest rate of the installment of the Loan next due, from the date of the default until the date of the payment thereof.

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

ARTICLE VI

Other Agreements of the
Governmental Agency

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

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

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

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

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

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

or cause the rebate calculations for the Governmental Agency to be prepared, in either case at the expense of the Governmental Agency.

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

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

ARTICLE VII

Miscellaneous

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

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

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

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

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

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

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

7.8 This Loan Agreement shall terminate upon the earlier of:

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

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

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

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

_____
[Proper Name of Governmental Agency]

(SEAL)

By: _____
Its: _____

Attest:

Date: _____

_____
Its _____

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

(SEAL)

By: _____
Director

Attest:

Date: _____

_____
Secretary-Treasurer

EXHIBIT A

FORM OF CERTIFICATE OF CONSULTING ENGINEER

_____
(Issuer)

_____
(Name of Bonds)

I, _____, Registered Professional Engineer, West Virginia License No. ____, of _____, Consulting Engineers, _____, _____, hereby certify that my firm is engineer for the acquisition and construction of _____ to the _____ system (herein called the "Project") of _____ (the "Issuer") to be constructed primarily in _____ County, West Virginia, which construction and acquisition are being permanently financed in part by the above-captioned bonds (the "Bonds") of the Issuer. Capitalized words not defined herein shall have the meaning set forth in the _____ passed by the _____ of the Issuer on _____, 19___, effective _____, 19__, and the Loan Agreement and Supplemental Loan Agreement by and between the Issuer and the West Virginia Water Development Authority (the "Authority") dated _____, 19__.

1. The Bonds are being issued for the purpose of _____ (the "Project").

2. The undersigned hereby certifies that (i) the Project will be constructed in accordance with the approved plans, specifications and designs prepared by my firm and as described in the application submitted to the Authority requesting the Authority to purchase the Bonds (the "Application") and approved by all necessary governmental bodies, (ii) the Project is adequate for the purpose for which it was designed and has an estimated useful life of at least forty years, (iii) the Issuer has received bids for the construction of the Project which are in an amount and otherwise compatible with the plan of financing described in the Application and my firm has ascertained that all contractors have made required provisions for all insurance and payment and performance bonds and that such insurance policies or binders and such bonds have been verified by my firm for accuracy, (iv) the Issuer has obtained all permits required by the laws of the State and the federal government necessary for the construction of the Project, (v) the rates and charges for the System as adopted by the _____ of the Issuer are sufficient to comply with the provisions of Subsection 4.1(b)(ii) of the Loan Agreements, (vi) that the net proceeds of the Bonds, together with all other moneys on deposit or to be simultaneously deposited and irrevocably pledged thereto and the proceeds of grants irrevocably committed therefor, are sufficient to pay the costs of construction and acquisition of the Project as set forth in the Application, and (vii) attached hereto as Exhibit A is the final amended "Schedule A - Total Cost of Project and Sources of Funds" for the Project.

WITNESS my signature on this ____ day of _____, 19__.

_____

By _____

West Virginia License No. ____

[SEAL]

EXHIBIT B

[Opinion of Bond Counsel for Governmental Agency]

[To Be Dated as of Date of Loan Closing]

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

Gentlemen:

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

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

Year	Installment	Interest Rate

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

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

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

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

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

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

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

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

6. The Local Bonds are, by statute, exempt _____, and under existing statutes and court decisions of the United States of America, as presently written and

applied, the interest on the Local Bonds is excludable from the gross income of the recipients thereof for Federal income tax purposes.

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

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

Very truly yours,

EXHIBIT C

Monthly Financial Report

_____
[Name of Governmental Agency]

_____
_____
[Name of Bond Issue]

Fiscal Year - ____

Report Month: _____

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

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

[Name of Governmental Agency]

By: _____
Authorized Officer

Exhibit C

WDA-Supp. 5
(June 1992)

SUPPLEMENTAL LOAN AGREEMENT

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

_____
(Governmental Agency)

W I T N E S S E T H:

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

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

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

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

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

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

WHEREAS, having reviewed the Application and made all findings required by Section 5 of the Act, and having available sufficient funds therefore, the Authority is willing to lend the Governmental Agency the amount set forth on Schedule X attached hereto and incorporated herein by reference, through the purchase of supplemental, subordinate revenue bonds of the Governmental Agency with certain available funds of the Authority (other than the proceeds of certain water development revenue bonds of the State issued by the Authority pursuant to and in accordance with the provisions of the Act and a general resolution adopted by the Authority on May 22, 1985, as supplemented), subject to the Governmental Agency's satisfaction of certain legal and other requirements of the Authority's supplemental water development loan program (the "Supplemental Program") as hereinafter set forth.

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

ARTICLE I

Definitions; Loan Agreement

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

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

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

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

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

1.6 "Supplemental Bonds" means the revenue bonds to be issued by the Governmental Agency pursuant to the provisions of the Local Statute, to evidence the Supplemental Loan and to be purchased by the Authority with certain available funds (other than the proceeds of its water development revenue bonds), the lien of which on the revenues of the System is junior, subordinate and inferior to that of the Local Bonds, all in accordance with the provisions of this Supplemental Loan Agreement.

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

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

ARTICLE II

The Project and the System

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE III

Conditions to Supplemental Loan; Issuance of Supplemental Bonds

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

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

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

(c) The Governmental Agency shall have received bids for the construction of the Project which are in an amount and otherwise compatible with the plan of financing described in the Application, and the Authority shall have received a certificate of the Consulting Engineers to such effect;

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

(e) The Governmental Agency shall have obtained all requisite orders of and approvals from the Public Service Commission of West Virginia (the "PSC") necessary for the issuance of the Supplemental Bonds, construction of the Project, operation of the System and imposition of rates and charges and shall have taken any other action required for the imposition of such rates and charges (imposition of such rates and charges is not, however, required to be effective until completion of construction of the Project) with all requisite appeal periods having expired without successful appeal, and the Authority shall have received an opinion of counsel to the Governmental Agency, which may be local counsel to the Governmental Agency, bond counsel or special PSC counsel, to such effect;

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

(g) The net proceeds of the Supplemental Bonds, together with the net proceeds of the Local Bonds and all other moneys on deposit or to be simultaneously deposited (or, with

respect to proceeds of grant anticipation notes or other indebtedness for which a binding purchase contract has been entered, to be deposited on a date certain) and irrevocably pledged thereto and the proceeds of grants irrevocably committed therefor, shall be sufficient to pay the costs of construction and acquisition of the Project as set forth in the Application, and the Authority shall have received a certificate, of such person or firm and in form and substance satisfactory to the Authority, to such effect and evidence satisfactory to it of such irrevocably committed grants.

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

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

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

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

ARTICLE IV

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

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

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

(b) Covenants substantially as follows:

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

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

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

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

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

(vi) That the Governmental Agency will carry such insurance as is customarily carried with respect to works and properties similar to the System;

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

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

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

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

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

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

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

(xiv) That the proceeds of the Supplemental Bonds, except for accrued interest and capitalized interest, if any, must be deposited in a construction fund on which the owner of the Supplemental Bonds shall have a lien until such proceeds are applied to the construction of the Project (including the repayment of any incidental interim financing for non-construction costs), provided that said construction fund may be the one established for the Local Bonds, which shall have a prior and senior lien thereon;

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

(xvi) That the Governmental Agency shall, to the full extent permitted by applicable law and the rules and regulations of the West Virginia Public Service Commission, terminate the services of any water facility owned by it to any customer of the System who is delinquent in payment of charges for services provided by the System and will not restore the services of the water facility until all delinquent charges for

the services of the System have been fully paid or, if the water facility is not owned by the Governmental Agency, then the Governmental Agency shall enter into a termination agreement with the water provider; and

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

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

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

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

4.4 The Supplemental Loan shall not bear interest.

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

4.6 The Governmental Agency agrees to pay from time to time, as required by the Authority, the Governmental Agency's allocable share of the reasonable administrative expenses of the Authority relating to the Supplemental Program, which administrative expenses shall be as determined by the Authority.

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

ARTICLE V

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

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

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

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

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

ARTICLE VI

Other Agreements of the Governmental Agency

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

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

ARTICLE VII

Miscellaneous

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

7.2 Schedules X, Y and Z shall be attached to this Supplemental Loan Agreement at the time of execution hereof by the Authority and shall be approved by an official action of the Governmental Agency supplementing the Local Act, a certified copy of which official action shall be submitted to the Authority.

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

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

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

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

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

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

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

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

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

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Loan Agreement to be executed by their respective duly authorized officers as of the date executed below by the Governmental Agency, but this Supplemental Loan Agreement shall not be binding on the Authority until executed by it.

_____
[Proper Name of Governmental Agency]

(SEAL)

By _____
Its _____

Attest:

Date: _____

_____
Its _____

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

(SEAL)

By _____
Director

Attest:

Date: _____

_____
Secretary-Treasurer

EXHIBIT A

LOAN AGREEMENT

Date:

Principal Amount of Local Bonds:

EXHIBIT B

[Opinion of Bond Counsel for Governmental Agency]

[To Be Dated as of Date of Loan Closing]

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

Gentlemen:

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

We have examined a certified copy of proceedings and other papers relating to (i) the authorization of a loan agreement, dated _____, 19__ (the "Supplemental Loan Agreement"), between the Governmental Agency and the West Virginia Water Development Authority (the "Authority"), and (ii) the issue of a series of supplemental, subordinate revenue bonds of the Governmental Agency, dated _____, 19__ (the "Supplemental Bonds"), to be purchased by the Authority in accordance with the provisions of the Supplemental Loan Agreement. The Supplemental Bonds are in the principal amount of $_____, issued in the form of one bond registered as to principal to the Authority, without interest thereon, with principal payable in installments on October 1 in each of the years, as follows:

Year	Installment

The Supplemental Loan Agreement is supplemental to a loan agreement dated _____, ____, also between the Governmental Agency and the Authority (the "Loan Agreement"). The Supplemental Bonds are junior, subordinate and inferior as to lien and source of and security for payment to the bonds issued pursuant to the Loan Agreement (the "Local Bonds"), which Local Bonds are issued simultaneously herewith.

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

We have also examined the applicable provisions of _____ of the Code of West Virginia, 1931, as amended (the "Local Statute"), under which the Supplemental Bonds are issued, and the Supplemental Loan Agreement that has been undertaken, including all schedules and exhibits to the Supplemental Loan Agreement. The Supplemental Bonds have been authorized by a bond _____ (the "Local Act") duly enacted by the Governmental Agency, which contains provisions and covenants substantially in the form of those set forth in Section 4.1 of the Supplemental Loan Agreement. The Supplemental Bonds are subject to redemption prior to maturity to the extent, at the time, under the conditions and subject to the limitations set forth in the Local Act and the Supplemental Loan Agreement.

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

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

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

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

4. The Governmental Agency has legally and effectively enacted the Local Act and all other necessary _____ in connection with the issuance and sale of the Supplemental Bonds.

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

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

7. The Supplemental Bonds are, by statute, exempt _____ _____.

No opinion is given herein as to the enforceability of remedies with respect to the Supplemental Bonds under any applicable bankruptcy, insolvency, moratorium or other laws affecting creditors' rights.

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

Very truly yours,

EXHIBIT C

Monthly Financial Report

_____
[Name of Governmental Agency]

_____
_____
[Name of Bond Issue]

Fiscal Year - ____

Report Month: _____

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

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

[Name of Governmental Agency]

By: _____
Authorized Officer

Upon motion by Mr. Caudill and seconded by Mrs. Lowe, the following resolution was unanimously adopted:

Introduced in Council:

July 21, 1992

Introduced by:

_____

Adopted by Council:

_____

A Resolution finding that an Amendatory and Supplemental Bond and Note Ordinance was adopted by the Council of The City of Logan, West Virginia, on July 21, 1992, amending and supplementing the Bond and Note Ordinance passed by the Council on August 11, 1987, which supplemented a Bond Ordinance adopted by the Council on February 11, 1964; authorizing the

acquisition and construction of certain additional extensions, improvements and betterments to the existing public sewerage facilities of the City and the financing of the costs thereof, not otherwise provided, through the issuance by the City of not more than $3,125,000 in aggregate principal amount of Subordinate Sewerage System Revenue Bonds, Series 1992, and not more than $125,000 in aggregate principal amount of Supplemental Subordinate Sewerage System Revenue Bonds, Series 1992; authorizing a revolving line of credit in an amount not to exceed $500,000 to provide funds for such acquisition and construction to the extent Bond proceeds, grant receipts or other funds are not timely available, an agreement with respect to said line of credit, a Sewerage System Construction Note to evidence the City's obligation to repay any draws upon said line of credit and the issuance, if necessary, of not more than $550,000 in aggregate principal amount of Subordinate Sewerage System Revenue Bonds of the City to provide for the payment of the principal of and interest on said Note; defining and prescribing the terms and provisions of the Bonds and the Note; providing for the rights and remedies of and security for the Registered Owners of the Bonds and the Note; and adopting other provisions related thereto; finding that an abstract of said Amendatory and Supplemental Bond and Note Ordinance, together with a notice that said Ordinance has been adopted, that the City contemplates the issuance of the Bonds and the Note, all as described in said Ordinance, and that any person interested may appear before the Council of the City upon a certain date and present protests, must be published; reviewing the abstract prepared on behalf of the City Clerk and determining that such abstract contains sufficient information as to give notice of the contents of said Ordinance; and directing the publication of such abstract, together with said notice.

WHEREAS, the Council (the "Council") of The City of Logan, West Virginia (the "City"), on July 21, 1992, adopted an Amendatory and Supplemental Bond and Note Ordinance, amending and supplementing the Bond and Note Ordinance passed by the Council on August 11, 1987 (the "Original Ordinance"), which supplemented a Bond Ordinance adopted by the Council on February 11, 1964 (the "Prior Ordinance"); authorizing the acquisition and construction of certain additional extensions, improvements and betterments to the existing public sewerage facilities of the City and the financing of the costs thereof, not otherwise provided, through the issuance by the City of not more than $3,125,000 in aggregate principal amount of Subordinate Sewerage System Revenue Bonds, Series 1992 (the "1992 Subordinate Bonds"), and not more than $125,000 in aggregate principal amount of Supplemental Subordinate Sewerage System Revenue Bonds, Series 1992 (the "1992 Supplemental Bonds"; collectively, the "1992 Bonds"); authorizing a revolving line of credit in an amount not to exceed $500,000 (the "Line of Credit") to provide funds for such acquisition and construction to the extent 1992 Bond proceeds, grant receipts or other funds are not timely available, an agreement with respect to the Line of Credit and a Sewerage System Construction Note (the "Note") to evidence the City's obligation to repay any draws upon the Line of Credit and the issuance, if necessary, of not more than $550,000 in aggregate principal amount of Subordinate Sewerage System Revenue Bonds of the City to provide for the payment of the principal of and interest on the Note (the "Line of Credit Bonds"); defining and prescribing the terms and provisions of the Bonds, the Note and the Line of Credit Bonds; providing for the rights and

remedies of and security for the Registered Owners of the Bonds, the Note and the Line of Credit Bonds; and adopting other provisions related thereto, all as more fully set out therein (said Amendatory and Supplemental Bond and Note Ordinance is referred to as the "Ordinance");

WHEREAS, Chapter 16, Article 13, Section 6 of the Code of West Virginia, 1931, as amended (the "Act") requires that an abstract of the Ordinance, together with a notice that the Ordinance has been adopted, that the City contemplates the issuance of the Bonds, the Note and, if necessary, the Line of Credit Bonds, all as described in the Ordinance, and that any person interested may appear before the Council upon a certain date and present protests, be published; and

WHEREAS, the Act further requires that such abstract of the Ordinance be determined by the Council to contain sufficient information to give notice of the contents of the Ordinance; and

WHEREAS, the City Clerk presented to this meeting an abstract of the Ordinance (the "Abstract"), together with a notice as described above (the "Notice"), as set forth in Exhibit A attached hereto and incorporated herein by reference; and

WHEREAS, the Council of the City has reviewed the Abstract and has found and determined that the Abstract contains sufficient information as to give notice of the contents of the Ordinance;

NOW, THEREFORE, Be It Resolved by the Council of The City of Logan, West Virginia, as follows:

1) It is hereby found and determined that the Ordinance was duly adopted by the Council at its special meeting duly called and held on July 21, 1992, and that the Act requires that the Abstract, together with the Notice, be published.

2) The Abstract, together with the Notice as prepared on behalf of the City Clerk in form and substance as set forth in Exhibit A, contains sufficient information as to give notice of the contents of the Ordinance;

3) The City Clerk, as provided in the Notice, shall maintain in her office a certified copy of the Ordinance for review by interested persons during the regular office hours of such office.

4) The Council of the City, as provided in the Notice, shall meet on Tuesday, August 11, 1992, at 7:30 p.m., prevailing time, in Council Chambers in the City Hall, for the purpose of hearing all objections and suggestions regarding whether the Ordinance shall be put into effect.

5) The City Clerk is hereby authorized and directed to cause the Abstract, together with the Notice, to be published as a Class II legal advertisement in The Logan Banner, a newspaper of general circulation in the City, and the first publication of the Abstract and Notice shall be not less than ten days before the date set aforesaid at which interested persons may appear before the Council of the City and present protests, and the last publication of the Abstract and Notice shall be prior to said date set aforesaid.

6) At such hearing, all objections and suggestions shall be heard, and the Council of the City shall take such action as it shall deem proper in the premises; provided, however, that,

if at such hearing written protest is filed by thirty percent (30%) or more of the owners of real estate situate in the City, then the Council of the City shall not take further action unless four-fifths (4/5) of the qualified members of said Council assent thereto.

7) This Resolution shall take effect immediately upon adoption.

THE CITY OF LOGAN, WEST VIRGINIA

_____
Mayor

[SEAL]

_____
City Clerk

Approved as to Form:

_____
City Attorney

EXHIBIT A

ABSTRACT OF ORDINANCE AND NOTICE OF PUBLIC HEARING

Notice is hereby given to any person interested that on July 21, 1992, the Council of The City of Logan, West Virginia, adopted an ordinance that:

1. Amended and supplemented the Bond and Note Ordinance passed by the Council on August 11, 1987 (the "Original Ordinance") and a Bond Ordinance adopted by the Council on February 11, 1964 (the "Prior Ordinance") and that the bonds and note described below are issued under the Original Ordinance as amended and supplemented thereby.

2. Determined that it is necessary and desirable for the health, welfare and safety of the inhabitants of the City that there be acquired and constructed certain additional extensions, improvements and betterments to the existing public sewerage facilities of the City, consisting primarily of a 0.53 MGD secondary wastewater treatment plant (the "Phase II Project") (the existing sewerage facilities, together with the Phase II Project and any further extensions, improvements and betterments thereto, are referred to as the "System"), in accordance with the plans and specifications prepared by the Consulting Engineers. The estimated maximum cost of the construction of the Phase II Project is $3,952,200, of which approximately $2,913,985 will be permanently obtained from the proceeds of the 1992 Bonds described below, and approximately $1,038,215 will be obtained from a Grant from the United States Environmental Protection Agency. The cost of the Phase II Project may be revised to reflect conditions imposed by the West Virginia Department of Natural Resources and set forth in the EPA grant agreement, but in no event may the cost require an increase in the rates enacted by the Council on June 9, 1992.

3. Upon petition of the Sanitary Board of the City, the City authorized the acquisition and construction of the Phase II Project and the financing of the costs, not otherwise provided, for the Phase II Project through the issuance of not more than $3,125,000 in aggregate principal amount of Subordinate Sewerage System Revenue Bonds, Series 1992 (the "1992 Subordinate Bonds"), and not more than $125,000 in aggregate principal amount of Supplemental Subordinate Sewerage System Revenue Bonds, Series 1992 (the "1992 Supplemental Bonds"; together with the 1992 Subordinate Bonds, the "1992 Bonds").

4. Pledged to the payment of the 1992 Bonds the net revenues of the System.

5. Authorized the establishment of a revolving line of credit (the "Line of Credit") in an amount not to exceed $500,000 and a Sewerage System Construction

Note to evidence the City's obligation to repay draws upon the Line of Credit (the "Note"); and provided that the terms of the Note and the agreement with respect to the Line of Credit be approved by a supplemental resolution.

6. Authorized the issuance, if necessary, of not more than $550,000 in aggregate principal amount of Subordinate Sewerage System Revenue Bonds (the "Line of Credit Bonds") to pay the principal of and interest on the Note.

7. Provided for the sale of the 1992 Bonds to the West Virginia Water Development Authority (the "Authority"), pursuant to the terms and conditions of the respective loan agreements to be entered into between the City and the Authority.

8. Continued the funds and accounts established or continued under the Original Ordinance and provided for increased deposits on account of the 1992 Bonds.

9. Provided for the disbursement of 1992 Bond proceeds; created the 1992 Bond Construction Trust Fund to hold the 1992 Bond proceeds pending their use for Phase II Project costs; and provided for the disposition of excess 1992 Bond proceeds.

10. Provided that the 1992 Bonds, the Note and the Line of Credit Bonds shall not be or constitute an indebtedness of the City within the meaning of any constitutional, statutory or charter limitation of indebtedness but shall be payable solely from the funds pledged for such payment from the sources described in the Ordinance.

11. Provided that the 1992 Subordinate Bonds shall have a lien on the net revenues of the System which is senior and superior to the lien of the 1992 Supplemental Bonds but is on a parity with the bonds issued under the Original Ordinance and is junior and inferior to the bonds issued under the the Prior Ordinance.

12. Required that the rates and charges for the System always be adequate to produce gross revenues from the System sufficient to pay the operating expenses of the System, provide adequate reserve accounts and to make the prescribed payments into the funds and accounts created under the Prior Ordinance, the Original Ordinance and the Ordinance, and, specifically, that the rates and charges produce revenues sufficient to pay all reasonable expenses of operation and maintenance of the System and leave a balance each year equal to at least 115% of the maximum principal and interest due on the 1992 Bonds, the bonds issued under the Original Ordinance, the bonds issued under the Prior Ordinance and any other bonds prior to or on a parity with each series of 1992 Bonds in any year.

13. Provided that the Phase II Project will be expeditiously completed in accordance with the plans and specifications prepared by the Consulting Engineers and that the City will maintain the System in good condition and will operate the same as a revenue-producing enterprise in an efficient and economical manner.

14. Reaffirmed, with slight modifications, the covenants and agreements made under the Original Ordinance.

15. Provided for the investment of the 1992 Bond proceeds and limitations thereon, intended to prevent the 1992 Bonds from being "private activity bonds," and provided for the filing of statements and returns necessary to assure the exclusions of interest from gross income for federal income tax purposes.

16. Provided covenants against making the 1992 Bonds "arbitrage bonds" and directed that the City deliver a certificate of arbitrage, a tax certificate or similar certificate relating to the payment of arbitrage rebate.

The City contemplates the issuance of the Bonds, the Note and, if necessary, the Line of Credit Bonds described in, and under the conditions set forth in, the Ordinance. Any person interested may appear before the Council of the City at a meeting thereof at 7:30 p.m., prevailing time, on Tuesday, August 11, 1992, in the Council Chambers in the City Hall, Dingess Street, Logan, West Virginia, and present protests and be heard as to whether the above described Ordinance shall be put into effect.

A certified copy of the Ordinance as adopted by the Council of the City on July 21, 1992, is on file in the office of the City Clerk for review by interested persons during the regular office hours of such office, to-wit: 8:00 a.m. to 4:30 p.m., Mondays through Fridays.

City Clerk
The City of Logan, West Virginia

There being no further business, the meeting was, upon motion by Mr. Morgan and seconded by Mr. Caudill, adjourned.

Edward J. Eiland
City Attorney

John E Esposito
Mayor

1620P

Filed with me this 9th day of July 1992
Vickie Luke, Acting City Clerk

The City of Logan, West Virginia

Amendatory and Supplemental Bond

and Note Ordinance

TABLE OF CONTENTS

		Page
ARTICLE I.	Definitions, Statutory Authority and Findings	2
Section 1.01.	Definitions	2
Section 1.02.	Authority of this Amendatory Ordinance	6
Section 1.03.	Findings	6
ARTICLE II.	Authorization of Phase II Project	10
Section 2.01.	Authorization of Phase II Project	10
ARTICLE III.	Authorization, Terms, Execution, Registration, and Sale of 1992 Bonds; Authorization and Execution of 1992 Authority Loan Agreements	10
Section 3.01.	Authorization of 1992 Bonds	10
Section 3.02.	Terms of 1992 Bonds	10
Section 3.03.	Other Provisions with Respect to the 1992 Bonds	11
Section 3.04.	1992 Bonds Not To Be Indebtedness of the City	11
Section 3.05.	1992 Bonds Secured by Subordinate and Parity Pledge of Net Revenues	11
Section 3.06.	Form of 1992 Bonds	12
Section 3.07.	Sale of 1992 Bonds; Execution of 1992 Authority Loan Agreements	27
Section 3.08.	1992 Bonds Are Issued as Parity Bonds	27
Section 3.09.	Certificate of Consulting Engineers	28
ARTICLE IV.	System Revenues and Application Thereof	28
Section 4.01.	Continuance of Funds and Accounts with the Depository Bank	28

Section 4.02. Continuance of Funds and Accounts with Commission 28

Section 4.03. Authorized by Original Ordinance. 29

ARTICLE V. Application of 1992 Bond Proceeds; Funds and Accounts; Transfers and Existing Funds 29

Section 5.01. Application of 1992 Bond Proceeds 29

Section 5.02. 1992 Bond Construction Trust Fund 30

Section 5.03. Origination Fee Account 31

ARTICLE VI. Line of Credit 32

Section 6.01. Authorization of 1992 Line of Credit. . . 32

Section 6.02. Authorization of 1992 Note. 32

Section 6.03. Execution of 1992 Note. 33

Section 6.04. Negotiability, Transfer and Registration. 33

Section 6.05. Form of 1992 Note 34

Section 6.06. Security for 1992 Note. 34

Section 6.07. 1992 Notes Are Special Obligations. . . . 34

Section 6.08. 1992 Note Payment Fund. 35

Section 6.09. Conversion to Long-Term Obligation. . . . 35

Section 6.10. 1992 Line of Credit Bonds 36

Section 6.11. Draws upon 1992 Line of Credit. 36

Section 6.12. 1992 Line of Credit Construction Trust Fund. 37

Section 6.13. 1992 Line of Credit Bond Proceeds 37

Section 6.14. 1992 Note and 1992 Line of Credit Bonds Secured by Ordinance. 37

Section 6.15. Covenants with Owner of 1992 Note 37

Section 6.16. Required Notices to 1992 Note Depository and Owner of 1992 Note . . . 38

Section 6.17. Grant Anticipation Notes. 39

Section 6.18. Events of Default 39

Section 6.19. Remedies. 39

Section 6.20. Appointment of Receiver 40

Section 6.21. Modification or Amendment 40

Section 6.22. The Bank. 41

Section 6.23. 1992 Note Depository. 41

Section 6.24. 1992 Note Registrar 41

Section 6.25. Notice to Authority 41

ARTICLE VII. Additional Covenants of the City 41

Section 7.01. Covenants 41

Section 7.02. Rates 42

Section 7.03. Completion, Operation and Maintenance; Schedule of Cost. 42

Section 7.04. Sale of the System. 42

Section 7.05. Parity Bonds. 42

Section 7.06. Insurance 43

Section 7.07. Enforcement of Collections. 43

Section 7.08. Books, Records and Reports. 43

Section 7.09. Operating Budget. 43

Section 7.10. Covenant to Amend Ordinance . . . . . .

Section 7.11. Public Purpose Bonds. . . . . .

Section 7.12. Private Activity Bond Covenant. . . . . .

Section 7.13. Filing Covenants. . . . . .

Section 7.14. Federal Guarantee Covenant. . . . . .

Section 7.15. Rebate Covenant 45

Section 7.16. Further Action. 45

ARTICLE VIII. Investment of Funds. 45

Section 8.01. Investments Particular to the 1992 Bonds. 45

Section 8.02. Arbitrage 46

Section 8.03. Tax Certificate and Rebate. 46

Section 8.04. Restriction of Yield and Bond Proceeds. . 46

ARTICLE IX. Defaults and Remedies. 48

Section 9.01. Appointment of Receiver 48

ARTICLE X. Miscellaneous. 48

Section 10.01. Amendment of Section 11.01 of the Original Ordinance. 48

Section 10.02. Severability of Invalid Provision 48

Section 10.03. Repeal of Conflicting Ordinances. 48

Section 10.04. Covenant of Due Procedure 49

Section 10.05. Effective Date. 49

Exhibit A - Phase II Project Description

Exhibit B - 1992 Loan Agreement

Exhibit C - 1992 Supplemental Loan Agreement

1375P

AMENDATORY AND SUPPLEMENTAL BOND AND NOTE ORDINANCE

AN ORDINANCE AMENDING AND SUPPLEMENTING AN ORDINANCE PASSED BY THE COUNCIL OF THE CITY OF LOGAN, WEST VIRGINIA, ON AUGUST 11, 1987, ENTITLED "AN ORDINANCE SUPPLEMENTING AN ORDINANCE ADOPTED BY THE COUNCIL OF THE CITY OF LOGAN, WEST VIRGINIA, ON FEBRUARY 11, 1964, ENTITLED 'AN ORDINANCE AUTHORIZING THE ISSUANCE OF $308,000 PRINCIPAL AMOUNT OF SEWER REVENUE BONDS FOR THE PURPOSE OF REFUNDING CERTAIN OUTSTANDING BONDS AND TO PAY PART OF THE COST OF CONSTRUCTION AND ACQUISITION OF ADDITIONS, EXTENSIONS AND IMPROVEMENTS TO THE EXISTING SEWER SYSTEM OF THE CITY OF LOGAN, WEST VIRGINIA'; AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN EXTENSIONS, IMPROVEMENTS AND BETTERMENTS TO THE EXISTING PUBLIC SEWERAGE FACILITIES OF THE CITY OF LOGAN; AUTHORIZING ISSUANCE OF NOT MORE THAN $720,000 IN AGGREGATE PRINCIPAL AMOUNT OF SUBORDINATE SEWERAGE SYSTEM REVENUE BONDS, SERIES 1987, AND NOT MORE THAN $180,000 IN AGGREGATE PRINCIPAL AMOUNT OF SUPPLEMENTAL SUBORDINATE SEWERAGE SYSTEM REVENUE BONDS, SERIES 1987, OF THE CITY OF LOGAN TO BE USED, ALONG WITH OTHER FUNDS AND MONEYS OF OR AVAILABLE TO THE CITY OF LOGAN THAT MAY BE LAWFULLY EXPENDED FOR SUCH PURPOSES, TO FINANCE THE COST OF SUCH ACQUISITION AND CONSTRUCTION; PROVIDING FOR THE SALE OF SUCH BONDS TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY AND FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING ISSUANCE OF NOT MORE THAN $1,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWERAGE SYSTEM GRANT ANTICIPATION NOTES, SERIES 1987, TO BE USED TO FINANCE THE COST OF SUCH ACQUISITION AND CONSTRUCTION PENDING THE RECEIPT OF CERTAIN GRANT PROCEEDS; AND ENACTING OTHER PROVISIONS RELATING THERETO"; AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN ADDITIONAL EXTENSIONS, IMPROVEMENTS AND BETTERMENTS TO THE EXISTING PUBLIC SEWERAGE FACILITIES OF THE CITY OF LOGAN; AUTHORIZING ISSUANCE OF NOT MORE THAN $3,125,000 IN AGGREGATE PRINCIPAL AMOUNT OF SUBORDINATE SEWERAGE SYSTEM REVENUE BONDS, SERIES 1992, AND NOT MORE THAN $125,000 IN AGGREGATE PRINCIPAL AMOUNT OF SUPPLEMENTAL SUBORDINATE SEWERAGE SYSTEM REVENUE BONDS, SERIES 1992, OF THE CITY OF LOGAN TO BE USED, ALONG WITH OTHER FUNDS AND MONEYS OF OR AVAILABLE TO THE CITY OF LOGAN THAT MAY BE LAWFULLY EXPENDED FOR SUCH PURPOSES, TO FINANCE THE COST OF SUCH ACQUISITION AND CONSTRUCTION; PROVIDING FOR THE SALE OF SUCH BONDS TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY AND FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNER OF SUCH BONDS; AUTHORIZING A REVOLVING LINE OF CREDIT IN AN AMOUNT NOT TO EXCEED $500,000 TO PROVIDE FUNDS FOR SUCH ACQUISITION AND CONSTRUCTION TO THE EXTENT BOND PROCEEDS, GRANT RECEIPTS OR OTHER FUNDS ARE NOT TIMELY AVAILABLE THEREFOR AND AN AGREEMENT WITH RESPECT TO SAID LINE OF CREDIT; AUTHORIZING ISSUANCE OF A SEWERAGE SYSTEM CONSTRUCTION NOTE OF THE CITY OF LOGAN IN A STATED PRINCIPAL AMOUNT NOT TO EXCEED $500,000 TO EVIDENCE THE CITY'S OBLIGATION TO REPAY ANY DRAWS UPON SAID LINE OF CREDIT AND THE ISSUANCE,

IF NECESSARY, OF NOT MORE THAN $550,000 IN AGGREGATE PRINCIPAL AMOUNT OF SUBORDINATE SEWERAGE SYSTEM REVENUE BONDS OF THE CITY OF LOGAN TO PROVIDE FOR THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON SAID NOTE; AND ENACTING OTHER PROVISIONS RELATING THERETO.

Be It Enacted and Ordained by the Council of The City of Logan, West Virginia:

ARTICLE I

DEFINITIONS, STATUTORY AUTHORITY AND FINDINGS

Section 1.01. Definitions. Except as provided below, terms used in this Amendatory Ordinance have the meanings set forth in the Original Ordinance, as amended by this Amendatory Ordinance, unless the context expressly requires otherwise.

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

B. "Advance-Refunded Municipal Bonds" means obligations, the interest on which is excludable from gross income for federal income tax purposes, which have been advance-refunded prior to their maturity and are fully and irrevocably secured as to principal and interest by Governmental Obligations held in trust for the payment thereof, and which obligations are serial bonds or term bonds not callable prior to maturity except at the option of the holder or owner thereof.

C. "Amendatory Ordinance" means this ordinance as hereafter amended or supplemented.

D. "Authority" means the West Virginia Water Development Authority, which shall be the original purchaser of the 1992 Bonds, as hereinafter defined, or any other agency of the State that succeeds to the functions of the Authority.

E. "Bank" means The National Bank of Logan, a national banking association with its principal offices in Logan, West Virginia, or other similar institution identified in the Supplemental Resolution, and any successor thereto.

F. "Code" means the Internal Revenue Code of 1986, as amended, including the rules and regulations promulgated pursuant thereto or to any predecessors or successors thereof.

G. "Costs" or "Costs of the Phase II Project" means those costs described in Subsection 1.03(E) hereof to be a part of the costs of the construction and acquisition of the Phase II Project, as hereinafter defined.

H. "Grant Agreement" means the written commitment, dated September 30, 1985, and forwarded to the City on October 7, 1985, for the payment of the Grant, specifying the amount of such Grant, the terms and conditions upon which such Grant is made and the date or dates or event or events upon which such Grant is to be paid to the City, as the same shall be supplemented or amended from time to time.

I. "Operating Expenses" includes the fees and charges due to the trustee for the Authority's bonds pursuant to Section 4.7 of the 1992 Loan Agreement, and fees and expenses of the Authority and any default interest thereon, all to the extent such are not capitalized from the proceeds of the 1992 Bonds.

J. "Ordinance" means the Original Ordinance, as hereinafter defined, as amended and supplemented by this Amendatory Ordinance and as further amended or supplemented. Unless the context clearly requires to the contrary, references to "this Ordinance" in the Original Ordinance mean the Ordinance.

K. "Original Ordinance" means the Bond and Note Ordinance passed by the Council of the City on August 11, 1987, described further in the title hereto.

L. "Origination Fee" means any fee to be paid by the City with respect to its participation in the State's revolving fund program established pursuant to Title VI of the Water Quality Act of 1987, to provide funds for the acquisition and construction of wastewater projects.

M. "Owner" or similar terms used in reference to the 1992 Note means the Bank and any registered assignee or assignees as the owner or owners of the 1992 Note.

N. "Phase II Line of Credit" means the revolving line of credit established by the City with The National Bank of Logan for interim financing of the design and construction of the Phase II Project, as hereinafter defined, and authorized by an ordinance passed by the Council on August 9, 1988.

O. "Phase II Line of Credit Bonds" means the subordinate bonds authorized by Article V of the ordinance establishing the Phase II Line of Credit.

P. "Phase II Note" means the note dated April 24, 1989, evidencing the City's obligation to repay draws under the Phase II Line of Credit.

Q. "Phase II Project" means the extensions, improvements and betterments to the existing sewerage system of the City described in Exhibit A attached hereto and incorporated herein by reference.

R. "Prior Bonds" means the City's Sewer Revenue Bonds dated as of March 1, 1964, issued in the aggregate principal amount of $308,000 and outstanding as of the date of introduction of this Amendatory Ordinance in the aggregate principal amount of $91,000, the lien of which Prior Bonds on the Net Revenues is prior and superior to that of the Bonds.

S. "Project" means the extensions, improvements and betterments to the existing sewerage system of the City as described in the Grant Agreement and includes the Phase II Project.

T. "Qualified Investments" means and includes, in addition to items (a) through (g) listed in the Original Ordinance, Advance-Refunded Municipal Bonds.

U. "Supplemental Resolution" means any ordinance or resolution of the Council amending or supplementing this Amendatory Ordinance and, when preceded by the article "the," refers specifically to the Supplemental Resolution authorizing the sale of the 1992 Bonds or the establishment of the 1992 Line of Credit; provided, that any matter intended by this Amendatory Ordinance to be included in the Supplemental Resolution with respect to the 1992 Bonds or the 1992 Line of Credit and not so included may be included in another Supplemental Resolution.

V. "1992 Bondholder" or "Owner of the 1992 Bonds" or any similar term means any person who is the registered owner of any Outstanding 1992 Bond or 1992 Bonds.

W. "1992 Bonds" means the 1992 Subordinate Bonds and the 1992 Supplemental Bonds, both as hereinafter defined.

X. "1992 Bond Construction Trust Fund" means the 1992 Bond Construction Trust Fund established by Section 5.02.

Y. "1992 Line of Credit" means the revolving line of credit established for the City by the Bank in an amount not to exceed $500,000.

Z. "1992 Line of Credit Agreement" means the agreement to be approved as to form and substance by the Supplemental Resolution, establishing the 1992 Line of Credit with the Bank.

AA. "1992 Line of Credit Bonds" means the not more than $550,000 in aggregate principal amount of Subordinate Sewerage System Revenue Bonds, authorized by Section 6.10 to be issued, if necessary, to pay the principal of and interest on the 1992 Note.

BB. "1992 Loan Agreement" means the Loan Agreement between the Authority and the City, in substantially the form attached as Exhibit B hereto and incorporated herein by reference, with any changes, insertions or deletions as may be requested by the Authority and approved by the Supplemental Resolution, providing for the purchase of the 1992 Subordinate Bonds from the City by the Authority.

CC. "1992 Note" means the Sewerage System Construction Note, in a stated principal amount not to exceed $500,000, authorized by Section 6.02 to evidence the City's obligation to repay any draws under the 1992 Line of Credit.

DD. "1992 Note Depository" means the Bank, in its capacity as a national banking association or state bank eligible under the laws of the State to receive deposits of state and municipal funds and insured by the FDIC, and any successor thereto appointed pursuant to Section 6.23.

EE. "1992 Note Payment Fund" means the Sewerage System 1992 Construction Note Payment Fund established by Section 6.08.

FF. "1992 Note Registrar" means the Bank, acting in the capacity as registrar, paying agent and authenticating agent for the 1992 Note, and any successor thereto appointed pursuant to Section 6.24.

GG. "1992 Reserve Account Requirement" means, as of any date of calculation, the maximum amount of principal and interest that will become due on the 1992 Subordinate Bonds in the then current or any succeeding year.

HH. "1992 Subordinate Bonds" means the not more than $3,125,000 in aggregate principal amount of Subordinate Sewerage System Revenue Bonds, Series 1992, originally authorized hereby to pay a portion of the costs of the Phase II Project.

II. "1992 Supplemental Bonds" means the not more than $125,000 in aggregate principal amount of Supplemental Subordinate Sewerage System Revenue Bonds, Series 1992, originally authorized hereby to pay a portion of the costs of the Phase II Project.

JJ. "1992 Supplemental Loan Agreement" means the Supplemental Loan Agreement between the Authority and the City, in substantially the form attached as Exhibit C hereto and incorporated herein by reference, with any changes, insertions or deletions requested by the Authority and approved by the Supplemental Resolution, providing for the purchase of the 1992 Supplemental Bonds from the City by the Authority.

KK. "1992 WDA Loan Agreements" or "1992 Authority Loan Agreements" means, collectively, the 1992 Loan Agreement and the 1992 Supplemental Loan Agreement.

LL. The terms "herein," "hereunder," "hereby," "hereto," "hereof" and any similar terms refer to this Amendatory Ordinance; and the term "hereafter" means after the date of enactment of this Amendatory Ordinance. Unless the context clearly requires to the contrary, the use of such terms in the Original Ordinance refers to the Ordinance.

Section 1.02. Authority of this Amendatory Ordinance. This Amendatory Ordinance is enacted pursuant to the provisions of the Original Ordinance, the Act and other applicable provisions of law and, so long as any of the Prior Bonds is outstanding, is supplemental to the Prior Ordinance and, so long as any of the Bonds is Outstanding, is amendatory of and supplemental to the Original Ordinance.

Section 1.03. Findings. In addition to those findings set forth in the Original Ordinance, it is hereby found, determined and declared as follows:

A. The Sanitary Board has presented a petition to the City for acquisition and construction of the Phase II Project, enactment of this Amendatory Ordinance, issuance of the 1992 Bonds, establishment of the 1992 Line of Credit, issuance of the 1992 Note, and, if necessary, issuance of the 1992 Line of Credit Bonds.

B. The City has been awarded the Grant pursuant to the Grant Agreement.

C. It is deemed necessary and desirable for the health, welfare and safety of the inhabitants of the City that the Phase II Project be acquired and constructed in accordance with the plans and specifications prepared by the Consulting Engineers, subject to the approval of the EPA, the issuance of a certificate of convenience and necessity by the PSC and any more specific authorizations by the Supplemental Resolution, which plans and specifications are on file with the Sanitary Board and the City Clerk and which Phase II Project is generally described in Exhibit A hereto.

D. The estimated maximum cost of the Phase II Project is $3,952,200, of which approximately $2,913,985 will be obtained from the proceeds of the 1992 Bonds and approximately $1,038,215 will be obtained from the Grant. The City may obtain other grants and contributions as may be necessary to pay the cost of the Phase II Project. The cost of the Phase II Project may be revised to reflect conditions imposed by the West Virginia Department of Natural Resources and set forth in the Grant Agreement; provided, that in no

event shall the cost require an increase in the rates for the use of the System enacted by the Council on June 9, 1992.

E. It is deemed necessary for the City to issue its 1992 Subordinate Bonds in the aggregate principal amount of not more than $3,125,000 and its 1992 Supplemental Bonds in the aggregate principal amount of not more than $125,000, both to finance costs of construction and acquisition of the Phase II Project. Said costs shall be deemed to include the costs of all property rights, easements and franchises deemed necessary or convenient therefor; interest upon the 1992 Subordinate Bonds prior to and during construction or acquisition and for six months after completion of construction of the Phase II Project; engineering, fiscal and legal expenses; expenses for estimates of costs and revenues; expenses for plans, specifications and surveys; other expenses necessary or incident for determining the feasibility or practicability or the enterprise; administrative expense, any fees or expenses of the Authority and any default interest thereon, Origination Fee, commitment fees, discount, initial fees for the service of registrars, paying agents, depositories or trustees or other costs in connection with the sale of the 1992 Bonds, the 1992 Note or the 1992 Line of Credit Bonds, and such other expenses as may be necessary or incidental to the financing herein authorized, the construction or acquisition of the Phase II Project and the placing of the same in operation, and the performance of the things herein required or permitted, in connection with any thereof; provided, that reimbursement to the City for any amounts expended by it for allowable costs prior to the issuance of the 1992 Bonds or the repayment of indebtedness incurred by the City for such purposes shall be deemed costs of the Phase II Project.

F. The period of usefulness of the System after completion of the Phase II Project will not be less than forty years.

G. It is necessary and in the best interests of the City to establish the 1992 Line of Credit to provide funds for the acquisition and construction of the Phase II Project to the extent 1992 Bond proceeds, Grant Receipts or other funds are not timely available therefor, to enter into the 1992 Line of Credit Agreement with the Bank, to issue the 1992 Note to evidence the City's obligation to repay any draw upon the 1992 Line of Credit, and, if necessary, to issue the 1992 Line of Credit Bonds or to take such other acts as are hereinafter set forth to provide for the payment of the principal of and interest on the 1992 Note on or prior to the maturity thereof.

H. There are outstanding on the date of introduction of this Amendatory Ordinance $91,000 in aggregate principal amount of Prior Bonds. The holders of the Prior Bonds shall have a lien on the Net Revenues prior and superior to that of

the Bondholders. There are also outstanding on the date of introduction of this Amendatory Ordinance $614,699 in aggregate principal amount of Original Subordinate Bonds and $140,767 in aggregate principal amount of Original Supplemental Bonds. The Owners of the Original Bonds shall have a lien on the Net Revenues on a parity with that of the 1992 Bondholders. Other than the Prior Bonds and the Original Bonds, there are no obligations of the City outstanding which will rank prior to or on a parity with the 1992 Bonds as to their respective liens and sources of and security for payment. There is also outstanding on the date of introduction of this Amendatory Ordinance the Phase II Note in the stated principal amount of $250,000, which is subordinate to both the Prior Bonds and the Bonds as to security for payment from the Net Revenues.

I. The issuance of the 1992 Bonds on a basis subordinate to the Prior Bonds and on a parity with the Original Bonds and the issuance of the 1992 Note and the 1992 Line of Credit Bonds, if necessary, are being authorized in an effort to aid in the abatement or reduction of the pollution of waters and streams situate in and about the City, including the Guyandotte River. The City derives revenues from the System, and said revenues are pledged or encumbered only in connection with the Prior Bonds, the Original Bonds and the Phase II Note.

J. The principal of and interest on the 1992 Bonds will be paid solely from the proceeds thereof and the Net Revenues derived from the operation of the System. The principal of and interest on any 1992 Letter of Credit Bonds will be paid solely from the Net Revenues derived from the operation of the System, and the principal of and interest on the 1992 Note will be paid solely from the proceeds of the Grant Receipts and, if necessary, the net proceeds of the 1992 Letter of Credit Bonds and, as hereinafter provided, the Net Revenues. None of such 1992 Bonds, 1992 Note or 1992 Line of Credit Bonds shall in any respect be a corporate indebtedness of the City within the meaning of any charter, statutory or constitutional provisions or limitations. The 1992 Note and any 1992 Letter of Credit Bonds issued pursuant to this Ordinance are and shall be junior, subordinate and inferior as to source of payment and security and in all other respects to the Prior Bonds and the Bonds; provided, however, that the Owner of the 1992 Note shall have a first lien on the net proceeds of any 1992 Letter of Credit Bonds determined by a Supplemental Resolution and a lien on the Grant Receipts, subject only to the Phase II Note.

K. The estimated revenues to be derived in each year after the enactment of this Amendatory Ordinance from the operation of the System will be sufficient to pay all the costs of the operation and maintenance of the System, the principal of and interest on the Prior Bonds, the Bonds and any 1992 Letter of Credit Bonds and all sinking fund and other payments

provided for in the Prior Ordinance and the Ordinance. It is in the best interest of the City that its 1992 Bonds be sold to the Authority pursuant to the terms and provisions of the 1992 Authority Loan Agreements.

L. The City has complied with all requirements of West Virginia law relating to authorization of and construction, acquisition and operation of the Project and issuance of the 1992 Bonds and the 1992 Note or will have so complied prior to issuance thereof, including, among other things, the obtaining of a certificate of convenience and necessity from the PSC by final order not subject to appeal or rehearing.

M. The Code provides exceptions from the rebate provisions for issues of small governmental units meeting certain requirements. It is in the best interest of the City and its inhabitants to qualify for the small governmental unit exception from the rebate provisions. Accordingly, it is hereby found and determined:

(1) The City is a governmental unit with general taxing powers.

(2) The 1992 Bonds and the 1992 Note are not private activity bonds as defined by the Code.

(3) Ninety-five percent (95%) or more of the net proceeds (as defined with respect to the Code) of the 1992 Bonds and the 1992 Note will be used for local governmental activities of the City.

(4) The City reasonably expects that the aggregate face amount of all tax-exempt bonds (other than private activity bonds) issued by the City and all subordinate entities thereof during the calendar year in which the 1992 Bonds and the 1992 Note will be issued will not exceed $5,000,000. The City reasonably expects to issue the 1992 Bonds and the 1992 Note in 1992.

N. The City will not permit, at any time, any of the proceeds of the Bonds and the 1992 Line of Credit or any other funds of the City 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 Code.

O. The City will file all statements, instruments and returns necessary to assure the tax-exempt status of the Bonds and the 1992 Note.

P. Neither the Bonds nor the 1992 Note will not be federally guaranteed within the meaning of the Code.

Q. It is reasonably anticipated that all proceeds of the 1992 Bonds will be spent within three years from the date of issuance of the Authority's bonds from which payment for the 1992 Subordinate Bonds is made.

R. The City and all subordinate issuers do not reasonably expect to issue more than $10,000,000 of tax-exempt obligations during the calendar year 1992, and the City hereby designates the 1992 Note as "qualified tax-exempt obligations" as defined in Section 265(b)(3)(B) of the Code.

ARTICLE II

AUTHORIZATION OF PHASE II PROJECT

Section 2.01. Authorization of Phase II Project. There is hereby authorized the acquisition and construction of the Phase II Project in accordance with the plans and specifications therefor prepared by the Consulting Engineers; provided, that such plans and specifications, and the acquisition and construction of the Phase II Project in accordance therewith, are subject to the issuance of a certificate of convenience and necessity by the PSC and to any specific authorization by the Supplemental Resolution.

ARTICLE III

AUTHORIZATION, TERMS, EXECUTION, REGISTRATION, AND SALE OF 1992 BONDS; AUTHORIZATION AND EXECUTION OF 1992 AUTHORITY LOAN AGREEMENTS

Section 3.01. Authorization of 1992 Bonds. For the purposes of financing a portion of the costs of acquisition and construction of the Phase II Project not otherwise provided for, of paying the costs of issuance of the 1992 Bonds, and, if authorized by the Supplemental Resolution, of funding the Reserve Account and the Supplemental Reserve Account on account of the 1992 Bonds or providing for interest on the 1992 Subordinate Bonds during construction, or both, there shall be issued the 1992 Bonds of the City. The proceeds of the 1992 Bonds shall be applied as provided in Section 5.01.

Section 3.02. Terms of 1992 Bonds. The 1992 Subordinate Bonds shall be originally issued in the form of a single bond, designated Subordinate Sewerage System Revenue Bond, Series 1992, Number R-1, fully registered to the Authority, in the principal amount of not more than $3,125,000, as shall be set forth in the Supplemental Resolution. The 1992 Subordinate Bonds shall be dated the date of delivery thereof; shall bear interest at the rate per annum, not to exceed 12%, as shall be set forth in the Supplemental Resolution, payable

semi-annually, on April 1 and October 1 of each year, beginning with the date set forth in the Supplemental Resolution; shall be subject to redemption only with the written consent of the Authority and upon payment of the interest and redemption premium, if any, and subject to the other requirements and otherwise in compliance with the 1992 Loan Agreement, so long as the Authority shall be the Owner of the 1992 Subordinate Bonds; and shall mature in principal installments on October 1 of each of the years and in the amounts set forth in the 1992 Loan Agreement "Schedule X" to be approved by the Supplemental Resolution.

The 1992 Supplemental Bonds shall be originally issued in the form of a single bond, designated Supplemental Subordinate Sewerage System Revenue Bond, Series 1992, numbered SR-1, fully registered to the Authority, in the principal amount of not more than $125,000, as shall be set forth in the Supplemental Resolution. The 1992 Supplemental Bonds shall be dated the date of delivery thereof; shall bear no interest; shall be subject to redemption only with the written consent of the Authority and otherwise in compliance with the 1992 Supplemental Loan Agreement, so long as the Authority shall be the Owner of the 1992 Supplemental Bonds; and shall mature in principal installments on October 1 of each of the years and in the amounts set forth in the 1992 Supplemental Loan Agreement "Schedule X" to be approved by the Supplemental Resolution.

Section 3.03. Other Provisions with Respect to the 1992 Bonds. The 1992 Bonds shall be executed as set forth in Subsection 3.03 of the Ordinance. The 1992 Bonds shall be authenticated and registered in accordance with Section 3.04 of the Ordinance, and the Certificate of Authentication and Registration on the 1992 Bonds shall be substantially in the form set forth in Section 3.06 of this Amendatory Ordinance. The 1992 Bonds shall be negotiable and shall be subject to transfer and registration as provided in Section 3.05 of the Ordinance. Any 1992 Bonds mutilated, destroyed, stolen, or lost shall be dealt with as prescribed by Section 3.06 of the Ordinance.

Section 3.04. 1992 Bonds Not To Be Indebtedness of the City. The 1992 Bonds shall not, in any event, be or constitute an indebtedness of the City within the meaning of any constitutional or statutory provision or limitation, but shall be payable solely from the Net Revenues and otherwise as provided in the Ordinance. No Owner or Owners of any of the 1992 Bonds shall ever have the right to compel the exercise of the taxing power of the City to pay the 1992 Bonds or the interest thereon.

Section 3.05. 1992 Bonds Secured by Subordinate and Parity Pledge of Net Revenues. The payment of the debt service of all of the 1992 Subordinate Bonds shall be secured forthwith

equally and ratably with each other by a lien on the Net Revenues derived from the System, which lien is junior, subordinate and inferior to that on account of the Prior Bonds and which lien is on a parity with that on account of the Original Subordinate Bonds and any other Subordinate Bonds that may be issued pursuant to the Ordinance. The payment of the debt service of all the 1992 Supplemental Bonds shall also be secured forthwith equally and ratably with each other by a lien on the Net Revenues derived from the System, but junior, subordinate and inferior to the lien on the Net Revenues in favor of both the Prior Bonds and the Subordinate Bonds. Such Net Revenues, in an amount sufficient, after paying the principal of and interest on the Prior Bonds and making the other payments required under the Prior Ordinance, to pay the principal of and interest on the Bonds, and to make the payments required into the Sinking Fund and the Reserve Account therein, the Renewal and Replacement Fund, and the Supplemental Sinking Fund and the Supplemental Reserve Account therein, all as established in the Original Ordinance and continued hereby, are hereby irrevocably pledged to the payment of the principal of and interest on the Bonds as the same become due.

Section 3.06. Form of 1992 Bonds. The text of the 1992 Bonds shall be in substantially the following tenor, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted by this Amendatory Ordinance or by any Supplemental Resolution adopted or enacted prior to the issuance thereof:

[Form of 1992 Subordinate Bond]

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF LOGAN
SUBORDINATE SEWERAGE SYSTEM REVENUE BOND, SERIES 1992

No. R-_____ $_____

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF LOGAN, a municipal corporation of the State of West Virginia (the "City"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the West Virginia Water Development Authority (the "Authority") or registered assigns the sum of _____ ($_____), in installments on 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.

Interest on each installment shall run from the date of this Bond and until payment of such installment, and such interest shall be payable on the 1st day of April and the 1st day of October in each year beginning _____ 1, 19___. Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of principal, 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, as Paying Agent (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 _____, as registrar (the "Registrar"), on the 15th day of the month 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 as otherwise provided by the Loan Agreement, dated as of _____, between the City and the Authority.

The series of bonds of which this Bond is one (the "Bonds") are issued (i) to pay costs of acquisition and construction of certain extensions, improvements and betterments to the existing public sewerage system of the City

(the "Phase II Project") (said existing system, together with the Phase II Project and any further extensions, improvements or betterments thereto, is hereinafter referred to as the "System")[; (ii) to pay interest on the Bonds during and for six months after completion of construction of the Phase II Project; (iii) to fund the Reserve Account, as hereinafter defined; and (iv)] and (ii) to pay certain costs of issuance hereof and related costs. This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13 of the Code of West Virginia, 1931, as amended (the "Act"), and the Ordinance duly passed by the Council of the City on the 11th day of August, 1987, as amended and supplemented by the Amendatory and Supplemental Ordinance duly passed by the Council of the City on the __ day of _____, 1992, and as supplemented by a resolution duly adopted by the Council of the City on _____, 19__ (collectively, the "Ordinance"), and is subject to all the terms and conditions thereof. The Ordinance provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Ordinance.

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Ordinance) to be derived from the operation of the System, [moneys in the Reserve Account created under the Ordinance (the "Reserve Account")] and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the City within the meaning of any constitutional or statutory provisions or limitations, nor shall the City be obligated to pay the same or the interest hereon except from said special fund provided from the Net Revenues[, the moneys in the Reserve Account] and unexpended Bond proceeds. Pursuant to the Ordinance, the City 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 to provide for the proper and reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the amount required to pay the maximum amount due in any year of principal of and interest on the Bonds, on the Supplemental Bonds, as hereinafter defined, and on all obligations secured by or payable from such revenues prior to or on a parity with the Bonds and said Supplemental Bonds, including the Original Bonds and the Prior Bonds, both as hereinafter defined; provided, however, that so long as there exists in the Reserve Account sufficient moneys to pay the maximum amount of principal and interest which will become due on the Bonds in the then current

or any succeeding year and on the Original Bonds in any year, there exists in the reserve account for said Supplemental Bonds and the Original Supplemental Bonds, as defined in the Ordinance, sufficient moneys to pay the maximum amount of principal and interest, if any, which will become due on said Supplemental Bonds and Original Supplemental Bonds in any year, and the reserve accounts for any such obligations prior to or on a parity with the Bonds or said Supplemental Bonds, including said Prior Bonds, are funded at the respective requirements therefor, such percentage may be reduced to 110%. The City has entered into certain further covenants with the Registered Owners of the Bonds for the terms of which reference is made to the Ordinance. Remedies provided the registered owners of the Bonds are exclusively as provided in the Ordinance, to which reference is here made for a detailed description thereof.

This Bond is transferable, as provided in the Ordinance, only upon the books of the Registrar kept for that purpose at the office of the Registrar by the registered owner or by its attorney or legal representative 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 or legal representative duly authorized in writing.

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

This Bond is issued contemporaneously with the Supplemental Subordinate Sewerage System Revenue Bonds, Series 1992, of the City (the "Supplemental Bonds"), issued in the aggregate principal amount of $_____, which Supplemental Bonds are junior and subordinate with respect to liens and sources of and security for payment to the Bonds of this issue.

THIS BOND IS JUNIOR, SUBORDINATE AND INFERIOR AS TO LIEN ON AND SOURCE AND SECURITY FOR PAYMENT FROM THE NET REVENUES AND IN ALL OTHER RESPECTS TO THE CITY'S SEWER REVENUE BONDS DATED AS OF MARCH 1, 1964, OUTSTANDING AS OF THE DATE HEREOF IN THE AGGREGATE PRINCIPAL AMOUNT OF $_____.

THIS BOND IS ON A PARITY AS TO LIEN ON AND SOURCE AND SECURITY FOR PAYMENT FROM THE NET REVENUES AND IN ALL OTHER RESPECTS (EXCEPT FOR ITS LIEN ON THE PROCEEDS HEREOF) TO THE CITY'S SUBORDINATE SEWERAGE SYSTEM REVENUE BONDS, SERIES 1987, OUTSTANDING AS OF THE DATE HEREOF IN THE AGGREGATE PRINCIPAL AMOUNT OF $_____.

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 Phase II Project described in the Ordinance, 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 City, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia and that a sufficient amount of the revenues of the System has been pledged to and will be set aside into said special fund by the City for the prompt payment of the principal of and interest on this Bond.

All provisions of the Ordinance, 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 LOGAN has caused this Bond to be signed by its Mayor and its corporate seal to be hereunto affixed or imprinted hereon and attested by its Clerk, and has caused this Bond to be dated _____, 1992.

[SEAL]

_____
Mayor

ATTEST:

_____
City Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Subordinate Sewerage System Revenue Bonds, Series 1992, described in the within-mentioned Ordinance and has been duly registered in the name of the registered owner set forth above on 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 said Bond on the books kept for registration of the within Bond of said City with full power of substitution in the premises.

Dated: _____, ____.

_____

In the presence of:

_____

[Form of 1992 Supplemental Bond]

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF LOGAN
SUPPLEMENTAL SUBORDINATE SEWERAGE SYSTEM REVENUE BOND,
SERIES 1992

No. SR- _____ $_____

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF LOGAN, a municipal corporation of the State of West Virginia (the "City"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the West Virginia Water Development Authority (the "Authority") or registered assigns the sum of _____ ($_____), in installments on 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.

Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of principal, 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, as paying agent (the "Paying Agent"). This Bond bears no interest.

This Bond may be redeemed prior to its stated date of maturity in whole or in part at any time, but only with the express written consent of the Authority and as otherwise provided by the Supplemental Loan Agreement, dated as of _____, between the City and the Authority.

The bonds of the series of which this Bond is one (the "Bonds") are issued to pay costs of acquisition and construction of certain extensions, improvements and betterments to the existing public sewerage system of the City (the "Phase II Project") (said existing system, together with the Phase II Project and any further extensions, improvements and betterments thereto, is hereinafter referred to as the "System")[, to fund the Supplemental Reserve Account, as hereinafter defined,] and to pay certain costs of issuance hereof and related costs. This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13 of the Code of West Virginia, 1931, as amended (the "Act"), an Ordinance duly passed by the Council of the City on the 11th day of August, 1987, as amended and supplemented by the Amendatory and Supplemental Ordinance duly

passed by the Council of the City on the ____ day of _____, 1992, and a supplemental resolution duly adopted by the Council of the City on the _____ day of _____, 19___ (collectively called the "Ordinance"), and is subject to all the terms and conditions thereof. The Ordinance provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds.

This Bond is issued contemporaneously with the Subordinate Sewerage System Revenue Bonds, Series 1992, of the City (the "Subordinate Bonds"), issued in the aggregate principal amount of $_____, which Subordinate Bonds rank prior with respect to liens and sources of and security for payment to the Bonds of this issue.

THIS BOND AND THE SUBORDINATE BONDS ARE JUNIOR, SUBORDINATE AND INFERIOR AS TO LIEN ON AND SOURCE AND SECURITY FOR PAYMENT FROM THE NET REVENUES AND IN ALL OTHER RESPECTS TO THE CITY'S SEWER REVENUE BONDS DATED AS OF MARCH 1, 1964, OUTSTANDING AS OF THE DATE HEREOF IN THE AGGREGATE PRINCIPAL AMOUNT OF $_____(THE "PRIOR BONDS"). THE LIEN ON ACCOUNT OF THIS BOND ON SUCH NET REVENUES IS ALSO JUNIOR, SUBORDINATE AND INFERIOR TO THE LIEN THEREON CREATED ON ACCOUNT OF THE SUBORDINATE BONDS AND THE CITY'S SUBORDINATE SEWERAGE SYSTEM REVENUE BONDS, SERIES 1987, OUTSTANDING ON THE DATE HEREOF IN THE AGGREGATE PRINCIPAL AMOUNT OF $_____ (THE "ORIGINAL SUBORDINATE BONDS").

THIS BOND IS ON A PARITY AS TO LIEN ON AND SOURCE AND SECURITY FOR PAYMENT FROM THE NET REVENUES AND IN ALL OTHER RESPECTS (EXCEPT FOR ITS LIEN ON THE PROCEEDS HEREOF) TO THE CITY'S SUPPLEMENTAL SUBORDINATE SEWERAGE SYSTEM REVENUE BONDS, SERIES 1987, OUTSTANDING ON THE DATE HEREOF IN THE AGGREGATE PRINCIPAL AMOUNT OF $_____ (THE "ORIGINAL SUPPLEMENTAL BONDS").

This Bond is payable only from and secured by a lien, subordinate only to that of the Prior Bonds, the Original Subordinate Bonds and the Subordinate Bonds, on the Net Revenues (as defined in the Ordinance) to be derived from the operation of the System[, moneys in the Supplemental Reserve Account created under the Ordinance (the "Supplemental Reserve Account")] and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the City within the meaning of any constitutional or statutory provisions or limitations, nor shall the City be obligated to pay the same except from said special fund provided from the Net Revenues[, the moneys in the

Supplemental Reserve Account] and unexpended Bond proceeds. Pursuant to the Ordinance the City 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 to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the amount required to pay the maximum amount due in any year of principal of and interest on the Bonds, the Subordinate Bonds, the Original Subordinate Bonds and the Original Supplemental Bonds and all other obligations secured by or payable from the revenues of the System prior to or on a parity with the Bonds and the Subordinate Bonds, including the Prior Bonds; provided however, that so long as there exists in the Supplemental Reserve Account an amount at least equal to the maximum amount of principal and interest, if any, which will become due on the Bonds and the Original Supplemental Bonds in any year, and in the reserve account for the Subordinate Bonds and the Original Subordinate Bonds, as defined in the Ordinance, an amount at least equal to the maximum amount of principal and interest that will become due on the Subordinate Bonds in the then current or any succeeding year and on the Original Subordinate Bonds in any year, and the reserve accounts for any such obligations prior to or on a parity with the Bonds or the Subordinate Bonds, including the Prior Bonds, are funded at the respective requirements therefor, such percentage may be reduced to 110%. The City has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Ordinance. Remedies provided the registered owners of the Bonds are exclusively as provided in the Ordinance, to which reference is here made for a detailed description thereof.

This Bond is transferable, as provided in the Ordinance, only upon the books of _____, _____, West Virginia, as registrar (the "Registrar"), kept for that purpose at the office of the Registrar by the registered owner, or by its attorney or legal representative 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 or legal representative duly authorized in writing.

Subject to the registration requirements, 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.

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 Phase II Project described in the Ordinance, 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; provided, that such lien on moneys deposited in the 1992 Bond Construction Trust Fund created by the Ordinance shall be subordinate to that of the Subordinate Bonds.

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

All provisions of the Ordinance, 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 LOGAN has caused this Bond to be signed by its Mayor and its corporate seal to be hereunto affixed and attested by its Clerk, and has caused this Bond to be dated _____, 1992.

[SEAL]

_____
Mayor

ATTEST:

_____
City Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Supplemental Subordinate Sewerage System Revenue Bonds, Series 1992, described in the within-mentioned Ordinance and has been duly registered in the name of the registered owner set forth above on 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 said Bond on the books kept for registration of the within Bond of said City with full power of substitution in the premises.

Dated: _____, _____.

_____

In the presence of:

_____

Section 3.07. Sale of 1992 Bonds; Execution of 1992 Authority Loan Agreements. The 1992 Bonds shall be sold to the Authority pursuant to the terms and conditions of the 1992 Authority Loan Agreements; provided, that the City must satisfy certain legal and other requirements of the Program. Execution and delivery to the Authority of the 1992 Authority Loan Agreements by the Mayor and the Clerk are hereby specifically authorized, confirmed and ratified. The 1992 Authority Loan Agreements are specifically incorporated in this Amendatory Ordinance.

Section 3.08. 1992 Bonds Are Issued as Parity Bonds. The 1992 Bonds are issued as and shall constitute Parity Bonds in accordance with Section 7.08 of the Ordinance. Prior to the issuance of the 1992 Bonds, the following must occur:

A. The City must receive the written approval of the Authority for the issuance of the Parity Subordinate Bonds while the Original Supplemental Bonds remain Outstanding.

B. There must be procured and filed with the City Clerk a written statement by the Independent Accountants, based upon the necessary investigation and certification by the Consulting Engineers, reciting the conclusion that the Net Revenues actually derived, subject to the adjustments set forth in Section 7.08 of the Ordinance, from the System during any twelve (12) consecutive months within the eighteen (18) months immediately preceding the date of the actual issuance of the 1992 Bonds, plus the estimated average increased annual Net Revenues to be received in each of the three (3) succeeding years after the completion of the Phase II Project, shall not be less than One Hundred Fifteen Percent (115%) of the maximum debt service in any succeeding year on the following:

(1) the Prior Bonds and any other obligations secured by or payable from the revenues prior to or on a parity with the Bonds;

(2) the Bonds then Outstanding;

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

(4) the 1992 Bonds.

C. Unless waived in writing by the Authority, the City must enter into written contracts for the immediate acquisition or construction of the Phase II Project not later than simultaneously with the delivery of the 1992 Bonds.

D. The 1992 Bonds shall not be issued unless all the payments into the respective funds and accounts provided for in

the Prior Ordinance on account of the Prior Bonds outstanding and in the Original Ordinance on account of the Original Bonds Outstanding, and any other payments provided for in the Ordinance, shall have been made in full as required to the date of delivery of the 1992 Bonds.

Section 3.09. Certificate of Consulting Engineers. Prior to the issuance of the 1992 Bonds, the City must obtain the certificate of the Consulting Engineers in the form attached to the City's Program loan application, to the effect that the Phase II Project has been or will be constructed in accordance with the approved plans, specifications and design as submitted to the Authority, the Phase II Project is adequate for the purposes for which it was designed, and the funding plan as submitted to the Authority is sufficient to pay the costs of acquisition and construction of the Phase II Project.

ARTICLE IV

SYSTEM REVENUES AND APPLICATION THEREOF

Section 4.01. Continuance of Funds and Accounts with the Depository Bank. The Revenue Fund and the Renewal and Replacement Fund established by the Ordinance are hereby continued and shall apply to the 1992 Bonds with the same effect as if they had been created hereunder.

Section 4.02. Continuance of Funds and Accounts with Commission. A. The Sinking Fund and the Reserve Account therein and the Supplemental Sinking Fund and the Supplemental Reserve Account therein established by the Ordinance are hereby continued and shall apply to the 1992 Bonds with the same effect as if they had been created hereunder. The amounts to be deposited into the Sinking Fund, the Reserve Account therein, the Supplemental Sinking Fund and the Supplemental Reserve Account therein prescribed by Section 5.03 of the Ordinance shall be increased as required to provide for payment of the 1992 Bonds as provided by the Ordinance; provided, that the 1992 Reserve Account Requirement is based on the then current or any succeeding year.

B. Deposits into the Sinking Fund required by Subsection 5.03(C)(1) of the Ordinance shall be adjusted if necessary for the first interest payment date on the 1992 Subordinate Bonds less than seven months after issuance of the 1992 Subordinate Bonds or completion of construction of the Phase II Project, as applicable.

C. Deposits into the Reserve Account required by Subsection 5.03(C)(3) of the Ordinance shall be increased so that 1/120th of the Reserve Account Requirement with respect to the Original Subordinate Bonds and 1/120th of the 1992 Reserve

Account Requirement on account of the 1992 Subordinate Bonds shall be deposited each month. Deposits into the Supplemental Reserve Account required by Subsection 5.03(E)(2) of the Ordinance shall be increased so that 1/120th of the Supplemental Reserve Account Requirement with respect to the Original Supplemental Bonds and 1/120th of the Supplemental Reserve Account Requirement on account of the 1992 Supplemental Bonds shall be deposited each month.

D. Subsection 5.03(C)(4) of the Original Ordinance is hereby amended and re-enacted to read as follows:

> (4) Moneys in the Sinking Fund shall be used only for the purposes of paying principal of and interest on the Subordinate Bonds as the same shall become due. Moneys in the Reserve Account in the Sinking Fund shall be used only for the purpose of paying principal of or interest on the Subordinate Bonds, as the same shall become due, when other moneys in the Sinking Fund are insufficient therefor, and for no other purpose. All investment earnings on moneys in the Sinking Fund and the Reserve Account shall be transferred, not less than once each year, to the Bond Construction Trust Fund prior to completion of the Phase I Project, and thereafter to the 1992 Bond Construction Trust Fund prior to the completion of the Phase II Project, and thereafter to the Revenue Fund or the Prior Revenue Fund, as the case may be.

Section 4.03. Authorized by Original Ordinance. The deposits into the funds and accounts described in this section are made pursuant to Subsection 5.03(F) of the Ordinance.

ARTICLE V

APPLICATION OF 1992 BOND PROCEEDS; FUNDS AND ACCOUNTS; TRANSFERS AND EXISTING FUNDS

Section 5.01. Application of 1992 Bond Proceeds. From the monies received from the sale of any or all of the 1992 Bonds, the following amounts shall be first deducted and deposited in the order set forth below:

A. If required by the Supplemental Resolution, the amount of the proceeds which shall be at least sufficient to pay interest on the 1992 Subordinate Bonds for the period specified in the Supplemental Resolution shall be deposited in the Sinking Fund at the Commission; provided, that such period may not extend beyond the date which is six months after the estimated date of completion of construction of the Phase II Project.

B. If required by the Supplemental Resolution, the amount of the proceeds which shall be at least sufficient to fund the 1992 Reserve Account Requirement and the Supplemental Reserve Account Requirement on account of the 1992 Bonds shall be first credited to the 1992 Bond Construction Trust Fund and then deposited in the Reserve Account and the Supplemental Reserve Account, respectively, with the Commission; provided, that such amounts shall not exceed in the aggregate 10% of the proceeds in the 1992 Bonds.

C. The remaining monies derived from the sale of the 1992 Bonds shall be deposited by the City in the 1992 Bond Construction Trust Fund and applied to the cost of the Phase II Project, including but not limited to payment of the cost of issuance, repayment of any Authority Step 1 or Step 2 Loan and, if determined to be in the best interests of the City, repayment of the Phase II Note.

Section 5.02. 1992 Bond Construction Trust Fund. The 1992 Bond Construction Trust Fund is hereby established with the Depository Bank. It shall be kept separate and apart from all other funds of the City, including the Bond Construction Trust Fund created under the Original Ordinance, and used and applied by the City solely for the payment of the cost of the Phase II Project, which include but are not limited to the cost of the issuance of the 1992 Bonds as well as construction of the Phase II Project, as more fully set out in Section 1.03(E), and for no other purposes whatsoever. Unless invested in Qualified Investments, the monies in said fund shall be secured at all times by the deposit in the Depository Bank, as security, of direct obligations of the United States of America, having a fair market value at least equal to the balance in said fund in excess of the amount insured by the FDIC. Any monies not needed immediately for said purposes shall be invested in Qualified Investments having maturities so as to enable the monies to be available as deemed necessary by the Consulting Engineers and otherwise in accordance with Article VIII. If for any reason such proceeds, or any part thereof, are not necessary for, or are not applied to, such purposes, then such unapplied proceeds (1) may, during the period of three years from the date of issuance of the Authority's bonds with the proceeds of which the 1992 Subordinate Bonds are purchased, be used for construction and acquisition of the remainder of the Phase II Project or other

capital construction or acquisition needs of the System; (2) thereafter, shall be used to make up any deficiency in the Reserve Account or the Supplemental Reserve Account or to fund the Reserve Account and then the Supplemental Reserve Account at the respective requirements therefor; and (3) if the reserve accounts are fully funded and no deficiencies exist, shall be deposited by the City in escrow with an escrow trustee and used to redeem 1992 Bonds at the first redemption date and, prior thereto, to pay a proportionate amount of principal of the 1992 Bonds by depositing in the Sinking Fund and the Supplemental Sinking Fund, respectively, an amount which bears the same ratio to the principal coming due in that year as the excess proceeds bore to the initial aggregate principal amount of the 1992 Subordinate Bonds and the 1992 Supplemental Bonds, as the case may be. All such proceeds shall constitute a trust fund for such purposes, and there is hereby created a lien upon such monies until so applied in favor of the Owners of the 1992 Bonds; provided, that the lien in favor of the Owners of the 1992 Subordinate Bonds shall be prior to the lien in favor of the Owners of the 1992 Supplemental Bonds.

Expenditures or disbursements by the Depository Bank from the 1992 Bond Construction Trust Fund, except for legal, fiscal and engineering expenses, expenses in connection with the issuance and sale of the 1992 Bonds, any Origination Fee, repayment to the Authority of any Step 1 or Step 2 loans, a repayment of the Phase II Note, shall be made only after such expenditures or disbursements shall have been approved in writing by the Board and the Consulting Engineers.

If the Authority does not agree in writing that the proceeds of the 1992 Subordinate Bonds and the 1992 Supplemental Bonds may be comingled in the 1992 Bond Construction Trust Fund, separate accounts within the 1992 Bond Construction Trust Fund shall be created therefor.

Section 5.03. Origination Fee Account. An Origination Fee Account is hereby established with the trustee for the Authority's bonds issued to fund the purchase of the 1992 Subordinate Bonds. The portion of the proceeds of the 1992 Subordinate Bonds, if any, designated by the Supplemental Resolution for the Origination Fee shall be first credited to the 1992 Bond Construction Trust Fund and then deposited in the Origination Fee Account. Amounts may be disbursed from the Origination Fee Account only to pay the Origination Fee as and when required to satisfy the requirements of the State's revolving fund program established pursuant to Title VI of the Water Quality Act of 1987 or for such other purposes as the Authority may approve in writing.

ARTICLE VI

LINE OF CREDIT

Section 6.01. Authorization of 1992 Line of Credit. For the purpose of providing funds for the acquisition and construction of the Phase II Project to the extent 1992 Bond proceeds, Grant Receipts or other funds are not timely available thereof, the 1992 Line of Credit to be established by the Bank is hereby authorized, and upon approval by the Supplemental Resolution, the Mayor of the City is hereby authorized and directed to execute the 1992 Line of Credit Agreement. The 1992 Line of Credit may be in addition to, in substitution for, or as an extension and expansion of the Phase II Line of Credit.

Section 6.02. Authorization of 1992 Note. For the purpose of evidencing the City's obligation to repay any draw upon the 1992 Line of Credit and, thus, of financing a portion of the cost of acquisition and construction of the Phase II Project, there shall be issued the 1992 Note of the City, in the stated principal amount of not to exceed $500,000. The 1992 Note shall be originally issued in single, fully registered form, without coupons, and shall be dated as of the date of delivery thereof. There shall be attached to the 1992 Note a Record of Advances and Payments, upon which the date and principal amount of any draw upon the Line of Credit, the date and amount of any payment of principal of and interest on the 1992 Note and the amount of the 1992 Note outstanding after either of said transactions shall be recorded. Anything to the contrary herein, in the 1992 Line of Credit Agreement or therein notwithstanding, the 1992 Note shall evidence only the outstanding indebtedness recorded on the Record of Advances and Payments attached thereto, and interest shall accrue only on the amount of each advance from the actual date thereof as listed on said Record of Advances and Payments. Each such advance shall bear interest at the rate, not to exceed 12 percent per annum, specified in the Supplemental Resolution. Interest shall cease to accrue on the amount of the 1992 Note outstanding, or portions thereof, as the same are paid, as reflected by said Record of Advances and Payments. The 1992 Note shall mature on such date or dates, not later than 48 months after the date thereof, specified in the Supplemental Resolution. Interest on the 1992 Note shall be payable as specified in the Supplemental Resolution. The 1992 Note shall be subject to such further terms as shall be provided by the 1992 Line of Credit Agreement or said Supplemental Resolution. Notwithstanding the foregoing, the terms of the 1992 Note, other than the principal amount thereof, maximum rate of interest thereon, and maximum maturity thereof, may be modified by the Supplemental Resolution, subject to the limits of the Act.

The 1992 Note shall be payable as to principal upon presentation, and, in the case of payment at maturity, surrender, at the principal office of the 1992 Note Registrar, in any coin or currency which on such date of payment is legal tender for the payment of public and private debts under the laws of the United States of America. The 1992 Note is subject to prepayment in whole or in part at any time, upon two days' written notice (or telephone notice, confirmed in writing as soon as practical) to the 1992 Note Registrar and the 1992 Note Owner; provided, that any payment of principal, in whole or in part, prior to the final maturity of the 1992 Note shall be recorded by the 1992 Note Registrar on the Record of Advances and Payments attached to the 1992 Note, and the 1992 Note shall be returned to the Owner.

Section 6.03. Execution of 1992 Note. The 1992 Note shall be executed in the name of the City by the signature of its Mayor, and the seal of the City shall be affixed thereto and attested by the signature of the City Clerk. Any 1992 Note may be signed and sealed on behalf of the City by such person as at the actual time of the execution of such 1992 Note shall hold the proper office of the City, although at the date of such 1992 Note such person may not have held such office or may not have been so authorized.

Section 6.04. Negotiability, Transfer and Registration. Subject to the restrictions on transfer set forth below, the 1992 Note shall be and have all of the qualities and incidents of a negotiable instrument under the Uniform Commercial Code of the State, and each successive Owner, in accepting the 1992 Note, shall be conclusively deemed to have agreed that the 1992 Note shall be incontestable in the hands of a bona fide holder for value.

So long as the 1992 Note or any portion thereof remains outstanding, the 1992 Note Registrar shall keep and maintain at its principal office books for the registration and transfer of the 1992 Note. The 1992 Note shall be transferable only upon such bonds of the 1992 Note Registrar by the Owner thereof in person or by his attorney duly authorized in writing, upon surrender thereof, together with a written instrument of transfer satisfactory to the 1992 Note Registrar duly executed by the registered owner or his duly authorized attorney. Upon the transfer of the 1992 Note, there shall be issued at the option of the Owner or the transferee another 1992 Note or Notes of the aggregate stated principal amount equal to the stated principal amount of such transferred 1992 Note and outstanding in the aggregate principal amount equal to the advanced but unpaid amount of the transferred 1992 Note as reflected on the Record of Advances and Payments attached thereto.

In all cases in which the privilege of transferring the 1992 Note is exercised, 1992 Notes shall only be issued in accordance with the provisions of this Amendatory Ordinance. All 1992 Notes surrendered in any such transfers shall forthwith be cancelled by the 1992 Note Registrar. For every such transfer of 1992 Notes, the 1992 Note Registrar may make a charge sufficient to reimburse its office for any tax, fee or other governmental charge required to be paid with respect to such transfer and the cost of preparing each 1992 Note upon each transfer, and any other expenses of the 1992 Note Registrar incurred in connection therewith, which sum or sums shall be paid by the person requesting such transfer as a condition precedent to the exercise of the privilege of making such transfer.

Section 6.05. Form of 1992 Note. The text of the 1992 Note shall be in substantially the form set forth by the Supplemental Resolution. The 1992 Note shall not become valid until authenticated by the 1992 Note Registrar.

Section 6.06. Security for 1992 Note. The principal of and interest on the 1992 Note are payable solely from and secured by the net proceeds of the Grant Receipts and such other sources, including the net proceeds of the 1992 Line of Credit Bonds, as are hereinafter set forth. The principal and interest on the 1992 Note are further payable from and secured by the Net Revenues derived from the operation of the System; provided, that such lien on the Net Revenues is and shall be junior, inferior and subordinate in all respects to the lien thereon of the Holders and owners of the Prior Bonds and the Bonds. If the 1992 Line of Credit is in addition to the Phase II Line of Credit, the 1992 Notes shall be subordinate as to lien on and source of and security for payment from the Grant Receipts and Net Revenues to the Phase II Note and from the Net Revenues to any Phase II Line of Credit Bonds.

Section 6.07. 1992 Notes Are Special Obligations. The 1992 Note shall be a special obligation of the City, payable as to principal and interest solely from said sources described in this Article. The 1992 Note does not and shall not constitute an indebtedness of the City within the meaning of any charter, constitutional or statutory provisions. The general funds of the City are not liable, and neither the full faith and credit nor the taxing power of the City is pledged, for the payment of the 1992 Note. The Owner of the 1992 Note shall never have the right to compel the forfeiture of any property of the City. The 1992 Note shall not be a debt of the City, nor a legal or equitable pledge, charge, lien or encumbrance upon any property of the City or upon any of its income, receipts or revenues except the Grant Receipts, the net proceeds of the 1992 Line of Credit Bonds, the Net Revenues and other funds pledged thereto by this Ordinance.

Notwithstanding anything in this Amendatory Ordinance, the City shall not be required to advance any money derived from any source of income other than the Grant Receipts, the net proceeds of the 1992 Line of Credit Bonds, the Net Revenues and other funds pledged by this Amendatory Ordinance for the payment of the principal of or interest on the 1992 Note or for the performance of any of its duties under this Amendatory Ordinance. The City may, however, advance funds for any such purpose, provided that such funds are derived from a source legally available for such purpose and may be used by the City for such purpose without incurring indebtedness.

Section 6.08. 1992 Note Payment Fund. There is hereby created and established with the 1992 Note Depository a special fund, designated "Sewerage System 1992 Construction Note Payment Fund." The 1992 Note Depository shall segregate all funds and securities in the 1992 Note Payment Fund from other deposits and funds of the 1992 Note Depository and other deposits and funds of the City, including, unless the 1992 Line of Credit is an expansion and extension of the Phase II Line of Credit, the payment fund established therefor. All moneys in the 1992 Note Payment Fund, until payment in full of all principal and interest owing on the 1992 Note at its maturity, shall be held in trust for the Owner of the 1992 Note, and the City shall have no rights with respect thereto except to receive the balance therein after payment of the 1992 Note and the interest thereon and the charges, if any, of the 1992 Note Depository and the 1992 Note Registrar. Pending such application, moneys in the 1992 Note Payment Fund shall be invested and reinvested in Qualified Investments. Any balance received by the City shall be applied to the costs of the Phase II Project. At least one day prior to the maturity of the 1992 Note, there shall be deposited in the 1992 Note Payment Fund, Grant Receipts or other moneys, including Net Revenues and the net proceeds of the 1992 Line of Credit Bonds, if necessary, in an amount sufficient to pay the principal of and interest on the 1992 Note at maturity. The City may at any time prepay all or any portion of the 1992 Note outstanding as herein provided. The 1992 Note Depository shall transfer any such principal payment, whether at maturity or a prepayment, or whether in whole or in part, to the 1992 Note Registrar for payment, and the 1992 Note Registrar shall make such payment as provided in this Article VI.

Section 6.09. Conversion to Long-Term Obligation. Notwithstanding the foregoing, the City may, rather than pay the principal of the 1992 Note at or prior to the maturity thereof, convert the 1992 Note to a long-term obligation, subject to such terms, rate or rates of interest and other provisions as shall be mutually agreeable to the Owner and the City and authorized by the Supplemental Resolution, payable from the Net Revenues of the System on a basis junior, subordinate and inferior to the Prior Bonds, the Bonds and the

Phase II Line of Credit Bonds. Such long-term obligation may constitute the 1992 Line of Credit Bonds authorized hereunder.

Section 6.10. 1992 Line of Credit Bonds. A. For the purpose of paying the principal of and interest on the 1992 Note at or prior to maturity, to the extent not otherwise provided for, there is hereby authorized to be issued, and the City hereby agrees to issue, the 1992 Line of Credit Bonds in a principal amount not to exceed $550,000. The 1992 Line of Credit Bonds shall be issued at such time and in such amount, bear interest at such rate or rates not to exceed twelve percent (12%) per annum and be subject to such terms, all as shall be determined by a Supplemental Resolution.

B. The principal of and interest on the 1992 Line of Credit Bonds shall be payable only from, and secured by, the Net Revenues derived from the operation of the System; provided, that such lien on the Net Revenues shall be junior, inferior and subordinate in all respects to the lien thereon of the Holders and owners of the Prior Bonds and the Bonds and, if the 1992 Line of Credit is established in addition to the Phase II Line of Credit, such lien shall be subordinate to that of the owners of the Phase II Notes or any Phase II Line of Credit Bonds.

C. There shall be created and established with the Commission upon the issuance of the 1992 Line of Credit Bonds a special fund, to be designated the "1992 Line of Credit Debt Service Fund" and, within such fund, a special account, to be designated the "1992 Line of Credit Reserve Account." Deposits into the 1992 Line of Credit Debt Service Fund for the payment of principal of and interest and fiscal agency or other charges on the 1992 Line of Credit Bonds, and payments in to the 1992 Line of Credit Reserve Account, shall be made both at the times and in the proportions, and such fund and account shall otherwise be handled, as set forth in Subsection 13(D) of the Prior Ordinance for the Sinking Fund and Reserve Account, respectively, created for the Prior Bonds. Said deposits from the Net Revenues on account of the 1992 Line of Credit Bonds shall be made only after those deposits required by Section 13(D) of the Prior Ordinance and by Section 5.03 of the Ordinance and any deposits required by the Authority Loan Agreements.

Section 6.11. Draws upon 1992 Line of Credit. The City may draw upon the 1992 Line of Credit from time to time, upon the resolution of Council (or, if authorized by the Supplemental Resolution, upon the resolution of the Sanitary Board), and otherwise as provided by the 1992 Line of Credit Agreement.

Section 6.12. 1992 Line of Credit Construction Trust Fund. There is hereby created and established with the 1992 Note Depository a special fund, designated the "Sewerage System 1992 Line of Credit Construction Trust Fund." Any draws upon the 1992 Line of Credit shall be deposited in the 1992 Line of Credit Construction Trust Fund and shall be kept separate and apart from all other funds of the City or the 1992 Note Depository and expended solely for the purposes hereinafter provided. Expenditures may be made from the 1992 Line of Credit Construction Trust Fund for paying the costs of acquisition and construction of the Phase II Project to the extent 1992 Bond proceeds, Grant Receipts or other funds are not timely available therefor; provided, that no expenditures shall be made from said fund without the approval of the Sanitary Board and the Consulting Engineers. The balance of any such deposit in the 1992 Line of Credit Construction Trust Fund, in excess of the amount secured by FDIC, shall at all times be secured to the full extent thereof by Government Obligations or such other obligations as shall be eligible as security for deposits of state and municipal funds under the laws of the State. Any balance in the 1992 Line of Credit Construction Trust Fund after the completion of the Phase II Project shall be deposited in the 1992 Note Payment Fund and used only for the payment of the 1992 Note as provided in this Amendatory Ordinance. Pending the authorized use thereof, moneys in the 1992 Line of Credit Construction Trust Fund shall be invested in Qualified Investments.

Section 6.13. 1992 Line of Credit Bond Proceeds. The proceeds of the 1992 Line of Credit Bonds, if necessary, after the payment of the cost of issuance thereof, shall be applied as provided by Section 6.08.

Section 6.14. 1992 Note and 1992 Line of Credit Bonds Secured by Ordinance. All of the covenants and agreements contained in the Ordinance shall be deemed to have been made, to the extent applicable, for the benefit of the Owner of the 1992 Note and, subsequently, of the registered owners of the 1992 Line of Credit Bonds (except as to details inconsistent with this Amendatory Ordinance). Such covenants and agreements shall be fully enforceable in the manner provided in the Ordinance by the Owner of the 1992 Note or the registered owners of the 1992 Line of Credit Bonds; provided, that Subsection 13(A) of the Prior Ordinance and Section 7.04 of the Ordinance shall not be applicable to the 1992 Note; and provided, further, that any such rights and remedies shall be junior, subordinate and inferior to those of the Holders and owners of the Prior Bonds, the Bonds and, if applicable, the Phase II Note or any Phase II Line of Credit Bonds.

Section 6.15. Covenants with Owner of 1992 Note. In order to secure the payment of the 1992 Note, the City hereby particularly covenants and agrees with the Owner of the 1992

Note, and makes provisions which shall be a part of the contract with such Owner, that the City, if and so long as any of the 1992 Note is outstanding and unpaid:

(A) Will proceed with all practicable dispatch to construct the Phase II Project;

(B) Will not make or cause or permit to be made any application of the proceeds of the 1992 Note or of any moneys held in the 1992 Note Payment Fund or the 1992 Note Construction Trust Fund except in accordance with the provisions of this Amendatory Ordinance;

(C) Will comply in all respects with the terms and provisions of the Grant Agreement and with all applicable state and federal laws and regulations governing the implementation of the Grant Agreement;

(D) Will impose and collect rates and charges for the use and services of the System in accordance with the requirements of the Prior Ordinance, the Ordinance and the 1992 Authority Loan Agreements;

(E) Will take all actions necessary to preserve its right to receive reimbursements under the Grant Agreement;

(F) Will promptly request any reimbursements to which it has become entitled under the Grant Agreement;

(G) Will not unilaterally terminate, or enter into any agreement to terminate, the Grant Agreement;

(H) Except with respect to the Prior Bonds, the Bonds, the Phase II Note, any Phase II Line of Credit Bonds, and the grant anticipation notes provided for by Section 6.17, will not create a pledge or otherwise encumber the Net Revenues prior to or on a parity with the lien thereon of the Owner of the 1992 Note, and, except with respect to Phase II Note or said grant anticipation notes, will not create a pledge or otherwise encumber the Grant Receipts prior to or on a parity with the lien created hereby on behalf of the 1992 Note.

Section 6.16. Required Notices to 1992 Note Depository and Owner of 1992 Note. The City will give to the Bank, the 1992 Note Depository and the Owner of the 1992 Note prompt written notice, appropriately documented, of any change in the status of the Grant and of any authorization of additional indebtedness of the City, and particularly of any of the following events:

(A) Any modification of the Grant;

(B) The suspension of the Grant;

(C) The lifting or cancellation of the suspension of the Grant;

(D) The termination of the Grant;

(E) The annulment of the Grant; or

(F) The authorization by the City of any additional indebtedness related to the System.

Whenever the Bank and the 1992 Note Depository shall have received notice that the Grant Agreement has been suspended or a stop-work order has been issued, no further draws upon the 1992 Line of Credit or withdrawals from the 1992 Line of Credit Construction Trust Fund shall be made until the 1992 Note Depository shall have received notice of the lifting of such suspension or stop-work order.

Section 6.17. Grant Anticipation Notes. Notwithstanding any provision of this Amendatory Ordinance to the contrary, the City may hereafter issue grant anticipation notes with a lien on the Net Revenues and the Grant Receipts prior to or on a parity with that of the 1992 Note, all as may be set forth in a resolution supplemental hereto.

Section 6.18. Events of Default. Each of the following events shall constitute an "Event of Default" with respect to the 1992 Note or the 1992 Line of Credit Bonds, as the case may be:

(A) If default occurs in the due and punctual payment of the principal of or interest on the 1992 Note or any 1992 Line of Credit Bond, as the case may be;

(B) If default occurs in the City's observance of any of the covenants, agreements or conditions on its part relating to the 1992 Note, or the 1992 Line of Credit Bonds, as the case may be, in this Amendatory Ordinance or any resolution or ordinance supplemental hereto or amendatory hereof or in the 1992 Note or the 1992 Line of Credit Bonds, as the case may be, contained, and such default shall have continued for a period of thirty (30) days after the City shall have been given written notice of such default by the 1992 Note Depository or any Owner or registered owner of the 1992 Note or a 1992 Line of Credit Bond, as the case may be; or

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

Section 6.19. Remedies. Upon the happening and continuance of any Event of Default, the Owner of the 1992 Note or any registered owner of a 1992 Line of Credit Bond, as the

case may be, may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his 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 the Owner of the 1992 Note or the respective registered owners of the 1992 Line of Credit Bonds, as the same may be, including the right to require the City to perform its respective duties under the Act and this Amendatory Ordinance relating thereto, (iii) bring suit upon the 1992 Note or the 1992 Line of Credit Bonds, as the case may be, (iv) by action at law or bill in equity, require the City to account as if it were the trustee of an express trust for the Owner of the 1992 Note or the respective registered owners of the 1992 Line of Credit Bonds, as the case may be, and (v) by action at law or bill in equity enjoin any acts in violation of this Amendatory Ordinance with respect to the rights of the Owner of the 1992 Note or the respective registered owners of the 1992 Line of Credit Bonds, as the case may be; all subject, however, to the rights of the holders and Owners of the Prior Bonds, the Bonds, the Phase II Note and the Phase II Line of Credit Bonds.

Section 6.20. Appointment of Receiver. The Owner of the 1992 Note or any registered owner of the 1992 Line of Credit Bonds, as the case may be, may, by proper legal action, compel the performance of the duties of the City under this Amendatory Ordinance and the Act, all as provided by Subsection 13(L) of the Prior Ordinance and Section 9.03 of the Ordinance, subject, however, to the rights of the holders and Owners of the Prior Bonds and the Bonds and of any Phase II Note or Phase II Line of Credit Bonds.

Section 6.21. Modification or Amendment. No material modification of or amendment to this Amendatory Ordinance or any ordinance or resolution amendatory hereof or supplemental hereto which would materially and adversely affect the rights of any Owner of the 1992 Note or any registered owner of the 1992 Line of Credit Bonds shall be made without the consent in writing of the Owners or registered owners of two-thirds (2/3) or more in principal amount of the 1992 Note or 1992 Line of Credit Bonds, as the case may be, then outstanding; provided, however, that no change shall be made in the maturity of any 1992 Note or 1992 Line of Credit Bond or the rate or rates of interest thereon, or in the principal amounts thereof, or affecting the unconditional promise of the City to pay the principal of and interest on the 1992 Note or 1992 Line of Credit Bonds out of the funds respectively pledged therefor without the consent of the Owners or registered owners thereof, as the case may be. No amendment or modification shall be made which would reduce the percentage of the principal amount of the 1992 Note or 1992 Line of Credit Bonds, as the case may be, required for consent to the above-permitted amendments or modifications.

Section 6.22. The Bank. The Bank may serve as the 1992 Note Registrar and the 1992 Note Depository regardless of its ownership of the 1992 Note. The Bank is further hereby authorized to authenticate the 1992 Note and any 1992 Notes issued in exchange or as replacements therefor prior to the delivery thereof.

Section 6.23. 1992 Note Depository. The City may pay to the 1992 Note Depository from time to time reasonable compensation for all services rendered by the 1992 Note Depository and all reasonable expenses, charges, counsel fees and other disbursements incurred by the 1992 Note Depository in connection with its performance of its functions hereunder. The City shall from time to time have the right to appoint a successor 1992 Note Depository, provided that such successor 1992 Note Depository be a bank or national banking association located in the State and insured by the FDIC. The depository bank shall signify its acceptance of the duties and obligations hereby imposed by executing and delivering to the City a written acceptance thereof.

Section 6.24. 1992 Note Registrar. The 1992 Note Depository shall also serve as the 1992 Note Registrar for the 1992 Note. The 1992 Note Depository's acceptance of the trusts and the duties of 1992 Note Depository provided for in Section 6.23 shall also include the duties and obligations of 1992 Note Registrar. Any successor 1992 Note Registrar for the 1992 Note shall be designated by the City in a Supplemental Resolution and must be a bank, trust company or national banking association. Any such successor 1992 Note Registrar shall signify its acceptance of the duties and obligations imposed upon it pursuant hereto by executing and delivering to the City a written acceptance thereof. The 1992 Note Registrar shall be entitled to payment and reimbursement for reasonable fees for its services rendered hereunder and all advances, counsel fees and other expenses reasonably and necessarily made or incurred by such 1992 Note Registrar in connection with such services, solely from moneys available therefor.

Section 6.25. Notice to Authority. The City shall give the Authority written notice of the issuance of the 1992 Note, any 1992 Line of Credit Bonds or Phase II Line of Credit Bonds or any grant anticipation notes authorized by Section 6.17 hereof.

ARTICLE VII

ADDITIONAL COVENANTS OF THE CITY

Section 7.01. Covenants. All the covenants, agreements and provisions set forth in the Original Ordinance shall be and constitute valid and legally binding covenants of

however, that prior to the issuance of such Parity Bonds under the provision of this paragraph, the Consulting Engineers shall file with the Clerk a certificate to the effect that additional funds are necessary for such purpose. All such Parity Bonds authorized and issued under the provisions of this section shall be limited to the aggregate principal amount required to make up any deficiency in funds for payment of the construction costs to complete the Phase II Project, and the maturities of any such Parity Bonds shall be in years and amounts suggested by the Authority.

Section 7.06. Insurance. In addition to the insurance required by Section 7.09 of the Ordinance, the City will require that each of its contractors and all subcontractors maintain, during the life of the construction contract, workers' compensation coverage, public liability insurance, property damage insurance and vehicle liability insurance in amounts and on terms satisfactory to the Authority, so long as the Authority is the Owner of the 1992 Bonds. The City 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 City, the Authority, the prime contractor and all subcontractors as their interests may appear, in accordance with the 1992 Authority Loan Agreements, during construction of the Phase II Project in the full insurable value thereof.

Section 7.07. Enforcement of Collections. If the City does not own the Water System referred to in Section 7.11 of the Ordinance, it shall enter into a termination agreement with the provider of water for the customers of the System.

Section 7.08. Books, Records and Reports. In addition to the requirements set forth in Section 7.13 of the Ordinance, the report of the required audit shall include a statement that the City is in compliance with the terms and provisions of the 1992 Authority Loan Agreements and the Ordinance and that the revenues from the System are adequate to meet its operation and maintenance expenses and debt service requirements. The City shall timely file or cause to be filed all reports and certificates required by the 1992 Authority Loan Agreements.

Commencing on the date contracts are executed for construction of the Phase II Project and for two years following completion of the Phase II Project, the City each month shall complete a monthly financial report in the form attached as Exhibit C to the 1992 Authority Loan Agreements and forward a copy of such report to the Authority by the 10th of each month.

Section 7.09. Operating Budget. The City shall submit to the Authority a copy of the annual budget required by

Section 7.14 of the Ordinance within 30 days of the adoption thereof.

Section 7.10. Covenant to Amend Ordinance. The City retains the right to make any amendments, insertions or deletions by Supplemental Resolution to the Ordinance as the City deems desirable or necessary prior to the issuance of the 1992 Bonds, including but not limited to amendments, insertions and deletions to comply with the Code. Notwithstanding the provisions of Section 11.01 of the Ordinance, the City shall without consent of the Owners of any Bonds amend or supplement the Ordinance by a resolution supplemental thereto or any amendatory ordinance to comply with the Code if such amendment or supplement is necessary to preserve the tax-exempt status of the Bonds. The Council of the City hereby retains the specific authority to amend the Ordinance or supplement it by resolution to comply with the Code. In its determination to amend or supplement the Ordinance, the City may rely upon the opinion of nationally recognized bond counsel.

The City also retains the right to make any amendments, insertions or deletions by Supplemental Resolution of the Ordinance as the City deems necessary prior to the issuance of the 1992 Bonds to meet the requirements of the Authority.

Section 7.11. Public Purpose Bonds. The City shall use the 1992 Bond proceeds solely for the Project and as otherwise set forth herein, and the Project will be operated solely for a public purpose and as a local governmental activity of the City. The City will timely provide to the Authority any information with respect to the proceeds required by the 1992 Authority Loan Agreements.

Section 7.12. Private Activity Bond Covenant. The City shall not permit at any time or times any of the proceeds of the Bonds or any other funds of the City to be use 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 Code by reason of the classification of the Bonds as private activity bonds within the meaning of the Code. The City will take all actions necessary to comply with the Code in order to maintain the tax-exempt status of the Bonds.

Section 7.13. Filing Covenants. The City will file all statements, instruments and returns necessary to assure the tax-exempt status of the 1992 Bonds, including, without limitation, the information return required under Section 149(e) of the Code.

Section 7.14. Federal Guarantee Covenant. The 1992 Bonds, in whole or in part, are not and will not be directly or

indirectly, federally guaranteed within the meaning of Section 149(b) of the Code.

Section 7.15. Rebate Covenant. The City is a governmental unit with general taxing powers to finance operations of or facilities of the nature of the Project and the System. As covenanted above, the 1992 Bonds are not private activity bonds within the meaning of the Code, and ninety-five percent (95%) or more of the net proceeds (as defined with respect to the Code) of the 1992 Bonds will be used for local governmental activities of the City. The City reasonably expects it and all its subordinate entities to issue less than $5,000,000 in aggregate face amount of tax-exempt bonds (other than private activity bonds) during the calendar year, being 1992, in which the 1992 Bonds are to be issued. Therefore, the City believes that it is excepted from the rebate requirements of Section 148(f) of the Code. Notwithstanding the foregoing, if the City is in fact subject to such rebate requirements, the City hereby covenants to rebate to the United States the amounts required by the Code and to take all steps necessary to make such rebates as further described in Section 8.03. In the event the City fails to make such rebates as required, the City shall pay any and all penalties and obtain a waiver from the Internal Revenue Service in order to maintain the tax-exempt status of interest on the 1992 Bonds.

Section 7.16. Further Action. The City will take any and all actions that may be required of it (including, without limitation, those deemed necessary by the Authority) so that the income on the Bonds will be and remain excludable from gross income in 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.

ARTICLE VIII

INVESTMENT OF FUNDS

Section 8.01. Investments Particular to the 1992 Bonds. Except as otherwise specifically provided in the Ordinance, any investments shall be held in and at all times deemed a part of the fund or account in which such moneys were originally held, including, but not limited to those in the 1992 Bond Construction Trust Fund, and used for the purpose of such fund or account. The interest accruing thereon and any profit or loss realized from such investment shall be credited or charged to the appropriate fund or account. Interest earnings on the Sinking Fund, including the Reserve Account therein, and on the Supplemental Sinking Fund, including the Supplemental Reserve Account therein, shall be transferred at least annually prior to completion of the Phase I Project, to

the Bond Construction Trust Fund and, thereafter, prior to completion of the Phase II Project to the 1992 Bond Construction Trust Fund and, thereafter, to the Prior Revenue Fund or the Revenue Fund, as the case may be.

Section 8.02. Arbitrage. The City 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 1992 Bonds which would cause the 1992 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 1992 Bonds) so that the interest on the 1992 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 exclusions. The City shall take any and all actions, and refrain from taking any actions, as shall be deemed necessary by the Authority to maintain the exclusion from gross income for federal income tax purposes of interest on the Authority's bonds used to fund the purchase of the 1992 Subordinate Bonds.

Section 8.03. Tax Certificate and Rebate. The City shall deliver a certificate of arbitrage, a tax certificate or other similar certificate to be prepared by nationally recognized bond counsel or tax counsel relating to payment of arbitrage rebate and other tax matters as a condition to issuance of the 1992 Bonds. In addition, the City covenants to comply with all regulations from time to time in effect and applicable to the 1992 Bonds as may be necessary in order to maintain the exclusion from gross income for federal income tax purposes of interest on the Authority's bonds used to fund the purchase of the 1992 Subordinate Bonds and 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 Ordinance.

If it is determined that the City does not quality for an exception to Section 148 of the Code or the City is otherwise subject to rebate in connection with the 1992 Bonds, the City 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 City shall deposit, or cause to be deposited, with the Depository Bank in a separate fund designated 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

Section 8.04. Restriction of Yield and Bond Proceeds. The City shall comply with the yield restriction on Bond proceeds as set forth in Section 148 of the Code.

ARTICLE IX

DEFAULTS AND REMEDIES

Section 9.01. Appointment of Receiver. In addition to the powers set forth in Section 9.03 of the Ordinance, any receiver appointed pursuant to that section shall also have the power to construct the Phase II Project.

ARTICLE X

MISCELLANEOUS

Section 10.01. Amendment of Section 11.01 of the Original Ordinance. Section 11.01 of the Original Ordinance is hereby amended and reenacted to read as follows:

> Section 11.01. Modification or Amendment. No material modification or amendment of this Ordinance, or of any ordinance or resolution amendatory hereof or supplemental hereto, that would materially and adversely affect the respective rights of Owners of the Bonds shall be made without the consent in writing of the Owners of 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 City to pay such principal and interest out of the revenues of the System without the consent of the respective Owner thereof. No amendment or modification shall be made that will reduce the principal amount of Bonds required for consent to the above-permitted amendment or modifications.

Section 10.02. Severability of Invalid Provision. If any section, paragraph, clause or provision of this Amendatory Ordinance or of the Ordinance shall be held invalid, such invalidity shall not affect any of the remaining provisions of this Amendatory Ordinance or the Ordinance.

Section 10.03. Repeal of Conflicting Ordinances. All ordinances, orders or resolutions, or parts thereof, in

Filed with me this 4th day of July 1992
Vickie Luke, Acting City Clerk

Exhibit A

PHASE II PROJECT DESCRIPTION

The Phase II Project will consist of construction of a 0.53 MGD secondary wastewater treatment facility to include: oxidation ditch, intra-channel clarifier, ultraviolet disinfection, sludge dewatering beds, service water pumping system, laboratory and control building, two pump stations, emergency generator, approximately 4,200 L.F. of 15" DIP force main, as well as all components necessary for a complete facility. Additional conditions may be imposed by the West Virginia Department of Natural Resources and incorporated into the Phase II Project.

Upon motion by Mr. Caudill and seconded by Mrs. Lowe, the following resolution was unanimously adopted:

Introduced in Council: Introduced by:

July 21, 1992

Adopted by Council:

A Resolution finding that an Amendatory and Supplemental Bond and Note Ordinance was adopted by the Council of The City of Logan, West Virginia, on July 21, 1992, amending and supplementing the Bond and Note Ordinance passed by the Council on August 11, 1987, which supplemented a Bond Ordinance adopted by the Council on February 11, 1964; authorizing the acquisition and construction of certain additional extensions, improvements and betterments to the existing public sewerage facilities of the City and the financing of the costs thereof, not otherwise provided, through the issuance by the City of not more than $3,125,000 in aggregate principal amount of Subordinate Sewerage System Revenue Bonds, Series 1992, and not more than $125,000 in aggregate principal amount of Supplemental Subordinate Sewerage System Revenue Bonds, Series 1992; authorizing a revolving line of credit in an amount not to exceed $500,000 to provide funds for such acquisition and construction to the extent Bond proceeds, grant receipts or other funds are not timely available, an agreement with respect to said line of credit, a Sewerage System Construction Note to evidence the City's obligation to repay any draws upon said line of credit and the issuance, if necessary, of not more than $550,000 in aggregate principal amount of Subordinate Sewerage System Revenue Bonds of the City to provide for the payment of the principal of and interest on said Note; defining and prescribing the terms and provisions of the Bonds and the Note; providing for the rights and remedies of and security for the Registered Owners of the Bonds and the Note; and adopting other provisions related thereto; finding that an abstract of said Amendatory and Supplemental Bond and Note Ordinance, together with a notice that said Ordinance has been adopted, that the City contemplates the issuance of the Bonds and the Note, all as described in said Ordinance, and that any person interested may appear before the Council of the City upon a certain date and present protests, must be published; reviewing the abstract prepared on behalf of the City Clerk and determining that such abstract contains sufficient information as to give notice of the contents of said Ordinance; and directing the publication of such abstract, together with said notice.

WHEREAS, the Council (the "Council") of The City of Logan, West Virginia (the "City"), on July 21, 1992, adopted an Amendatory and Supplemental Bond and Note Ordinance, amending and supplementing the Bond and Note Ordinance passed by the Council on August 11, 1987 (the "Original Ordinance"), which supplemented a Bond Ordinance adopted by the Council on February 11, 1964 (the "Prior Ordinance"); authorizing the acquisition and construction of certain additional extensions, improvements and betterments to the existing public sewerage facilities of the City and the financing of the costs thereof, not otherwise provided, through the issuance by the City of not more than $3,125,000 in aggregate principal amount of Subordinate Sewerage System Revenue Bonds, Series 1992 (the "1992 Subordinate Bonds"), and not more than $125,000 in aggregate principal amount of Supplemental Subordinate Sewerage System Revenue Bonds, Series 1992 (the "1992 Supplemental Bonds"; collectively, the "1992 Bonds"); authorizing a revolving line of credit in an amount not to exceed $500,000 (the "Line of Credit") to provide funds for such acquisition and construction to the extent 1992 Bond proceeds, grant receipts or other funds are not timely available, an agreement with respect to the Line of Credit and a Sewerage System Construction Note

(the "Note") to evidence the City's obligation to repay any draws upon the Line of Credit and the issuance, if necessary, of not more than $550,000 in aggregate principal amount of Subordinate Sewerage System Revenue Bonds of the City to provide for the payment of the principal of and interest on the Note (the "Line of Credit Bonds"); defining and prescribing the terms and provisions of the Bonds, the Note and the Line of Credit Bonds; providing for the rights and remedies of and security for the Registered Owners of the Bonds, the Note and the Line of Credit Bonds; and adopting other provisions related thereto, all as more fully set out therein (said Amendatory and Supplemental Bond and Note Ordinance is referred to as the "Ordinance");

WHEREAS, Chapter 16, Article 13, Section 6 of the Code of West Virginia, 1931, as amended (the "Act") requires that an abstract of the Ordinance, together with a notice that the Ordinance has been adopted, that the City contemplates the issuance of the Bonds, the Note and, if necessary, the Line of Credit Bonds, all as described in the Ordinance, and that any person interested may appear before the Council upon a certain date and present protests, be published; and

WHEREAS, the Act further requires that such abstract of the Ordinance be determined by the Council to contain sufficient information to give notice of the contents of the Ordinance; and

WHEREAS, the City Clerk presented to this meeting an abstract of the Ordinance (the "Abstract"), together with a notice as described above (the "Notice"), as set forth in Exhibit A attached hereto and incorporated herein by reference; and

WHEREAS, the Council of the City has reviewed the Abstract and has found and determined that the Abstract contains sufficient information as to give notice of the contents of the Ordinance;

NOW, THEREFORE, Be It Resolved by the Council of The City of Logan, West Virginia, as follows:

1) It is hereby found and determined that the Ordinance was duly adopted by the Council at its special meeting duly called and held on July 21, 1992, and that the Act requires that the Abstract, together with the Notice, be published.

2) The Abstract, together with the Notice as prepared on behalf of the City Clerk in form and substance as set forth in Exhibit A, contains sufficient information as to give notice of the contents of the Ordinance:

3) The City Clerk, as provided in the Notice, shall maintain in her office a certified copy of the Ordinance for review by interested persons during the regular office hours of such office.

4) The Council of the City, as provided in the Notice, shall meet on Tuesday, August 11, 1992, at 7:30 p.m., prevailing time, in Council Chambers in the City Hall, for the purpose of hearing all objections and suggestions regarding whether the Ordinance shall be put into effect.

5) The City Clerk is hereby authorized and directed to cause the Abstract, together with the Notice, to be published as a Class II legal advertisement in The Logan Banner, a newspaper of general circulation in the City, and the first publication of the Abstract and Notice shall be not less than ten days before the date set aforesaid at which interested persons may appear before the Council of the City and present protests, and the last publication of the Abstract and Notice shall be prior to said date set aforesaid.

6) At such hearing, all objections and suggestions shall be heard, and the Council of the City shall take such action as it shall deem proper in the premises; provided, however, that,

if at such hearing written protest is filed by thirty percent (30%) or more of the owners of real estate situate in the City, then the Council of the City shall not take further action unless four-fifths (4/5) of the qualified members of said Council assent thereto.

7) This Resolution shall take effect immediately upon adoption.

THE CITY OF LOGAN, WEST VIRGINIA

_____
Mayor

[SEAL]

_____
City Clerk

Approved as to Form:

_____
City Attorney

EXHIBIT A

ABSTRACT OF ORDINANCE AND NOTICE OF PUBLIC HEARING

Notice is hereby given to any person interested that on July 21, 1992, the Council of The City of Logan, West Virginia, adopted an ordinance that:

1. Amended and supplemented the Bond and Note Ordinance passed by the Council on August 11, 1987 (the "Original Ordinance") and a Bond Ordinance adopted by the Council on February 11, 1964 (the "Prior Ordinance") and that the bonds and note described below are issued under the Original Ordinance as amended and supplemented thereby.

2. Determined that it is necessary and desirable for the health, welfare and safety of the inhabitants of the City that there be acquired and constructed certain additional extensions, improvements and betterments to the existing public sewerage facilities of the City, consisting primarily of a 0.53 MGD secondary wastewater treatment plant (the "Phase II Project") (the existing sewerage facilities, together with the Phase II Project and any further extensions, improvements and betterments thereto, are referred to as the "System"), in accordance with the plans and specifications prepared by the Consulting Engineers. The estimated maximum cost of the construction of the Phase II Project is $3,952,200, of which approximately $2,913,985 will be permanently obtained from the proceeds of the 1992 Bonds described below, and approximately $1,038,215 will be obtained from a Grant from the United States Environmental Protection Agency. The cost of the Phase II Project may be revised to reflect conditions imposed by the West Virginia Department of Natural Resources and set forth in the EPA grant agreement, but in no event may the cost require an increase in the rates enacted by the Council on June 9, 1992.

3. Upon petition of the Sanitary Board of the City, the City authorized the acquisition and construction of the Phase II Project and the financing of the costs, not otherwise provided, for the Phase II Project through the issuance of not more than $3,125,000 in aggregate principal amount of Subordinate Sewerage System Revenue Bonds, Series 1992 (the "1992 Subordinate Bonds"), and not more than $125,000 in aggregate principal amount of Supplemental Subordinate Sewerage System Revenue Bonds, Series 1992 (the "1992 Supplemental Bonds"; together with the 1992 Subordinate Bonds, the "1992 Bonds").

4. Pledged to the payment of the 1992 Bonds the net revenues of the System.

5. Authorized the establishment of a revolving line of credit (the "Line of Credit") in an amount not to exceed $500,000 and a Sewerage System Construction

Note to evidence the City's obligation to repay draws upon the Line of Credit (the "Note"); and provided that the terms of the Note and the agreement with respect to the Line of Credit be approved by a supplemental resolution.

6. Authorized the issuance, if necessary, of not more than $550,000 in aggregate principal amount of Subordinate Sewerage System Revenue Bonds (the "Line of Credit Bonds") to pay the principal of and interest on the Note.

7. Provided for the sale of the 1992 Bonds to the West Virginia Water Development Authority (the "Authority"), pursuant to the terms and conditions of the respective loan agreements to be entered into between the City and the Authority.

8. Continued the funds and accounts established or continued under the Original Ordinance and provided for increased deposits on account of the 1992 Bonds.

9. Provided for the disbursement of 1992 Bond proceeds; created the 1992 Bond Construction Trust Fund to hold the 1992 Bond proceeds pending their use for Phase II Project costs; and provided for the disposition of excess 1992 Bond proceeds.

10. Provided that the 1992 Bonds, the Note and the Line of Credit Bonds shall not be or constitute an indebtedness of the City within the meaning of any constitutional, statutory or charter limitation of indebtedness but shall be payable solely from the funds pledged for such payment from the sources described in the Ordinance.

11. Provided that the 1992 Subordinate Bonds shall have a lien on the net revenues of the System which is senior and superior to the lien of the 1992 Supplemental Bonds but is on a parity with the bonds issued under the Original Ordinance and is junior and inferior to the bonds issued under the the Prior Ordinance.

12. Required that the rates and charges for the System always be adequate to produce gross revenues from the System sufficient to pay the operating expenses of the System, provide adequate reserve accounts and to make the prescribed payments into the funds and accounts created under the Prior Ordinance, the Original Ordinance and the Ordinance, and, specifically, that the rates and charges produce revenues sufficient to pay all reasonable expenses of operation and maintenance of the System and leave a balance each year equal to at least 115% of the maximum principal and interest due on the 1992 Bonds, the bonds issued under the Original Ordinance, the bonds issued under the Prior Ordinance and any other bonds prior to or on a parity with each series of 1992 Bonds in any year.

13. Provided that the Phase II Project will be expeditiously completed in accordance with the plans and specifications prepared by the Consulting Engineers and that the City will maintain the System in good condition and will operate the same as a revenue-producing enterprise in an efficient and economical manner.

14. Reaffirmed, with slight modifications, the covenants and agreements made under the Original Ordinance.

15. Provided for the investment of the 1992 Bond proceeds and limitations thereon, intended to prevent the 1992 Bonds from being "private activity bonds," and provided for the filing of statements and returns necessary to assure the exclusions of interest from gross income for federal income tax purposes.

16. Provided covenants against making the 1992 Bonds "arbitrage bonds" and directed that the City deliver a certificate of arbitrage, a tax certificate or similar certificate relating to the payment of arbitrage rebate.

The City contemplates the issuance of the Bonds, the Note and, if necessary, the Line of Credit Bonds described in, and under the conditions set forth in, the Ordinance. Any person interested may appear before the Council of the City at a meeting thereof at 7:30 p.m., prevailing time, on Tuesday, August 11, 1992, in the Council Chambers in the City Hall, Dingess Street, Logan, West Virginia, and present protests and be heard as to whether the above described Ordinance shall be put into effect.

A certified copy of the Ordinance as adopted by the Council of the City on July 21, 1992, is on file in the office of the City Clerk for review by interested persons during the regular office hours of such office, to-wit: 8:00 a.m. to 4:30 p.m., Mondays through Fridays.

City Clerk
The City of Logan, West Virginia

There being no further business, the meeting was, upon motion by Mr. Morgan and seconded by Mr. Caudill, adjourned.

Edward J. Eiland
City Attorney

Mayor

1620P

The City Council of The City of Logan, West Virginia, met for its regular monthly meeting on Tuesday, August 11, 1992, at 7:30 p.m. in the Council Chambers of the City Building in said city.

The following persons were present:

Thomas E. Esposito, Mayor
Levie Caudill, Council Member
Lilly Lowe, Council Member
Stan Morgan, Council Member
Bea N. Orr, Council Member
Ruth Ware, Council Member
Edward I. Eiland, City Attorney
Vickie Luke, Acting City Clerk
Timothy Wiley, Police Chief
Lindsey Collier, Street Superintendent
C. Jeffrey Vallet, CPA
Taunja Willis Miller, Attorney
Stephen Matthew, of Energy Resources, Inc.
Lou Capaldini
Jackie Capaldini
Kitty Hatfield
M. A. "Sonny" White
T. D. Kiger, Reporter for THE LOGAN BANNER

The meeting was called to order by the Mayor, Thomas E. Esposito, who asked the City Attorney, Edward I. Eiland, to prepare the minutes.

Mr. M. A. Sonny White, Manager of the District Office of Appalachian Power Company, presented to the City a seal of the City of Logan made for that Company and presented a copy of it to each member of the Council. The Mayor expressed the City's thanks for the presentation and for that Company's friendly and cooperative attitude in the past.

The Mayor announced that he would be available to the public at his office in the City Building on Wednesday and Friday afternoons from 1:00 to 5:00 p.m., and that community meetings would be held in the City Building for the following areas of the City on the following dates and times:

September 10, 1992	7:00 p.m.	Central City
September 17, 1992	7:00 p.m.	Draper
September 24, 1992	7:00 p.m.	All of the hills up to but not including Stratton Hollow
October 1, 1992	7:00 p.m.	All of Stratton Hollow and Mountain Lake Park
October 8, 1992	7:00 p.m.	Pine Street and Wilson Camp
October 15, 1992	7:00 p.m.	Midelburg
October 22, 1992	7:00 p.m.	Stratton Street from The National Bank of Logan to Deadman's Curve
October 29, 1992	7:00 p.m.	Stratton Street from Deadman's Curve to City Hall and Main Street
November 5, 1992	7:00 p.m.	All other streets in the low lying areas

The Mayor announced that the Council would now hear all objections and suggestions regarding whether the Amendatory And Supplemental Bond And Note Ordinance which had been adopted on July 21, 1992, shall be put into effect. Thereupon the Clerk produced and filed an affidavit of the publication as a Class II legal advertisement in THE LOGAN BANNER on July 27, 1992, and August 3, 1992, of an Abstract and Notice that interested persons might appear before the Council at this meeting and present protests to said ordinance. Thereupon the Mayor announced that the floor was open to hear any such protests but no persons asked to be heard and no protests were presented.

Thereupon, upon motion by Mrs. Ware, seconded by Mrs. Orr, the following resolution was unanimously adopted:

"A Resolution finding that the Council of The City of Logan, West Virginia, on July 21, 1992, adopted an Amendatory and Supplemental Bond and Note Ordinance and a Resolution directing that an abstract of said Ordinance, together with a notice that, among other things, any person interested may appear before the Council upon a certain date and present protests, be published; finding that said abstract and notice have been duly published; finding that the Council met and heard all objections and suggestions regarding whether said Ordinance should be put into effect; and ordering that said Ordinance be put into effect and that the bonds and note be issued as provided therein.

WHEREAS, the Council (the "Council") of The City of Logan, West Virginia (the "City"), on July 21, 1992, adopted an Amendatory and Supplemental Bond and Note Ordinance, amending and supplementing the Bond and Note Ordinance passed by the Council on August 11, 1987, which supplemented a Bond Ordinance adopted by the Council on February 11, 1964; authorizing the acquisition and construction of certain additional extensions, improvements and betterments to the existing public sewerage facilities of the City and the financing of the costs thereof, not otherwise provided, through the issuance by the City of not more than $3,125,000 in aggregate principal amount of Subordinate Sewerage System Revenue Bonds, Series 1992 (the "1992 Subordinate Bonds"), and not more than $125,000 in aggregate principal amount of Supplemental Subordinate Sewerage System Revenue Bonds, Series 1992 (the "1992 Supplemental Bonds"; collectively, the "1992 Bonds"); authorizing a revolving line of credit in an amount not to exceed $500,000 (the "Line of Credit") to provide funds for such acquisition and construction to the extent 1992 Bond proceeds, grant receipts or other funds are not timely available, an agreement with respect to the Line of Credit and a Sewerage System Construction Note (the "Note") to evidence the City's obligation to repay any draws upon

the Line of Credit and the issuance, if necessary, of not more than $550,000 in aggregate principal amount of Subordinate Sewerage System Revenue Bonds of the City to provide for the payment of the principal of and interest on the Note (the "Line of Credit Bonds"); defining and prescribing the terms and provisions of the 1992 Bonds, the Note and the Line of Credit Bonds; providing for the rights and remedies of and security for the registered owners of the 1992 Bonds, the Note and the Line of Credit Bonds; and adopting other provisions related thereto, all as more fully set out therein (said Amendatory and Supplemental Bond and Note Ordinance is referred to as the "Ordinance");

WHEREAS, the Council on July 21, 1992, adopted a Resolution (the "Resolution") which, pursuant to Chapter 16, Article 13, Section 6, of the Code of West Virginia, 1931, as amended (the "Act"), directed the City Clerk to publish an abstract of the Ordinance (the "Abstract"), together with a notice that the Ordinance had been adopted, that the City contemplated the issuance of the 1992 Bonds, the Note and, if necessary, the Line of Credit Bonds, all as described in the Ordinance and that any person interested might appear before the Council upon a certain day and present protests (the "Notice"); and

WHEREAS, the Resolution required that the Abstract and Notice be published as a Class II legal advertisement in The Logan Banner and the first publication of the Abstract and Notice was to be not less than ten (10) days before the date set by the Resolution and the Notice at which interested persons might appear before the Council and present protests, and the last publication of such Abstract and Notice was to be prior to said date set by the Resolution and the Notice; and

WHEREAS, the Resolution and Notice provided for a public hearing to be held in the City Hall at 7:30 p.m., prevailing time, on August 11, 1992;

NOW, THEREFORE, Be It Resolved By the Council of The City of Logan, West Virginia, as follows:

(1) It is hereby found and determined:

(A) That the Abstract and Notice were duly published in The Logan Banner, a newspaper of general circulation in the City, with the first publication thereof being on July 27, 1992, which was not less than ten (10) days before the date set for the public hearing, and with the last publication thereof being on August 3, 1992, which was prior to said date set for the public hearing, and a copy of the Affidavit of Publication reflecting such publication is attached hereto and incorporated herein;

(B) That, in accordance with the Resolution and Notice, the City Clerk has maintained in her office a certified copy of the Ordinance for review by interested persons during the regular office hours of such office;

(C) That in Council Chambers, City Hall, Dingess Street, Logan, West Virginia, on August 11, 1992, at 7:30 p.m., prevailing time, in accordance with the Resolution and Notice, the Council met for the purpose of hearing objections and suggestions regarding whether the Ordinance should be put into effect, and heard all objections and suggestions with regard thereto; and

(D) That, at said public hearing, no significant reasons were presented that could require modification or amendment of the Ordinance, and no written protest with regard thereto was filed by thirty percent (30%) or more of the owners of real estate situate in the City.

(2) The Ordinance shall be put into effect as of the date hereof, and the 1992 Bonds, the Note and, if necessary, the Line of Credit Bonds contemplated thereby shall be issued, all as provided in the Ordinance.

(3) This Resolution shall be effective immediately upon its adoption."

Upon motion by Mrs. Orr, seconded by Mrs. Lowe, the following resolution was unanimously adopted:

A Resolution supplementing the Amendatory and Supplemental Bond and Note Ordinance passed by the Council of the City of Logan on July 21, 1992, authorizing, among other things, a revolving line of credit in an amount not to exceed $500,000 to provide funds for acquisition and construction of certain additional extensions, improvements and betterments to the existing public sewerage facilities of the City of Logan to the extent bond proceeds, grant receipts or other funds are not timely available therefor and an agreement with respect to said line of credit, authorizing issuance of a Sewerage System Construction Note of the City of Logan in a stated principal amount not to exceed $500,000 to evidence the City's obligation to repay any draws upon said line of credit and the issuance, if necessary, of not more than $550,000 in aggregate principal amount of Subordinate Sewerage System Revenue Bonds of the City of Logan to provide for the payment of the principal of and interest on said Note; approving the form and authorizing the execution and delivery to The National Bank of Logan of a Line of Credit Agreement; approving the form of said Note; providing as to maturity, interest rate and interest payment dates of said Note; and making other provisions with respect to said line of credit and said Note.

WHEREAS, the Council (the "Council") of The City of Logan, West Virginia (the "City"), on July 21, 1992, duly passed an Amendatory and Supplemental Bond and Note Ordinance (the "Ordinance"); and

WHEREAS, capitalized terms used and not otherwise defined in this Supplemental Resolution have the meanings respectively given to them in the Ordinance; and

WHEREAS, the Ordinance authorized a revolving 1992 Line of Credit in an amount not to exceed $500,000 to provide funds for the acquisition and construction of the Phase II Project to the extent 1992 Bond proceeds, Grant Receipts or other funds are not timely available therefor and a 1992 Line of Credit Agreement; issuance of the 1992 Note of the City in a stated principal amount not to exceed $500,000 to evidence the City's obligation to repay any draws upon the 1992 Line of Credit and the issuance, if necessary, of not more than $550,000 in aggregate principal amount of 1992 Line of Credit Bonds of the City to provide for the payment of the principal of and interest on the 1992 Note; and

WHEREAS, the Ordinance provides that the 1992 Line of Credit Agreement be approved by the Supplemental Resolution and that the form of the 1992 Note and certain terms of the 1992 Note, including the principal amount, the rate and terms of payment of interest thereon and the maturity date thereof, be prescribed by the Supplemental Resolution; and

WHEREAS, the Council deems it essential and desirable that this Supplemental Resolution be adopted and that the 1992 Line of Credit Agreement be approved, the 1992 Note be issued, the form of the 1992 Note be approved, and the principal amount, the rate and terms of payment of interest, the maturity date and other terms of the 1992 Note be fixed as stated herein and that other matters relating to the 1992 Note and the 1992 Line of Credit Agreement be as provided herein;

NOW, THEREFORE, Be It Resolved by the Council of The City of Logan, West Virginia, as follows:

(1) The 1992 Line of Credit shall be established with The National Bank of Logan (the "Bank") in the aggregate principal amount of $500,000.

(2) The 1992 Line of Credit Agreement is hereby approved in substantially the form attached hereto, and the Mayor is hereby authorized and directed to execute the 1992 Line of Credit Agreement with such changes, additions or deletions as shall be approved by the Mayor. The execution of the 1992 Line of Credit Agreement by the Mayor shall be conclusive evidence of such approval.

(3) The form of the 1992 Note shall be substantially as set forth in Exhibit II attached to the 1992 Line of Credit Agreement. The 1992 Note shall be in the stated principal amount of $500,000. The 1992 Note shall be dated as of the date of delivery thereof; shall mature 48 months (four years) from the date thereof; and shall bear interest at the rate per annum equal to one percent above the rate determined by the Bank as "prime rate," to be adjusted from time to time, as often as daily if necessary, so that it shall at all times equal said prime rate, not to exceed 12% per annum. The Bank shall advise the City and the 1992 Note Registrar of the interest rate that is in effect from time to time, no less often than monthly. Any payments by the City shall be applied first to interest accrued to the date of payment and then to principal outstanding. Notwithstanding, the City shall pay all interest accrued on the 1992 Note and then unpaid at least once a quarter, not later than the three month anniversary of the date of the 1992 Note. Payments on account of interest only

shall be made by check or draft of the 1992 Note Registrar, mailed to the registered owner of the 1992 Note or, if the Bank owns all of such 1992 Note, by wire transfer or such other method as may be agreeable to the Bank and the 1992 Note Registrar. The Mayor and the City Clerk are hereby authorized and directed to execute and seal the 1992 Note in substantially the form attached as Exhibit II to the 1992 Line of Credit Agreement, with such changes, additions or deletions as shall be approved by the Mayor. The execution of the 1992 Note by the Mayor shall be conclusive evidence of such approval.

(4) The National Bank of Logan is hereby appointed as the 1992 Note Registrar and 1992 Note Depository.

(5) The 1992 Line of Credit shall be in addition to the Phase II Line of Credit. The 1992 Note is subordinate as to payment from both the Grant Receipts and the Net Revenues of the System to the Phase II Note. The 1992 Note shall be secured as provided in the Ordinance and the 1992 Line of Credit Agreement.

(6) The Council hereby authorizes draws upon the 1992 Line of Credit from the Bank as the Sanitary Board shall deem necessary and expedient for the acquisition and construction of the Phase II Project.

(7) The Mayor and the City Clerk and other appropriate officers and employees of the City and the Sanitary Board are hereby authorized and directed to execute and deliver such other documents and certificates required or desired in connection with the establishment of the 1992 Line of Credit with the Bank, including entering into the 1992 Line of Credit Agreement.

(8) This Supplemental Resolution is adopted under and shall be governed by the laws of the State of West Virginia and shall be effective immediately upon its adoption.

[The National Bank of Logan letterhead]

August ____, 1992

The City of Logan
City Hall
Dingess Street
Logan, West Virginia 25601

RE: $500,000 Revolving Line of Credit

Ladies and Gentlemen:

At your request, we, the undersigned bank (the "Bank"), hereby establish in your favor a revolving line of credit in the original aggregate amount of $500,000 (the "Stated Amount"). You may draw upon such line of credit from time to time as hereinafter set forth, but the aggregate amount outstanding at any time may not exceed the Stated Amount.

This line of credit is extended to you for the purpose of providing funds for completion of the design and, following such design, for the acquisition and construction of certain addition extensions, improvements and betterments to the existing sewage treatment facilities of the City (the "Phase II Project") to the extent bond proceeds, grant receipts or other funds are not timely available therefor. It is our understanding that the Phase II Project and this line of credit were authorized by the Amendatory and Supplemental Bond and Note Ordinance passed by the Council of the City on July 21, 1992, and supplemented on August 11, 1992 (collectively, the "Ordinance"). Capitalized terms used and not otherwise defined in this letter shall have the respective meanings given them in the Ordinance.

This line of credit is irrevocable to the extent set forth herein. Subject to the further provisions of this letter, a draw upon the line of credit may be made by you on or after August 12, 1992, but prior to the expiration date hereof, in the event and to the extent funds are needed for the design, acquisition or construction of the Phase II Project and are not otherwise timely available therefor. On or after such date and in such event, a draw upon the line of credit may be made by you by presentation to the Bank at 755 E. Stratton Street, Logan, West Virginia 25601, Attention: Edward L. Brewster, Senior Vice President, of your certificate, on your letterhead and signed by your authorized officer, in the form of Exhibit I attached hereto and incorporated herein by reference, duly completed. In accordance with said Exhibit I, such draw shall be in the amount demanded; provided, that the aggregate principal amount of draws that will be outstanding and unpaid immediately after such draw shall not exceed the Stated Amount.

Draws upon the line of credit may be made by you on or after August 12, 1992, and prior to the expiration hereof at any time during the Bank's business hours at its address set forth above on a Business Day (as hereinafter defined). As used herein, the term "Business Day" means a day on which the Bank is open for the purpose of conducting a commercial banking business. If demand for a draw upon the line of credit is made by you at or prior to 10:00 a.m., prevailing time, on a Business Day, and provided that such demand and the documents presented in connection therewith conform to the terms and conditions hereof, payment shall be made

to you of the amount demanded, in immediately available funds, no later than 2:00 p.m., prevailing time, on the Business Day next succeeding the date of said demand. If demand for a draw upon the line of credit is made by you hereunder after 10:00 a.m., prevailing time, on a Business Day, and provided such demand for payment and the documents presented in connection therewith conform to the terms and conditions hereof, payment shall be made to you of the amount demanded, in immediately available funds, not later than 2:00 p.m., prevailing time, on the second (2nd) Business Day next succeeding the date of said demand. If the demand for a draw upon the line of credit made by you does not, in any instance, conform to the terms and conditions of this letter, the Bank shall give you prompt notice that the draw was not effected in accordance with the terms and conditions of this letter, stating the reasons therefor and that the Bank is holding any documents at your disposal or is returning the same to you, as the Bank may elect. Upon being notified that the draw was not effected in accordance with this letter, you may attempt to correct any such nonconforming demand for a draw upon the line of credit if, and to the extent that, you are entitled (without regard to the provisions of this sentence) and able to do so.

Unless the Bank is then in default hereunder by reason of its having wrongfully failed to honor a demand for a draw upon the line of credit, such line of credit established hereby shall expire at the Bank's close of business at its address set forth above on August 11, 1996; provided, that, if said date shall not be a Business Day, the line of credit shall expire on the close of business at such address on the first Business Day next succeeding said date. The agreement set forth by this letter shall terminate upon expiration of the line of credit and payment to the Bank of all principal of and interest on the Note, as hereinafter described, as such outstanding principal is reflected on the Record of Advances and Payments attached thereto.

The City's obligation to repay the Bank for any draw upon the line of credit shall be evidenced by its sewerage system construction note (the "Note") in the stated principal amount of $500,000, in substantially the form attached as Exhibit II hereto. Notwithstanding said stated principal amount, the Note shall evidence only the outstanding indebtedness reflected on the Record of Advances and Payments attached hereto. Each advance shall bear interest at such rate, payable at such times, and the Note shall mature and be subject to prepayment and such other terms and provisions, as shall be described in Exhibit II.

All documents presented to us in connection with any demand for a draw upon the line of credit, as well as all notices and other communications to us in respect of this letter or the line of credit, shall be in writing and addressed and presented to us at our above address. Such documents, notices and other communications shall be personally delivered to us.

This letter sets forth in full our undertaking, and such undertaking shall not in any way be modified, amended, amplified or limited by reference to any other document, instrument or agreement except only Exhibits I and II hereto and the Ordinance. Upon execution by the Mayor of the City of the duplicate letter attached hereto and return of such letter to us, and the Note, this letter shall become an agreement between the Bank and the City, governed by the laws of the State of West Virginia.

Very truly yours,

THE NATIONAL BANK OF LOGAN

By: _____
Its _____

Accepted this ____ day of August, 1992.

THE CITY OF LOGAN, WEST VIRGINIA

By: _____
Thomas E. Esposito, Mayor

Exhibit I

[Letterhead of the City of Logan]

_____, 19 _____

The National Bank of Logan
755 E. Stratton Street
P. O. Box 420
Logan, West Virginia 25601

Attention:

RE: $500,000 Revolving Line of Credit

Gentlemen:

We refer to our letter agreement dated as of August ___, 1992 (the "Letter Agreement"), with respect to the above-referenced line of credit (the "Line of Credit"). Terms defined in the Letter Agreement have the same meanings when used herein.

1. We hereby make demand for a draw upon the Line of Credit to pay a portion of the costs of the Phase II Project.

2. There are not available grant receipts, bond proceeds or other funds to pay such costs, currently due and owing.

3. The principal amount of the Note outstanding, as evidenced by the Record of Advances and Payments, aggregates $_____.

4. Accordingly, $_____ of the Stated Amount is available to be drawn.

5. A draw upon the Line of Credit is hereby demanded in the following amount, as expressed in words and figures:

_____DOLLARS ($ _____).

Please deposit the amount hereby demanded in our Sewerage System 1992 Line of Credit Construction Trust Fund (account number _____) with you.

By _____
Authorized Officer

Exhibit II

[Form of Note]

United States of America
State of West Virginia
The City of Logan
Sewerage System Construction Note
Series 1992
Number R-1
$500,000

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF LOGAN, a municipal corporation organized and existing under the laws of the State of West Virginia (the "City"), for value received, hereby promises to pay, but only from the special funds provided therefor, as hereinafter set forth, to THE NATIONAL BANK OF LOGAN (the "Owner"), or registered assigns, the sum of Five Hundred Thousand Dollars ($500,000), or such lesser sum as shall be reflected by the Record of Advances and Payments attached hereto, on such date as hereinafter described. Notwithstanding any provision of this Note

to the contrary, this Note shall evidence only the indebtedness reflected as outstanding on the Record of Advances and Payments attached hereto. Interest shall accrue only on the amount of each advance from its actual date as listed on said Record of Advances and Payments and shall cease to accrue on the amount hereof outstanding, or portions thereof, as the same are paid, as reflected by said Record of Advances and Payments. Such interest shall be at the rate per annum _____ _____ _____ but in no event shall the interest rate per annum exceed 12%. The Registrar, as hereinafter defined, shall notify the Sanitary Board of the City of the amount of interest so accrued. Any payments by the City shall be applied first to interest accrued to the date of payment and then to principal outstanding. Notwithstanding, the City shall pay all interest on the Note then unpaid at least once each quarter, with the first payment due not later than _____, 1992. This Note matures August 11, 1996, and shall be payable as to principal upon surrender at the principal office of The National Bank Logan, Logan, West Virginia, as registrar and paying agent (the "Registrar"), in any coin or currency which on the date of payment of principal is legal tender for the payment of public and private debts under the laws of the United States of America; provided, that any payment of principal prior to the maturity of this Note as provided by the Ordinance, as hereinafter defined, shall be recorded on the Record of Advances and Payments attached hereto, and this Note shall be returned to the Owner. Prepayments of the principal of this Note may be made upon two (2) days' notice to the Owner. Any such prepayment shall also be reflected on the Record of Advances and Payments attached hereto, and interest shall cease to accrue thereon.

This Note is issued pursuant to the Amendatory and Supplemental Bond and Note Ordinance passed by the Council of the City on July 21, 1992, and supplemented on August 11, 1992 (collectively, the "Ordinance"), to evidence the City's obligation to repay any draws upon a line of credit (the "Line of Credit") extended to the City by The National Bank of Logan (the "Bank"). Such line of credit was extended and, thus, this Note was issued, to provide funds for completion of the design and, following such design, for the acquisition and construction of certain additional extensions, betterments and improvements to the existing sewage treatment facilities of the City to the extent grant receipts, bond proceeds or other funds are not timely available therefor.

This Note is issued, in addition to the Ordinance, under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13, of the Code of West Virginia, 1931, as amended (the "Act"), and is subject to all the terms and provisions of the Ordinance and the Act. The principal of and interest on this Note are payable from the proceeds of a grant from the United States Environmental Protection Agency, and, to the extent necessary, from the net proceeds of certain subordinate sewerage system revenue bonds of the City also authorized by the Ordinance. The principal of and interest on this Note are further payable from and secured by a lien on the net revenues derived from the operation of the sewerage system of the City; provided, that such lien on the net revenues is junior, subordinate and inferior to the lien on such net revenues created on behalf of various issues of the City's sewerage system revenue bonds issued pursuant to an ordinance passed by the Council of the City on February 11, 1964, as supplemented and amended, issued pursuant to an ordinance passed by the Council of the City on August 11, 1987, as supplemented and amended, issued pursuant to the Ordinance, and any bonds issued to refund any of said bonds, and issued pursuant to loan agreements with the West Virginia Water Development Authority.

This Note is subordinate as to payment from both the EPA grant proceeds and the net revenues of the system to a line of credit in the stated principal amount of $250,000, established by The National Bank of Logan as of April 24, 1989, and expiring on April 24, 1993.

This Note does not constitute a corporate indebtedness of the City within the meaning of any constitutional, statutory or charter provisions or limitations, nor shall the City be obligated to pay the same or the interest hereon except from the special fund provided from said grant receipts, the net revenues derived from

the operation of said sewerage system and the net proceeds of said bonds. Under the Ordinance, the City has entered into certain covenants with the Owner, for the terms of which reference is made to said Ordinance. Remedies provided the Owner are exclusively as provided in the Ordinance, to which reference is here made for a detailed description thereof.

Subject to the requirements for transfer set forth below, this Note is, and has all the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the State of West Virginia. This Note is transferable, as provided in the Ordinance, only upon the books of the City at the office of the Registrar by the Owner in person or by his attorney duly authorized in writing, upon surrender hereof, together with a written instrument of transfer satisfactory to said Registrar duly executed by the Owner of his duly authorized attorney. Upon transfer hereof, there shall be issued another fully registered Note or fully registered Notes of the aggregate stated principal amount equal to the stated principal amount hereof but evidencing only the indebtedness reflected on the Record of Advances and Payments attached hereto and outstanding in the aggregate principal amount equal to the advanced but unpaid amount hereof as reflected on the Record of Advances and Payments attached hereto.

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 Note exist, have happened and have been performed in due time, form and manner as required by law, and that this Note, together with all other obligations of the City, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia and that the grant receipts and the net revenues of the sewerage system of the City have been pledged to and will be set aside into a special fund by the City for, and will be sufficient for, the payment of the principal of and interest on this Note and that the City will issue the subordinate bonds to the extent necessary to pay the principal hereof and interest hereon on or prior to the maturity hereof.

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

IN WITNESS WHEREOF, The City of Logan, West Virginia, has caused this Note to be signed by its Mayor and its corporate seal to be hereunto affixed and attested by the City Clerk, all as of the _____ day of August, 1992.

_____
Thomas E. Esposito, Mayor

[SEAL]

Attest:

_____

CERTIFICATE OF AUTHENTICATION

The undersigned, as Registrar for this Note, hereby certifies that this Note is one of the Notes described in the above-mentioned Ordinance and was duly registered in the name set forth above on the date set forth below.

Date: _____

The National Bank of Logan,
as Registrar

By _____
Its Authorized Officer

RECORD OF ADVANCES AND PAYMENTS*

Date	Amount Advanced	Principal Payment	Outstanding Balance	Authorized Officer
	$	$	$	

* To be completed upon each draw upon or repayment on the Line of Credit

** Not to exceed $500,000 at any one time

[Form of Assignment]

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto _____ the Sewerage System Construction Note, Series 1992, dated August ____, 1992, of The City of Logan, West Virginia, and does hereby irrevocably constitute and appoint _____, attorney to transfer said Note on the books of said City with full power of substitution in the premises.

_____

DATED: _____

IN THE PRESENCE OF: _____

Pursuant to an ordinance adopted on July 14, 1992, and also pursuant to a notice that the City would at this meeting offer a 1975 Chevrolet Truck Chassis for sale at public auction, which notice was published in THE LOGAN BANNER on July 20, 1992, and July

27, 1992, the Mayor offered said truck chassis for sale but no bids to buy it were made. Thereupon the Mayor directed the City Attorney to schedule a sale of said truck chassis at the front door of the Court House and to cause notice of the sale to be published.

Upon motion by Mr. Caudill, seconded by Mrs. Lowe, the financial statement for June, 1992, was approved.

Upon motion by Mrs. Orr, seconded by Mrs. Ware, the City Attorney was directed to invite proposals for the sale of gas to the City for consideration at the Council's meeting on September 8, 1992.

Mrs. Kitty Hatfield complained about children disturbing the Midelburg Addition neighborhood. The Chief of Police was directed to have police officers patrol that neighborhood.

Upon motion by Mrs. Ware, seconded by Mr. Caudill, the meeting was adjourned.

Edward J. Eyland
City Attorney

Mayor

I, Mary C. Sentelle, Classified Manager of THE LOGAN BANNER, a newspaper published in Logan County, West Virginia, do hereby certify that the annexed notice was published in said paper for 2 successive times on the following dates:

July 27 and August 3, 1992

Given under my hand this 6th day of August, 1992.

Mary C. Sentelle
CLASSIFIED MANAGER

State of West Virginia
County of Logan, to-wit

Subscribed and sworn before me this 6th day of August, 1992.

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
BARBARA J. SMITH
P.O. Box 149
Man, WV 25635
My Comm. Exp. Jan. 7, 1997

Barbara J. Smith
NOTARY PUBLIC

COPY OF PUBLICATION

ABSTRACT OF ORDINANCE AND NOTICE OF PUBLIC HEARING

Notice is hereby given to any person interested that on July 21, 1992, the Council of The City of Logan, West Virginia, adopted an ordinance that:

1. Amended and supplemented the Bond and Note Ordinance passed by the Council on August 11, 1987 (the "Original Ordinance") and a Bond Ordinance adopted by the Council on February 11, 1964 (the "Prior Ordinance") and that the bonds and note described below are issued under the Original Ordinance as amended and supplemented thereby.

2. Determined that it is necessary and desirable for the health, welfare and safety of the inhabitants of the City that there be acquired and constructed certain additional extensions, improvements and betterments to the existing public sewerage facilities of the City, consisting primarily of a 0.53 MGD secondary wastewater treatment plant (the "Phase II Project") (the existing sewerage facilities, together with the Phase II Project and any further extensions, improvements and betterments thereto, are referred to as the "System"), in accordance with the plans and specifications prepared by the Consulting Engineers. The estimated maximum cost of the construction of the Phase II Project is $3,952,200, of which approximately $2,813,985 will be permanently obtained from the proceeds of the 1992 Bonds described below, and approximately $1,038,215 will be obtained from a Grant from the United States Environmental Protection Agency. The cost of the Phase II Project may be revised to reflect conditions imposed by the West Virginia Department of Natural Resources and set forth in the EPA grant agreement, but in no event may the cost require an increase in the rates enacted by the Council on June 8, 1992.

3. Upon petition of the Sanitary Board of the City, the City authorized the acquisition and construction of the Phase II Project and the financing of the costs, not otherwise provided, for the Phase II Project through the issuance of not more than $3,125,000 in aggregate principal amount of Subordinate Sewerage System Revenue Bonds, Series 1992 (the "1992 Subordinate Bonds"), and not more than $125,000 in aggregate principal amount of Supplemental Subordinate Sewerage System Revenue Bonds, Series 1992 (the "1992 Supplemental Bonds"; together with the 1992 Subordinate Bonds, the "1992 Bonds").

4. Pledged to the payment of the 1992 Bonds the net revenues of the System.

5. Authorized the establishment of a revolving line of credit (the "Line of Credit") in an amount not to exceed $500,000 and a Sewerage System Construction Note to evidence the City's obligation to repay draws upon the Line of Credit (the "Note"); and provided that the terms of the Note and the agreement with respect to the Line of Credit be approved by a supplemental resolution.

6. Authorized the issuance, if necessary, of not more than $550,000 in aggregate principal amount of Subordinate Sewerage System Revenue Bonds (the "Line of Credit Bonds") to pay the principal of and interest on the Note.

7. Provided for the sale of the 1992 Bonds to the West Virginia Water Development Authority (the "Authority"), pursuant to the terms and conditions of the respective loan agreements to be entered into between the City and the Authority.

8. Continued the funds and accounts established or continued under the Original Ordinance and provided for increased deposits on account of the 1992 Bonds.

9. Provided for the disbursement of 1992 Bond proceeds; created the 1992 Bond Construction Trust Fund to hold the 1992 Bond proceeds pending their use for Phase II Project costs; and provided for the disposition of excess 1992 Bond proceeds.

10. Provided that the 1992 Bonds, the Note and the Line of Credit Bonds shall not be or constitute an indebtedness of the City within the meaning of any constitutional, statutory or charter limitation of indebtedness but shall be payable solely from the funds pledged for such payment from the sources described in the Ordinance.

11. Provided that the 1992 Subordinate Bonds shall have a lien on the net revenues of the System which is senior and superior to the lien of the 1992 Supplemental Bonds but is on a parity with the bonds issued under the Original Ordinance and is junior and inferior to the bonds issued under the Prior Ordinance.

12. Required that the rates and charges for the System always be adequate to produce gross revenues from the System sufficient to pay the operating expenses of the System, provide adequate reserve accounts, and to make the prescribed payments into the funds and accounts created under the Prior Ordinance, the Original Ordinance and the Ordinance, and, specifically, that the rates and charges produce revenues sufficient to pay all reasonable expenses of operation and maintenance of the System and leave a balance each year equal to at least 115% of the maximum principal and interest due on the 1992 Bonds, the bonds issued under the Original Ordinance, the bonds issued under the Prior Ordinance and any other bonds prior to or on a parity with each series of 1992 Bonds in any year.

13. Provided that the Phase II Project will be expeditiously completed in accordance with the plans and specifications prepared by the Consulting Engineers and that the City will maintain the System in good condition and will operate the same as a revenue-producing enterprise in an efficient and economical manner.

14. Reaffirmed, with slight modifications, the covenants and agreements made under the Original Ordinance.

15. Provided for the investment of the 1992 Bond proceeds and limitations thereon, intended to prevent the 1992 Bonds from being "private activity bonds," and provided for the filing of statements and returns necessary to assure the exclusions of interest from gross income for federal income tax purposes.

16. Provided covenants against making the 1992 Bonds "arbitrage bonds" and directed that the City deliver a certificate of arbitrage, a tax certificate or similar certificate relating to the payment of arbitrage rebate.

The City contemplates the issuance of the Bonds, the Note and, if necessary, the Line of Credit Bonds described in, and under the conditions set forth in, the Ordinance. Any person interested may appear before the Council of the City at a meeting thereof at 7:30 p.m., prevailing time, on Tuesday, August 11, 1992, in the Council Chambers in the City Hall, Dingess Street, Logan, West Virginia, and present protests and be heard as to whether the above described Ordinance shall be put into effect.

A certified copy of the Ordinance as adopted by the Council of the City on July 21, 1992, is on file in the office of the City Clerk for review by interested persons during the regular office hours of such office, to-wit: 8:00 a.m. to 4:30 p.m., Mondays through Fridays.

VICKIE LUKE
Acting City Clerk
The City of Logan, West Virginia

Introduced in Council:

August 11, 1992

Adopted by Council:

_____

A Resolution finding that the Council of The City of Logan, West Virginia, on July 21, 1992, adopted an Amendatory and Supplemental Bond and Note Ordinance and a Resolution directing that an abstract of said Ordinance, together with a notice that, among other things, any person interested may appear before the Council upon a certain date and present protests, be published; finding that said abstract and notice have been duly published; finding that the Council met and heard all objections and suggestions regarding whether said Ordinance should be put into effect; and ordering that said Ordinance be put into effect and that the bonds and note be issued as provided therein.

WHEREAS, the Council (the "Council") of The City of Logan, West Virginia (the "City"), on July 21, 1992, adopted an Amendatory and Supplemental Bond and Note Ordinance, amending and supplementing the Bond and Note Ordinance passed by the Council on August 11, 1987, which supplemented a Bond Ordinance adopted by the Council on February 11, 1964; authorizing the acquisition and construction of certain additional extensions, improvements and betterments to the existing public sewerage facilities of the City and the financing of the costs thereof, not otherwise provided, through the issuance by the City of not more than $3,125,000 in aggregate principal amount of Subordinate Sewerage System Revenue Bonds, Series 1992 (the "1992 Subordinate Bonds"), and not more than $125,000 in aggregate principal amount of Supplemental Subordinate Sewerage System Revenue Bonds, Series 1992 (the "1992 Supplemental Bonds"; collectively, the "1992 Bonds"); authorizing a revolving line of credit in an amount not to exceed $500,000 (the

"Line of Credit") to provide funds for such acquisition and construction to the extent 1992 Bond proceeds, grant receipts or other funds are not timely available, an agreement with respect to the Line of Credit and a Sewerage System Construction Note (the "Note") to evidence the City's obligation to repay any draws upon the Line of Credit and the issuance, if necessary, of not more than $550,000 in aggregate principal amount of Subordinate Sewerage System Revenue Bonds of the City to provide for the payment of the principal of and interest on the Note (the "Line of Credit Bonds"); defining and prescribing the terms and provisions of the 1992 Bonds, the Note and the Line of Credit Bonds; providing for the rights and remedies of and security for the registered owners of the 1992 Bonds, the Note and the Line of Credit Bonds; and adopting other provisions related thereto, all as more fully set out therein (said Amendatory and Supplemental Bond and Note Ordinance is referred to as the "Ordinance");

WHEREAS, the Council on July 21, 1992, adopted a Resolution (the "Resolution") which, pursuant to Chapter 16, Article 13, Section 6, of the Code of West Virginia, 1931, as amended (the "Act"), directed the City Clerk to publish an abstract of the Ordinance (the "Abstract"), together with a notice that the Ordinance had been adopted, that the City contemplated the issuance of the 1992 Bonds, the Note and, if necessary, the Line of Credit Bonds, all as described in the Ordinance and that any person interested might appear before the Council upon a certain day and present protests (the "Notice"); and

WHEREAS, the Resolution required that the Abstract and Notice be published as a Class II legal advertisement in The Logan Banner and the first publication of the Abstract and Notice was to be not less than ten (10) days before the date set by the Resolution and the Notice at which interested persons might appear before the Council and present protests, and the last publication of such Abstract and Notice was to be prior to said date set by the Resolution and the Notice; and

WHEREAS, the Resolution and Notice provided for a public hearing to be held in the City Hall at 7:30 p.m., prevailing time, on August 11, 1992;

NOW, THEREFORE, Be It Resolved By the Council of The City of Logan, West Virginia, as follows:

(1) It is hereby found and determined:

(A) That the Abstract and Notice were duly published in The Logan Banner, a newspaper of general circulation in the City, with the first publication thereof being on July 27, 1992, which was not less than ten (10) days before the date set for the public hearing, and with the last publication thereof being on August 3, 1992, which was prior to said date set for the public hearing, and a copy of the Affidavit of Publication reflecting such publication is attached hereto and incorporated herein;

(B) That, in accordance with the Resolution and Notice, the City Clerk has maintained in her office a certified

copy of the Ordinance for review by interested persons during the regular office hours of such office;

(C) That in Council Chambers, City Hall, Dingess Street, Logan, West Virginia, on August 11, 1992, at 7:30 p.m., prevailing time, in accordance with the Resolution and Notice, the Council met for the purpose of hearing objections and suggestions regarding whether the Ordinance should be put into effect, and heard all objections and suggestions with regard thereto; and

(D) That, at said public hearing, no significant reasons were presented that could require modification or amendment of the Ordinance, and no written protest with regard thereto was filed by thirty percent (30%) or more of the owners of real estate situate in the City.

(2) The Ordinance shall be put into effect as of the date hereof, and the 1992 Bonds, the Note and, if necessary, the Line of Credit Bonds contemplated thereby shall be issued, all as provided in the Ordinance.

(3) This Resolution shall be effective immediately upon its adoption.

THE CITY OF LOGAN, WEST VIRGINIA

(SEAL)

By _____
Mayor

_____
City Clerk

Approved as to Form:

_____
City Attorney

ABB005FF.WP5

COPY OF PUBLICATION

ABSTRACT OF ORDINANCE AND NOTICE OF PUBLIC HEARING

Notice is hereby given to any person interested that on July 21, 1992, the Council of The City of Logan, West Virginia, adopted an ordinance that:

1. Amended and supplemented the Bond and Note Ordinance passed by the Council on August 11, 1987 (the "Original Ordinance") and a Bond Ordinance adopted by the Council on February 11, 1964 (the "Prior Ordinance") and that the bonds and note described below are issued under the Original Ordinance as amended and supplemented thereby.

2. Determined that it is necessary and desirable for the health, welfare and safety of the inhabitants of the City that there be acquired and constructed certain additional extensions, improvements and betterments to the existing public sewerage facilities of the City, consisting primarily of a 0.63 MGD secondary wastewater treatment plant (the "Phase II Project") (the existing sewerage facilities, together with the Phase II Project and any further extensions, improvements and betterments thereto, are referred to as the "System"), in accordance with the plans and specifications prepared by the Consulting Engineers. The estimated maximum cost of the construction of the Phase II Project is $3,952,200, of which approximately $2,913,985 will be permanently obtained from the proceeds of the 1992 Bonds described below, and approximately $1,038,215 will be obtained from a Grant from the United States Environmental Protection Agency. The cost of the Phase II Project may be revised to reflect conditions imposed by the West Virginia Department of Natural Resources and set forth in the EPA grant agreement, but in no event may the cost require an increase in the rates enacted by the Council on June 9, 1992.

3. Upon petition of the Sanitary Board of the City, the City authorized the acquisition and construction of the Phase II Project and the financing of the costs, not otherwise provided, for the Phase II Project through the issuance of not more than $3,125,000 in aggregate principal amount of Subordinate Sewerage System Revenue Bonds, Series 1992 (the "1992 Subordinate Bonds"), and not more than $125,000 in aggregate principal amount of Supplemental Subordinate Sewerage System Revenue Bonds, Series 1992 (the "1992 Supplemental Bonds"; together with the 1992 Subordinate Bonds, the "1992 Bonds").

4. Pledged to the payment of the 1992 Bonds the net revenues of the System.

5. Authorized the establishment of a revolving line of credit (the "Line of Credit") in an amount not to exceed $500,000 and a Sewerage System Construction Note to evidence the City's obligation to repay draws upon the Line of Credit (the "Note"); and provided that the terms of the Note and the agreement with respect to the Line of Credit be approved by a supplemental resolution.

6. Authorized the issuance, if necessary, of not more than $550,000 in aggregate principal amount of Subordinate Sewerage System Revenue Bonds (the "Line of Credit Bonds") to pay the principal of and interest on the Note.

7. Provided for the sale of the 1992 Bonds to the West Virginia Water Development Authority (the "Authority"), pursuant to the terms and conditions of the respective loan agreements to be entered into between the City and the Authority.

8. Continued the funds and accounts established or continued under the Original Ordinance and provided for increased deposits on account of the 1992 Bonds.

9. Provided for the disbursement of 1992 Bond proceeds; created the 1992 Bond Construction Trust Fund to hold the 1992 Bond proceeds pending their use for Phase II Project costs; and provided for the disposition of excess 1992 Bond proceeds.

10. Provided that the 1992 Bonds, the Note and the Line of Credit Bonds shall not be or constitute an indebtedness of the City within the meaning of any constitutional, statutory or charter limitation of indebtedness but shall be payable solely from the funds pledged for such payment from the sources described in the Ordinance.

11. Provided that the 1992 Subordinate Bonds shall have a lien on the net revenues of the System which is senior and superior to the lien of the 1992 Supplemental Bonds but is on a parity with the bonds issued under the Original Ordinance and is junior and inferior to the bonds issued under the Prior Ordinance.

12. Required that the rates and charges for the System always be adequate to produce gross revenues from the System sufficient to pay the operating expenses of the System, provide adequate reserve accounts and to make the prescribed payments into the funds and accounts created under the Prior Ordinance, the Original Ordinance and the Ordinance, and, specifically, that the rates and charges produce revenues sufficient to pay all reasonable expenses of operation and maintenance of the System and leave a balance each year equal to at least 115% of the maximum principal and interest due on the 1992 Bonds, the bonds issued under the Original Ordinance, the bonds issued under the Prior Ordinance and any other bonds prior to or on a parity with each series of 1992 Bonds in any year.

13. Provided that the Phase II Project will be expeditiously completed in accordance with the plans and specifications prepared by the Consulting Engineers and that the City will maintain the System in good condition and will operate the same as a revenue-producing enterprise in an efficient and economical manner.

14. Reaffirmed, with slight modifications, the covenants and agreements made under the Original Ordinance.

15. Provided for the investment of the 1992 Bond proceeds and limitations thereon, intended to prevent the 1992 Bonds from being "private activity bonds," and provided for the filing of statements and returns necessary to assure the exclusions of interest from gross income for federal income tax purposes.

16. Provided covenants against making the 1992 Bonds "arbitrage bonds" and directed that the City deliver a certificate of arbitrage, a tax certificate or similar certificate relating to the payment of arbitrage rebate.

The City contemplates the issuance of the Bonds, the Note and, if necessary, the Line of Credit Bonds described in, and under the conditions set forth in, the Ordinance. Any person interested may appear before the Council of the City at a meeting thereof at 7:30 p.m., prevailing time, on Tuesday, August 11, 1992, in the Council Chambers in the City Hall, Dingess Street, Logan, West Virginia, and present protests and be heard as to whether the above described Ordinance shall be put into effect.

A certified copy of the Ordinance as adopted by the Council of the City on July 21, 1992, is on file in the office of the City Clerk for review by interested persons during the regular office hours of such office, to-wit: 8:00 a.m. to 4:30 p.m., Mondays through Fridays.

VICKIE LUKE
Acting City Clerk
The City of Logan, West Virginia

WDA-5
(June 1992)

LOAN AGREEMENT

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

City of Logan

(Governmental Agency)

W I T N E S S E T H:

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

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

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

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

WHEREAS, the Governmental Agency has completed and filed with the Authority an Application for a Construction Loan with attachments and exhibits and an Amended Application for a

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

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

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

ARTICLE I

Definitions

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

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

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

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

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

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

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

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

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

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

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

ARTICLE II

The Project and the System

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE III

Conditions to Loan; Issuance of Local Bonds

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

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

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

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

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

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

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

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

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

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

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

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

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

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

3.5 The Governmental Agency understands and acknowledges that it is one of several governmental agencies which have applied to the Authority for loans to finance water development projects and that the obligation of the Authority

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

ARTICLE IV

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

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

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

(b) Covenants substantially as follows:

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

(ii) That the schedule of rates or charges for the services of the System shall be sufficient to provide funds which, along with other revenues of the System, will pay all Operating Expenses and leave a balance each year equal to at least one hundred fifteen percent (115%) of the maximum

amount required in any year for debt service on the Local Bonds and all other obligations secured by a lien on or payable from the revenues of the System prior to or on a parity with the Local Bonds or, if the reserve account established for the payment of debt service on the Local Bonds (the "Reserve Account") is funded (whether by Local Bond proceeds, monthly deposits or otherwise) at an amount at least equal to the maximum amount of principal and interest which will come due on the Local Bonds in the then current or any succeeding year (the "Reserve Requirement") and any reserve account for any such prior or parity obligations is funded at least at the requirement therefor, equal to at least one hundred ten percent (110%) of the maximum amount required in any year for debt service on the Local Bonds and any such prior or parity obligations;

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

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

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

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

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

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

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

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

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

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

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

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

finance the construction of the Project; provided that, with the prior written consent of the Authority, the proceeds of the Local Bonds may be used to fund all or a portion of the Reserve Account, on which the owner of the Local Bonds shall have a lien as provided herein;

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

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

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

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

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

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

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

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

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

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

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

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

4.7 The Governmental Agency agrees to pay from time to time, as required by the Authority, the Governmental Agency's allocable share of the reasonable administrative expenses of the Authority relating to the Program. Such administrative

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

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

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

ARTICLE V

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

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

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

5.3 In the event the Governmental Agency defaults in the payment of any fees due to the Authority pursuant to Section 4.6 hereof, the amount of such default shall bear interest at the interest rate of the installment of the Loan next due, from the date of the default until the date of the payment thereof.

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

ARTICLE VI

Other Agreements of the Governmental Agency

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

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

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

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

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

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

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

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

ARTICLE VII

Miscellaneous

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

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

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

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

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

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

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

7.8 This Loan Agreement shall terminate upon the earlier of:

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

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

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

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

City of Logan
[Proper Name of ~~Governmental~~ Agency]

(SEAL)

By: Thomas E Esposito
Its: Mayor

Attest:

Date: March 29, 1993

Vickie Luke
Its Recorder

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

(SEAL)

By: Daniel B. Lyntkoski
Director

Attest:

Date: March 29, 1993

Barbara B Meadows
Secretary-Treasurer

WDA-5X
(July 1990)

SCHEDULE X
DESCRIPTION OF LOCAL BONDS

Principal Amount of Local Bonds $2,284,839

Purchase Price of Local Bonds $2,284,839

Interest on the Local Bonds is payable on April 1 and October 1 in each year, beginning with the first semiannual interest payment date after delivery of the Local Bonds to the Authority, until the Local Bonds are paid in full, at the rate of 7.75 % per annum. Principal of the Local Bonds is payable on October 1 in each year as set forth on Exhibit 1 attached hereto and incorporated herein by reference.

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

WDA Sewer Revenue Bond, Series A, issued 9/25/87

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

West Virginia Water Development Authority
Interest Bearing Local Loan from Series 1991 A Pool
Debt Service Schedule - City of Logan

Closing: 3/29/93
Interest Bearing Loan: $2,284,839.00

Date	Coupon	Principal	Interest	Debt Service
10/1/93	7.75%	$10,190.00	$89,521.26	$99,711.26
10/1/94	7.75%	10,980.00	176,285.30	187,265.30
10/1/95	7.75%	11,831.00	175,434.35	187,265.35
10/1/96	7.75%	12,748.00	174,517.45	187,265.45
10/1/97	7.75%	13,736.00	173,529.48	187,265.48
10/1/98	7.75%	14,800.00	172,464.94	187,264.94
10/1/99	7.75%	15,947.00	171,317.94	187,264.94
10/1/00	7.75%	17,183.00	170,082.04	187,265.04
10/1/01	7.75%	18,515.00	168,750.36	187,265.36
10/1/02	7.75%	19,950.00	167,315.45	187,265.45
10/1/03	7.75%	21,496.00	165,769.32	187,265.32
10/1/04	7.75%	23,162.00	164,103.38	187,265.38
10/1/05	7.75%	24,957.00	162,308.33	187,265.33
10/1/06	7.75%	26,891.00	160,374.16	187,265.16
10/1/07	7.75%	28,975.00	158,290.11	187,265.11
10/1/08	7.75%	31,221.00	156,044.55	187,265.55
10/1/09	7.75%	33,640.00	153,624.92	187,264.92
10/1/10	7.75%	36,247.00	151,017.82	187,264.82
10/1/11	7.75%	39,057.00	148,208.68	187,265.68
10/1/12	7.75%	42,083.00	145,181.76	187,264.76
10/1/13	7.75%	45,345.00	141,920.33	187,265.33
10/1/14	7.75%	48,859.00	138,406.09	187,265.09
10/1/15	7.75%	52,646.00	134,619.52	187,265.52
10/1/16	7.75%	56,726.00	130,539.45	187,265.45
10/1/17	7.75%	61,122.00	126,143.19	187,265.19
10/1/18	7.75%	65,859.00	121,406.23	187,265.23
10/1/19	7.75%	70,963.00	116,302.16	187,265.16
10/1/20	7.75%	76,463.00	110,802.53	187,265.53
10/1/21	7.75%	82,388.00	104,876.64	187,264.64
10/1/22	7.75%	88,774.00	98,491.57	187,265.57
10/1/23	7.75%	95,654.00	91,611.59	187,265.59
10/1/24	7.75%	103,067.00	84,198.40	187,265.40
10/1/25	7.75%	111,055.00	76,210.71	187,265.71
10/1/26	7.75%	119,661.00	67,603.95	187,264.95
10/1/27	7.75%	128,935.00	58,330.22	187,265.22
10/1/28	7.75%	138,927.00	48,337.76	187,264.76
10/1/29	7.75%	149,694.00	37,570.92	187,264.92
10/1/30	7.75%	161,296.00	25,969.63	187,265.63
10/1/31	7.75%	173,796.00	13,469.19	187,265.19
		$2,284,839.00	$4,930,951.68	$7,215,790.68

Prepared 3/23/93

SCHEDULE Y
REVENUES

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

(i) to pay Operating Expenses of the System;

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

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

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

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

SCHEDULE Z

Additional and Supplemental Definitions

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

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

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

Additional Conditions and Covenants

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

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

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

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

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

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

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

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

(a) The Governmental Agency expects to enter into a contract within six months of the date thereof for the construction of the Project, and the amount to be expended pursuant to such contract exceeds the lesser of 2-1/2 percent of the estimated total Project cost financed with proceeds from the sale of the Local Bonds or $100,000;

(b) Work with respect to the construction of the Project will proceed with due diligence to completion. Construction is expected to be completed within three years from the date of issuance of the Authority's water development revenue bonds;

(c) All of the proceeds from the sale of the Local Bonds which will be used for payment of costs of the Project will be expended for

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

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

WDA-Supp. 5
(June 1992)

SUPPLEMENTAL LOAN AGREEMENT

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

City of Logan
(Governmental Agency)

W I T N E S S E T H:

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

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

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

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

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

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

WHEREAS, having reviewed the Application and made all findings required by Section 5 of the Act, and having available sufficient funds therefore, the Authority is willing to lend the Governmental Agency the amount set forth on Schedule X attached hereto and incorporated herein by reference, through the purchase of supplemental, subordinate revenue bonds of the Governmental Agency with certain available funds of the Authority (other than the proceeds of certain water development revenue bonds of the State issued by the Authority pursuant to and in accordance with the provisions of the Act and a general resolution adopted by the Authority on May 22, 1985, as supplemented), subject to the Governmental Agency's satisfaction of certain legal and other requirements of the Authority's supplemental water development loan program (the "Supplemental Program") as hereinafter set forth.

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

ARTICLE I

Definitions; Loan Agreement

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

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

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

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

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

1.6 "Supplemental Bonds" means the revenue bonds to be issued by the Governmental Agency pursuant to the provisions of the Local Statute, to evidence the Supplemental Loan and to be purchased by the Authority with certain available funds (other than the proceeds of its water development revenue bonds), the lien of which on the revenues of the System is junior, subordinate and inferior to that of the Local Bonds, all in accordance with the provisions of this Supplemental Loan Agreement.

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

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

ARTICLE II

The Project and the System

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

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

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

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

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

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

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

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

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

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

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

2.12 The Governmental Agency, commencing on the date contracts are executed for the construction of the Project and for two years following the completion of the Project, shall

each month complete a Monthly Financial Report, the form of which is attached hereto as Exhibit C and incorporated herein by reference, and forward a copy by the 10th of each month to the Authority.

ARTICLE III

Conditions to Supplemental Loan; Issuance of Supplemental Bonds

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

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

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

(c) The Governmental Agency shall have received bids for the construction of the Project which are in an amount and otherwise compatible with the plan of financing described in the Application, and the Authority shall have received a certificate of the Consulting Engineers to such effect;

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

(e) The Governmental Agency shall have obtained all requisite orders of and approvals from the Public Service Commission of West Virginia (the "PSC") necessary for the issuance of the Supplemental Bonds, construction of the Project, operation of the System and imposition of rates and charges and shall have taken any other action required for the imposition of such rates and charges (imposition of such rates and charges is not, however, required to be effective until completion of construction of the Project) with all requisite

without successful appeal, and the Authority shall have received an opinion of counsel to the Governmental Agency, which may be local counsel to the Governmental Agency, bond counsel or special PSC counsel, to such effect;

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

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

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

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

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

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

ARTICLE IV

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

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

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

(b) Covenants substantially as follows:

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

(ii) That the schedule of rates or charges for the services of the System shall be sufficient to provide funds which, along with other revenues of the System, will pay all Operating Expenses and leave a balance each year equal to at least one hundred fifteen percent (115%) of the maximum amount required in any year for debt service

on the Local Bonds and the Supplemental Bonds and all other obligations secured by or payable from the revenues of the System prior to or on a parity with the Local Bonds and on a parity with the Supplemental Bonds or, if the reserve accounts established for the payment of debt service on the Local Bonds (the "Reserve Account") and for the payment of debt service on the Supplemental Bonds (the "Supplemental Reserve Account") are funded (whether by Local Bond proceeds with respect to the Local Bonds, monthly deposits or otherwise), respectively, at an amount at least equal to the maximum amount of principal and interest which will come due on the Local Bonds in any year (the "Reserve Requirement") or on the Supplemental Bonds in any year (the "Supplemental Reserve Requirement"), as the case may be, and any reserve account for any such prior or parity obligations is funded at least at the requirement therefor, equal to at least one hundred ten percent (110%) of the maximum amount required in any year for debt service on the Local Bonds and the Supplemental Bonds and any such prior or parity obligations;

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

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

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

Supplemental Bonds; provided, however, that additional parity Local Bonds and additional parity Supplemental Bonds may be issued to complete the Project, as described in the Application as of the date hereof, without regard to the foregoing;

(vi) That the Governmental Agency will carry such insurance as is customarily carried with respect to works and properties similar to the System;

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

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

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

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

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

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

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

(xiv) That the proceeds of the Supplemental Bonds, except for accrued interest and capitalized interest, if any, must be deposited in a construction fund on which the owner of the Supplemental Bonds shall have a lien until such proceeds are applied to the construction of the Project (including the repayment of any incidental interim financing for non-construction costs), provided that said construction fund may be the one established for the Local Bonds, which shall have a prior and senior lien thereon;

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

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

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

The Governmental Agency hereby represents and warrants that the Local Act has been or shall be duly adopted in compliance with all necessary corporate and other action and in

accordance with applicable provisions of law. All legal matters incident to the authorization, issuance, sale and delivery of the Supplemental Bonds shall be approved without qualification by recognized bond counsel acceptable to the Authority in substantially the form of legal opinion attached hereto as Exhibit B.

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

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

4.4 The Supplemental Loan shall not bear interest.

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

4.6 The Governmental Agency agrees to pay from time to time, as required by the Authority, the Governmental Agency's allocable share of the reasonable administrative expenses of the Authority relating to the Supplemental Program, which administrative expenses shall be as determined by the Authority.

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

ARTICLE V

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

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

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

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

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

ARTICLE VI

Other Agreements of the Governmental Agency

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

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

ARTICLE VII

Miscellaneous

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

7.2 Schedules X, Y and Z shall be attached to this Supplemental Loan Agreement at the time of execution hereof by the Authority and shall be approved by an official action of the Governmental Agency supplementing the Local Act, a certified copy of which official action shall be submitted to the Authority.

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

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

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

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

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

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

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

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

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

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Loan Agreement to be executed by their respective duly authorized officers as of the date executed below by the Governmental Agency, but this Supplemental Loan Agreement shall not be binding on the Authority until executed by it.

City of Logan
[Proper Name of ~~Governmental~~ Agency]

(SEAL)

By Thom E Esposito
Its Mayor

Attest:

Date: March 29, 1993

Vickie Luke
Its Recorder

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

(SEAL)

By Daniel B. Yankoski
Director

Attest:

Date: March 29, 1993

Barbara B Meadows
Secretary-Treasurer

SCHEDULE X
DESCRIPTION OF SUPPLEMENTAL BONDS

Principal Amount of Supplemental Bonds	$ 76,161
Purchase Price of Supplemental Bonds	$ 76,161

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

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

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

West Virginia Water Development Authority
Interest Free Local Loan from Series 1991 A Pool
Debt Service Schedule - City of Logan

Closing: 3/29/93
Interest Free Loan: $76,161.00

Date	Interest Free Loan	Debt Service
10/1/93	$1,952.85	$1,952.85
10/1/94	1,952.85	1,952.85
10/1/95	1,952.85	1,952.85
10/1/96	1,952.85	1,952.85
10/1/97	1,952.85	1,952.85
10/1/98	1,952.85	1,952.85
10/1/99	1,952.85	1,952.85
10/1/00	1,952.85	1,952.85
10/1/01	1,952.85	1,952.85
10/1/02	1,952.85	1,952.85
10/1/03	1,952.85	1,952.85
10/1/04	1,952.85	1,952.85
10/1/05	1,952.85	1,952.85
10/1/06	1,952.85	1,952.85
10/1/07	1,952.85	1,952.85
10/1/08	1,952.85	1,952.85
10/1/09	1,952.85	1,952.85
10/1/10	1,952.85	1,952.85
10/1/11	1,952.85	1,952.85
10/1/12	1,952.85	1,952.85
10/1/13	1,952.85	1,952.85
10/1/14	1,952.85	1,952.85
10/1/15	1,952.85	1,952.85
10/1/16	1,952.85	1,952.85
10/1/17	1,952.85	1,952.85
10/1/18	1,952.85	1,952.85
10/1/19	1,952.85	1,952.85
10/1/20	1,952.85	1,952.85
10/1/21	1,952.85	1,952.85
10/1/22	1,952.85	1,952.85
10/1/23	1,952.85	1,952.85
10/1/24	1,952.85	1,952.85
10/1/25	1,952.85	1,952.85
10/1/26	1,952.85	1,952.85
10/1/27	1,952.85	1,952.85
10/1/28	1,952.85	1,952.85
10/1/29	1,952.85	1,952.85
10/1/30	1,952.85	1,952.85
10/1/31	1,952.70	1,952.70
	$76,161.00	$76,161.00

Prepared 3/23/93

SCHEDULE Y
REVENUES

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

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

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

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

(iv) beginning thirteen (13) months prior to the first date of payment of principal of the Supplemental Bonds, to provide debt service on the Supplemental Bonds by depositing in a sinking fund one-twelfth (1/12) of the principal payment next coming due on the Supplemental Bonds and, if the Supplemental Reserve Account was not funded concurrently with the issuance thereof in an amount equal to the Supplemental Reserve Requirement, by depositing in the Supplemental Reserve Account an amount not less than one-twelfth (1/12) of one-tenth (1/10) (or such other amount as shall be acceptable to the Authority and as shall fund the Reserve Account over not more than ten (10) years) of the Supplemental Reserve Requirement or, if the Supplemental Reserve Account has been so funded (whether by Supplemental Bond proceeds, monthly deposits or otherwise), any amount necessary to maintain the Supplemental Reserve Account at the Supplemental Reserve Requirement;

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

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

SCHEDULE Z

Additional and Supplemental Definitions

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

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

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

Additional Conditions and Covenants

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

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

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

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

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

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

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

M I N U T E S

A special meeting of the City of Logan, West Virginia, was held on March 23, 1993, at 7:30 p.m. in the Council Chambers of the City Building in said City, pursuant to the following written notice given and posted in accordance with law:

"NOTICE OF SPECIAL COUNCIL MEETING

TO: Levie Caudill, Council Member
Lilly Lowe, Council Member
Stan Morgan, Council Member
Bea N. Orr, Council Member
Ruth Ware, Council Member
Vickie Luke, City Clerk
Editor, THE GUYANDOTTE VOICE
Editor, THE LOGAN BANNER
WLOG News
WVOW News
All Members of the Public

I hereby call a special meeting of the City Council of the City of Logan, West Virginia, for Tuesday, March 23, 1993, at 7:30 p.m. in the Council Chambers of the City Building on Dingess Street in said City, to make and adopt a levy estimate (budget) for the fiscal year beginning July 1, 1993, and ending June 30, 1994, as required by law.

At that meeting the Council will also conduct a public hearing, as required by Chapter 11, Article 8, Section 6e of the West Virginia Code, on a proposal to increase the levy rate above the reduced rate required by that section.

At that hearing the Council will consider for final adoption and hold a public hearing upon the adoption of An Ordinance Charging And Readjusting Rates And Charges For Furnishing Residential Refuse Collection Service By The City Of Logan, West Virginia, And Imposing Fees For Such Service Upon Property Owners And Occupants Of Residential Units.

At that meeting the Council will also consider and adopt a Resolution supplementing the Bond and Note Ordinance passed by the Council on July 21, 1992, providing specifically for the issuance of the City's Subordinate Sewerage System Revenue Bonds, Series 1992 (the "Bonds"), setting the original aggregate principal amount of the Bonds, which may not exceed $3,125,000 and $125,000, respectively; setting the interest rate on, the maturity schedules for and other provisions with respect to the Bonds; authorizing the sale of the Bonds to the West Virginia Water Development Authority; and taking such other actions as are necessary and appropriate for the issuance and delivery of the Bonds to the Water Development Authority and the use of the proceeds to finance the acquisition and construction of certain improvements and betterments to the existing public sewerage facilities of the City.

The Council will also consider and take such other actions as may be necessary or proper in connection with the aforementioned matters.

All members of the public shall have the right to attend the meeting and be heard in connection with the aforementioned matters.

/s/Thomas E. Esposito
Thomas E. Esposito, Mayor"

The following persons were present:

Thomas E. Esposito, Mayor
Levie Caudill, Council Member
Lilly Lowe, Council Member
Bea N. Orr, Council Member
Ruth Ware, Council Member
Edward I. Eiland, City Attorney
Taunja Willis Miller, Bond Counsel
Vickie Luke, City Clerk
Timothy Wiley, Police Chief
T. D. Kiger, Reporter for THE LOGAN BANNER

The meeting was called to order by the Mayor, Thomas E. Esposito, who presided and asked the City Attorney to take the minutes of the meeting.

FISCAL YEAR 1993-94
MUNICIPALITY OF LOGAN
LEVY ESTIMATE

In accordance with CODE § 11-8-14, as amended, the Council proceeded to make an estimate of the amounts necessary to be raised by a levy of taxes for the current fiscal year and does determine and estimate the several amounts to be as follows:

CURRENT REGULAR MUNICIPAL PURPOSES ESTIMATE

The amount due and the amount that will become due and collectible from every source during the fiscal year, **INCLUDING THE LEVY OF TAXES**, is as follows:

REVENUE SOURCE	
Unencumbered Balance (July 1)	$ 0
Ad Valorem Taxes	183,474
Building Permit Fees	570
Contrib. from Other Entities (Equip. Grants - County)	35,000
Business and Occupation Tax	312,700
Excess Tax on Utilities	60,200
Wine and Liquor Tax	32,000
Licenses	5,000
Fines, Fees, and Court Costs	16,300
Parking Violations Fines	4,000
Garbage Fees	256,500
Fire Protection Fees	121,600
Municipal Service Fees	29,900
Miscellaneous Revenue	7,400
TOTAL ESTIMATED REVENUE	$1,064,644

ESTIMATED CURRENT EXPENDITURES	
Office of Mayor	$ 5,767
Members of Council	1,500
City Clerk	45,530
City Attorney	9,000
Community Development	500
Regional Development	495
City Hall - Contractual (Utilities)	10,000
Police Department	264,401
Fire Department	186,300
Garbage Department	245,100
Streets and Highways	165,900
Street Construction	30,000
Street Lights	37,000
Contingencies	8,293
Insurance - Bonds	40,400
Hydrants	14,458
TOTAL ESTIMATED EXPENDITURES	$1,064,644

Coal Severance Tax	$ 5,300
Estimated Current Expenditures:	
City Clerk	2,100
Health Department	2,000
Library	1,200
TOTAL ESTIMATED EXPENDITURES	$ 5,300

ASSESSED VALUATIONS - PROPOSED LEVY RATES AND TAXES LEVIED FOR ALL PURPOSES

(Rates are stated in cents per each $100 valuation.)

	Assessed Values Tax Purposes	Current Expense Taxes Levied
CLASS I PROPERTY		(Class I Rate 12.5)
Personal Property	$22,858,152	$ 28,573
Public Utilities	556,200	695
TOTAL CLASS I	$23,414,352	$ 29,268
CLASS II PROPERTY		(Class II Rate 25)
Real Estate	$ 4,901,852	$ 12,255
Personal Property	1,200	3
TOTAL CLASS II	$ 4,903,052	$ 12,258
CLASS IV PROPERTY		(Class IV Rate 50)
Real Estate	$13,243,120	$ 66,216
Personal Property	7,899,986	39,500
Public Utilities	10,008,500	50,042
TOTAL CLASS IV	$31,151,606	$155,758
TOTAL ALL CLASSES	**$59,469,010**	**$197,284**
Less: Delinquencies, exonerations, uncollectibles, and discounts Estimated at 5%		$ - 9,864
Less: Assessor Valuation Fund - 2%		- 3,946
NET AMOUNT TO BE RAISED BY TAXES		**$183,474**

The Council also conducted a public hearing on the proposed levy rates, having published Notice of Proposed Tax Increase as required by Chapter 11, Article 8, Section 6e of the WEST VIRGINIA CODE. No person asked to be heard concerning the proposed levy rates.

Thereupon, upon motion by Mr. Caudill, seconded by Mrs. Ware, the tax increase proposed in said levy estimate was unanimously adopted.

Upon motion by Mr. Caudill, seconded by Mrs. Ware, said levy estimate and the levy rates thereby proposed were unanimously adopted.

The Council also proceeded to consider for final adoption and hold a public hearing upon the adoption of the following ordinance, which was filed with the City Clerk on March 4, 1993, and was read in full and adopted on first reading on March 9, 1993, notice of this hearing having been published as required by law:

"'AN ORDINANCE CHARGING AND READJUSTING RATES AND CHARGES FOR FURNISHING RESIDENTIAL REFUSE COLLECTION SERVICE BY THE CITY OF LOGAN, WEST VIRGINIA, AND IMPOSING FEES FOR SUCH SERVICE UPON PROPERTY OWNERS AND OCCUPANTS OF RESIDENTIAL UNITS

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF LOGAN, WEST VIRGINIA, THAT:

1. The Council hereby finds that the rates and charges now in effect for the collection, removal, and disposal of residential refuse by the City of Logan will not provide revenues in each year sufficient to pay the necessary expense of providing such service.

'2. Section 10-9 of Article II, Chapter 10, of The Code of the City of Logan, West Virginia, be, and it is, hereby amended and re-enacted to read as follows:

'Fees and discounts and penalties for delinquency in payment of accounts under this article shall be in accordance with the following provisions:

'(a) A fee for the collection, removal, and disposal of refuse by the City shall be paid to the City by the property owner or occupants of each residential unit served, and all property owners and occupants shall be jointly and severally liable for such fees.

'(b) The term 'residential unit' includes single, detached dwelling houses, single dwelling units of duplexes, town houses, condominiums, and single dwelling units of apartment buildings.

'(c) Each property owner or occupant of a residential unit shall be responsible for the payment of a fee of fifteen dollars ($15.00) per month for collection, removal, and disposal of residential refuse by the City per residential unit.

'(d) The fees specified by Sub-section (c) herein shall be billed to the owners of each and every residential unit; Provided, however, that upon application by the occupant of any residential unit, filed with the City Clerk and accompanied by an appropriate affidavit showing the occupant's status as such, such bills may be rendered to the occupant.

'(e) The fee for collection, removal, and disposal of any nonresidential refuse by the City shall be fixed by the City Council; provided, however, that in no event shall such fees be less than that chargeable for residential refuse.

'(f) All fees for the foregoing services by the City shall be due and payable one (1) month in advance on the first day of each month.

'(g) All fees chargeable under this section shall be subject to a discount of fifteen percent (15%) when paid for one (1) year in advance before the fifteenth day of the first month of the fiscal year or a discount of ten percent (10%) when paid for six (6) months in advance on or before the fifteenth day of the seventh month of the fiscal year.

'(h) All accounts shall be considered delinquent if not paid on or before the fifteenth (15th) day of the month

for which services are rendered. All such delinquent accounts are subject to stoppage of service without notice, and a penalty of ten percent (10%) of the amount due shall be added to all delinquent accounts. If a delinquent account is not paid within thirty (30) days after becoming delinquent, the City may proceed with the collection of such delinquent account in the manner provided by law for the collection of a municipal claim.

'(i) The fees set forth in this section may be revised, changed, or altered from time to time by the City Council as it shall deem proper.

'3. The rates and charges hereby established shall be effective on and after May 1, 1993.

'4. If any provision of this ordinance is adjudicated to be invalid, the remaining provisions of this ordinance shall nevertheless remain in full force and effect.'

The effect of this ordinance will be to increase rates and charges for the collection, removal, and disposal of residential refuse from nine dollars ($9.00) per month to fifteen dollars ($15.00) per month and to impose such rates and charges upon the owners and occupants of residential units.

Copies of the proposed ordinance will be kept and be made available for inspection by the public in the office of the City Clerk of the City of Logan in said City Building.

All customers and users of residential refuse service by the City of Logan, all owners of property served thereby, all interested parties, and the general public may appear at the meeting and be heard with respect to the proposed ordinance and the rates and charges therein contained.

VICKIE LUKE, Acting City Clerk"

No person asked to be heard concerning said ordinance. Thereupon, upon motion by Mrs. Orr, seconded by Mrs. Lowe, said ordinance was unanimously adopted.

Upon motion by Mr. Caudill, seconded by Mrs. Ware, the following resolution was unanimously adopted:

"A RESOLUTION SUPPLEMENTING THE AMENDATORY AND SUPPLEMENTAL BOND AND NOTE ORDINANCE ADOPTED BY THE COUNCIL OF THE CITY OF LOGAN ON JULY 21, 1992, EFFECTIVE AUGUST 11, 1992; PROVIDING AS TO PRINCIPAL AMOUNTS, DATES, INTEREST RATE, MATURITIES, REDEMPTION PROVISIONS AND OTHER TERMS OF THE SUBORDINATE SEWERAGE SYSTEM REVENUE BONDS, SERIES 1992, AND SUPPLEMENTAL SUBORDINATE SEWERAGE SYSTEM REVENUE BONDS, SERIES 1992, OF THE CITY OF LOGAN; APPROVING AND RATIFYING A LOAN AGREEMENT AND SUPPLEMTNAL LOAN AGREEMENT RELATING TO SUCH BONDS; DESIGNATING THE DEPOSITORY BANK, BOND REGISTRAR AND PAYING AGENT IN CONNECTION WITH SAID BONDS; MAKING OTHER PROVISIONS AS TO THE BONDS; AND RATIFYING CERTAIN TERMS AND PROVISIONS OF, AND AN AGREEMENT WITH RESPECT TO, THE CITY'S LINE OF CREDIT.

WHEREAS, the Council (the "Council") of The City of Logan, West Virginia (the "City"), has duly and effectively adopted on July 21, 1992, effective August 11, 1992, an Ordinance that, among other things, amended and supplemented a Supplemental Bond and Note Ordinance passed by the Council on August 11, 1987; authorized issuance of not more than $3,125,000 in aggregate principal amount of Subordinate Sewerage System Revenue Bonds, Series 1992, and not more than $125,000 in aggregate principal amount of Supplemental Subordinate Sewerage System Revenue Bonds, Series 1992; provided for the sale of such bonds to the West Virginia Water Development Authority; authorized a revolving line of credit in an amount not to exceed $500,000, an agreement with respect to said line of credit and issuance of a Sewerage System Construction Note to evidence the City's obligation to repay any draws upon said line of credit (the "Ordinance").

WHEREAS, the capitalized terms used and not otherwise defined in this Supplemental Resolution have the respective meanings given them in the Ordinance; and

WHEREAS, the Ordinance provides for the issuance by the City of Subordinate Sewerage System Revenue Bonds, Series 1992 (the "Subordinate Bonds"), in an aggregate principal amount not to exceed $3,125,000 and the Supplemental Subordinate Sewerage System Revenue Bonds, Series 1992 (the "Supplemental Bonds"), in an aggregate principal amount not to exceed $125,000 (together, the "Bonds"), all in accordance with the Act, and has authorized the execution and delivery of a Loan Agreement and a Supplemental Loan Agreement approved by the Ordinance (together, the "Loan Agreement") between the City and the West Virginia Water Development Authority (the "Authority"); and

WHEREAS, the Ordinance provides that the principal amounts, dates, interest rate, maturities, redemption provisions and other terms of the Bonds should be established by a supplemental resolution and that other matters relating to the Bonds be herein provided for; and

WHEREAS, it is appropriate to amend the series designation of the Bonds from "1992" to "1993"; and

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

WHEREAS, the Council deems it essential and desirable that the Bonds be issued for the purposes of paying the costs, not otherwise provided, of acquisition and construction of the Phase II Project, including capitalized interest on the Subordinate Bonds, and of paying certain costs of issuance and related costs; and

WHEREAS, the Council further deems it essential and desirable that this resolution (the "Supplemental Resolution") be adopted and that the principal amounts, dates, interest rate, maturities, sale prices, redemption provisions and other terms of the Bonds be fixed hereby in the manner stated herein, that Schedules X to the Loan Agreement and the Supplemental Loan Agreement be approved and that other matters relating to the Bonds be herein provided for.

NOW, THEREFORE, be it resolved by the Council of The City of Logan, West Virginia, as follows:

(1) The City does hereby authorize, ratify and confirm the acquisition and construction of the Phase II Project in accordance with the plans and specifications prepared by the Consulting Engineers and the provisions of the Ordinance.

(2) Section 3.02 of the Ordinance is hereby amended and reenacted to read as follows:

> Section 3.02. Terms of 1992 Bonds. The 1992 Subordinate Bonds shall be originally issued in the form of a single bond, designated Subordinate Sewerage System Revenue Bond, Series 1993, Number R-1, fully registered to the Authority, in the principal amount of not more than $3,125,000, as shall be set forth in the Supplemental Resolution. The 1992

Subordinate Bonds shall be dated the date of delivery thereof; shall bear interest at the rate per annum, not to exceed 12%, as shall be set forth in the Supplemental Resolution, payable semi-annually, on April 1 and October 1 of each year, beginning with the date set forth in the Supplemental Resolution; shall be subject to redemption only with the written consent of the Authority and upon payment of the interest and redemption premium, if any, and subject to the other requirements and otherwise in compliance with the 1992 Loan Agreement, so long as the Authority shall be the Owner of the 1992 Subordinate Bonds; and shall mature in principal installments on October 1 of each of the years and in the amounts set forth in the 1992 Loan Agreement "Schedule X" to be approved by the Supplemental Resolution.

The 1992 Supplemental Bonds shall be originally issued in the form of a single bond, designated Supplemental Subordinate Sewerage System Revenue Bond, Series 1993, numbered SR-1, fully registered to the Authority, in the principal amount of not more than $125,000, as shall be set forth in the Supplemental Resolution. The 1992 Supplemental Bonds shall be dated the date of delivery thereof; shall bear no interest; shall be subject to redemption only with the written consent of the Authority and otherwise in compliance with the 1992 Supplemental Loan Agreement, so long as the Authority shall be the Owner of the 1992 Supplemental Bonds; and shall mature in principal installments on October 1 of each of the years and in the amounts set forth in the 1992 Supplemental Loan Agreement "Schedule X" to be approved by the Supplemental Resolution.

Corresponding additional changes shall be made as required by the context in which the series designation is used in the Ordinance.

(3) Pursuant to the Ordinance and the Act, this Supplemental Resolution is adopted and there are hereby authorized and ordered to be issued the Subordinate Sewerage System Revenue Bonds, Series 1993, in the aggregate principal amount of $2,284,839 and the Supplemental Subordinate Sewerage System Revenue Bonds, Series 1993, in the aggregate principal amount of $76,161, all with the terms and all in the forms set forth below and in the Ordinance:

(A) The Subordinate Bonds shall be originally issued in the form of a single bond, numbered R-1 and designated Series 1993, in the principal amount of $2,284,839, fully registered to the Authority. The Subordinate Bonds shall be dated the date of delivery thereof, shall bear interest at the rate of 7.75% per annum, payable semiannually on April 1 and October 1 of each year, first interest payable October 1, 1993, shall be subject to redemption with the written consent of the Authority, and upon payment of the interest and redemption premium, if any, and subject to the other requirements provided in the Loan Agreement, as long as the Authority shall be the registered owner of the Subordinate Bonds, and shall be payable in installments of principal on October 1 of each of the years from 1993 through 2031, inclusive, and in the amounts as set forth under "Principal" in the schedule attached hereto and made a part hereof, which amounts shall also be set forth in "Schedule X" attached to the Loan Agreement.

(B) The Supplemental Bonds shall be originally issued in the form of a single bond, numbered SR-1 and designated Series 1993, in the principal amount of $76,161, fully registered to the Authority. The Supplemental Bonds shall be dated the date of delivery thereof, shall be interest free, shall be subject to redemption with the written consent of the Authority as long as the Authority shall be the registered owner of the Supplemental Bonds, and shall be payable in installments of principal on October 1 of each of the years from 1993 through 2031, inclusive, and in the amounts as set forth under "Interest Free Loan" in the schedule attached hereto and made a part hereof, which amounts shall also be set forth in "Schedule X" attached to the Supplemental Loan Agreement.

(C) The amounts to be set forth in Schedules X assume that the City will close the sale of its Bonds to the Authority on March 29, 1993. The Mayor is hereby authorized and directed to approve such changes in the Schedules X as may be required by the Authority if said closing is held on a date in March or April, 1993, other than March 29, 1993.

(4) All other provisions relating to the Bonds shall be as provided in the Ordinance, and the Bonds shall be in substantially the form provided in the Ordinance with such changes, insertions and omissions as may be approved by the Mayor of the City. The execution of the Bonds by the Mayor shall be conclusive evidence of such approval.

(5) The Council does hereby ratify, approve and accept the Loan Agreement and the Supplemental Loan Agreement, including the "Schedule X" attached to each, copies of which are incorporated herein by reference. The execution and delivery by the Mayor of the Loan Agreement and the Supplemental Loan Agreement, and the performance of the obligations contained therein, on behalf of the City have been and are hereby authorized, approved, ratified and directed. The City hereby affirms all covenants and representations made in the Loan Agreement, the Supplemental Loan Agreement and in the Application to the Authority. The price of the Bonds shall be 100% of par value, there being no interest accrued thereon.

(6) The City hereby appoints and designates The National Bank of Logan, Logan, West Virginia, as the Depository Bank for the Bonds under the Ordinance.

(7) The City hereby appoints and designates One Valley Bank, National Association, Charleston, West Virginia, as Registrar for the Bonds. The Mayor is hereby authorized to execute a document or documents evidencing such appointment.

(8) The City hereby appoints and designates the West Virginia Municipal Bond Commission (the "Commission"), Charleston, West Virginia, as Paying Agent for the Bonds.

(9) The City hereby directs that proceeds of the Subordinate Bonds in the amount of $88,500 be placed in the Sinking Fund at the Commission as capitalized interest.

(10) The proceeds of the Bonds shall be deposited in or credited to the 1993 (formerly, 1992) Bond Construction Trust Fund for payment of Costs of the Phase II Project, including costs of issuance of the Bonds. The City hereby directs that none of the proceeds of the Subordinate Bonds be placed in the Reserve Account and that none of the proceeds of the Supplemental Bonds be placed in the Supplemental Reserve Account at the Commission.

(11) The undersigned Thomas E. Esposito, duly appointed and acting Mayor of the City and the undersigned Vickie Luke, duly appointed and acting City Clerk of the City, or other appropriate officers and employees of the City and the Sanitary Board, are hereby authorized and directed to perform all acts, conditions, things and procedures required to exist, to be performed or to be taken to execute and deliver the Bonds and are hereby authorized and directed to execute and deliver such other documents and certificates, including the Registrar's Agreement, and to take such other actions, 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 and the Supplemental Loan Agreement on or about March 29, 1993, or such other date in March or April, 1993, as shall be approved by the Mayor.

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

(13) The City and all subordinate entities reasonably expect to issue less than $5,000,000 in aggregate principal amount of tax-exempt bonds (other than private activity bonds) during the calendar year 1993, and the City believes that it is excepted from the rebate requirement of Section 148(f) of the Code.

(14) The City does hereby authorize the investment and reinvestment of all moneys held by the Commission or the Depository Bank, as the case may be, as part of the funds and accounts under the Ordinance, at the direction of the City, in any Qualified Investment, to the fullest extent possible under applicable laws and the terms and provisions of the Ordinance.

(15) The financing of the Phase II Project with proceeds of the Bonds is in the public interest, serves a public purpose of the City and will promote the health, welfare and safety of the residents of the City.

(16) The form and substance of the Sewerage System Construction Note, Series 1992, and of the 1992 Line of Credit Agreement executed by the Mayor and delivered to The National Bank of Logan, are incorporated herein by reference, and all actions taken in connection therewith, are hereby ratified, approved and confirmed, and the Council finds that any variances from the form and substance previously approved by the Council, including on August 11, 1992, including certain dates and the definition of "Prime Rate" thereon, are immaterial.

(17) This Supplemental Resolution shall be effective immediately upon adoption.

West Virginia Water Development Authority
Total Local Loan from Series 1991 A Pool
Debt Service Schedule - City of Logan

NIC=7.57%
WAM=27.58 yrs

Closing: 3/29/93
Total Amount Borrowed: $2,361,000.00

Date	Coupon	Principal	Interest	Debt Service	Interest Free Loan	Total Debt Service
10/1/93	7.75%	$10,190.00	$89,521.26	$99,711.26	$1,952.85	$101,664.11
10/1/94	7.75%	10,980.00	176,285.30	187,265.30	1,952.85	189,218.15
10/1/95	7.75%	11,831.00	175,434.35	187,265.35	1,952.85	189,218.20
10/1/96	7.75%	12,748.00	174,517.45	187,265.45	1,952.85	189,218.30
10/1/97	7.75%	13,738.00	173,528.48	187,265.48	1,952.85	189,218.33
10/1/98	7.75%	14,800.00	172,464.94	187,264.94	1,952.85	189,217.79
10/1/99	7.75%	15,947.00	171,317.94	187,264.94	1,952.85	189,217.79
10/1/00	7.75%	17,183.00	170,082.04	187,265.04	1,952.85	189,217.89
10/1/01	7.75%	18,515.00	168,750.38	187,265.38	1,952.85	189,218.21
10/1/02	7.75%	19,950.00	167,315.45	187,265.45	1,952.85	189,218.30
10/1/03	7.75%	21,496.00	165,769.32	187,265.32	1,952.85	189,218.17
10/1/04	7.75%	23,162.00	164,103.38	187,265.38	1,952.85	189,218.23
10/1/05	7.75%	24,957.00	162,308.33	187,265.33	1,952.85	189,218.18
10/1/06	7.75%	26,891.00	160,374.16	187,265.16	1,952.85	189,218.01
10/1/07	7.75%	28,975.00	158,290.11	187,265.11	1,952.85	189,217.96
10/1/08	7.75%	31,221.00	156,044.55	187,265.55	1,952.85	189,218.40
10/1/09	7.75%	33,640.00	153,624.92	187,264.92	1,952.85	189,217.77
10/1/10	7.75%	36,247.00	151,017.82	187,264.82	1,952.85	189,217.67
10/1/11	7.75%	39,057.00	148,208.68	187,265.68	1,952.85	189,218.53
10/1/12	7.75%	42,083.00	145,181.76	187,264.76	1,952.85	189,217.61
10/1/13	7.75%	45,345.00	141,920.33	187,265.33	1,952.85	189,218.18
10/1/14	7.75%	48,859.00	138,406.09	187,265.09	1,952.85	189,217.94
10/1/15	7.75%	52,646.00	134,619.52	187,265.52	1,952.85	189,218.37
10/1/16	7.75%	56,726.00	130,539.45	187,265.45	1,952.85	189,218.30
10/1/17	7.75%	61,122.00	126,143.19	187,265.19	1,952.85	189,218.04
10/1/18	7.75%	65,859.00	121,406.23	187,265.23	1,952.85	189,218.08
10/1/19	7.75%	70,963.00	116,302.16	187,265.16	1,952.85	189,218.01
10/1/20	7.75%	76,463.00	110,802.53	187,265.53	1,952.85	189,218.38
10/1/21	7.75%	82,388.00	104,876.64	187,264.64	1,952.85	189,217.49
10/1/22	7.75%	88,774.00	98,491.57	187,265.57	1,952.85	189,218.42
10/1/23	7.75%	95,654.00	91,611.59	187,265.59	1,952.85	189,218.44
10/1/24	7.75%	103,067.00	84,198.40	187,265.40	1,952.85	189,218.25
10/1/25	7.75%	111,055.00	76,210.71	187,265.71	1,952.85	189,218.56
10/1/26	7.75%	119,661.00	67,603.95	187,264.95	1,952.85	189,217.80
10/1/27	7.75%	128,935.00	58,330.22	187,265.22	1,952.85	189,218.07
10/1/28	7.75%	138,927.00	48,337.76	187,264.76	1,952.85	189,217.61
10/1/29	7.75%	149,694.00	37,570.92	187,264.92	1,952.85	189,217.77
10/1/30	7.75%	161,296.00	25,968.83	187,265.83	1,952.85	189,218.68
10/1/31	7.75%	173,796.00	13,469.19	187,265.19	1,952.85	189,218.04
		$2,284,839.00	$4,930,951.68	$7,215,790.68	$76,161.00	$7,291,951.68

The business for which the meeting was called having been completed, the meeting was adjourned.

Edward T. Eiland
City Attorney

Thomas E. Esposito
Mayor

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

STATE OF WEST VIRGINIA,

COUNTY OF KANAWHA, to-wit:

I, HOWARD M. CUNNINGHAM, Executive Secretary of the Public Service Commission of West Virginia, certify that the attached is a true and complete copy of a Recommended Decision entered on July 17, 1992, which became final on August 6, 1992, in Case No. 92-0091-S-CN, CITY OF LOGAN, as the same appears on file and of record in my office.

Given under my hand and the seal of the Public Service Commission of West Virginia, in the City of Charleston, this 25th day of March, 1993.

HOWARD M. CUNNINGHAM
Executive Secretary

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

FINAL
8-6-92

Entered: July 17, 1992

CASE NO. 92-0091-S-CN

CITY OF LOGAN, a municipal corporation,
Logan County.
Application for a certificate of convenience and necessity to replace the existing wastewater treatment plant at Logan, and for approval of financing incidental thereto.

RECOMMENDED DECISION

PROCEDURE

On January 27, 1992, the City of Logan (Logan), a municipal corporation, Logan, Logan County, filed an application with the Public Service Commission, pursuant to West Virginia Code (Code) §24-2-11, for a certificate of convenience and necessity to replace the existing wastewater treatment plant at Logan, and for approval of financing incidental to replacing the plant. On January 28, 1992, the Public Service Commission ordered Logan to publish a Notice of Filing in a newspaper published and of general circulation in Logan County, to satisfy public notice requirements under West Virginia Code §24-2-11.

On February 6, 1992, the Commission Referral Order was entered, referring this matter to the Division of Administrative Law Judges (ALJ Division) and requiring the ALJ Division to render a recommended decision on or before August 24, 1992. Pursuant thereto, on February 19, 1992, the ALJ issued a Procedural Order establishing a procedural schedule to be followed in the processing and resolution of this matter, including a June 10, 1992 hearing date.

On March 10, 1992, the City of Logan filed an affidavit of publication which verified that it had provided the required public notice of its certificate filing in the Logan Banner, a newspaper published and of general circulation in Logan County, on March 4, 1992. No public protest was received in response to the public notice. Accordingly, the City of Logan was not required to provide additional public notice of the June 10, 1992 hearing.

The hearing was held as scheduled. The Applicant was represented by T. D. Kauffelt, Esquire; the Staff of the Public Service Commission was represented by Staff Attorney J. Joseph Watkins, Esquire. Logan presented the testimony of four witnesses and presented five exhibits. Commission Staff presented the testimony of two witnesses and presented two exhibits.

this reason, the project was still viable and would not be adversely affected by the bids. (Tr., pp. 21-24).

The next witness was James W. Ellars, Staff Engineer, Water and Sewer Section, Utilities Division, who testified on behalf of Commission Staff. He recommended approval of the project, from an engineering standpoint. (Tr., pp. 25-28).

The final witness was Birdie Stowers, Utilities Analyst, who testified on behalf of Commission Staff. She recommended approval of the project, once the proposed rates become effective. She opined that, since the DNR was going to grant $275,000 more money than previously thought, the additional project cost of approximately $255,000 would not create any additional debt. (Tr., pp. 28-34).

On July 15, 1992, the ALJ received a telephonic confirmation from the Executive Secretary of the Public Service Commission that the statutory period for protesting the Logan rate ordinance had passed, and that no protest thereto had been lodged with the Commission. Therefore, the rates and charges proposed by Logan to support the construction of the new wastewater treatment facility are final.

DISCUSSION

Upon consideration of all of the above, the ALJ will approve Logan's application for a certificate of convenience and necessity to replace its sewage treatment plant, and for approval of financing of the project. The ALJ is of the opinion that the project is reasonable and should be approved because it will, upon completion, provide for the needs of Logan's customers and meet EPA discharge requirements. The project appears to be financially feasible since it is supported by the rates and charges passed by City Ordinance by Logan and, for this reason, the financing will be approved.

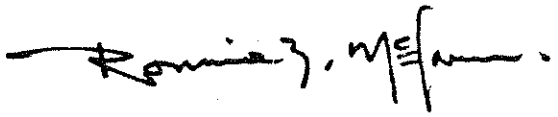
FINDINGS OF FACT

1. The City of Logan filed an application with the Commission, pursuant to Code §24-2-11, for a certificate of convenience and necessity to replace its existing wastewater treatment plant, and for approval of financing for the project. (See, Application, filed January 27, 1992).

2. The current wastewater facility for Logan is inadequate because it cannot meet the EPA and DNR requirements, and it would cost more to upgrade the existing facility than to construct a new facility. (Applicant's Exhibit No. 2; Testimony of Terry Smith, Tr., pp. 9-15).

3. The proposed wastewater treatment facility is necessary to meet the needs of Logan since, once constructed, it will meet the EPA discharge requirements. (Applicant's Exhibit No. 2; Testimony of Terry Smith, Tr., pp. 9-15; James W. Ellars, Tr., pp. 25-28).

Any party may request waiver of the right to file exceptions to an Administrative Law Judge's Order by filing an appropriate petition in writing with the Secretary. No such waiver will be effective until approved by order of the Commission, nor shall any such waiver operate to make any Administrative Law Judge's Order or Decision the order of the Commission sooner than five (5) days after approval of such waiver by the Commission.



Ronnie Z. McCann
Administrative Law Judge

RZM:mal

DEPARTMENT OF COMMERCE, LABOR & ENVIRONMENTAL RESOURCES
DIVISION OF ENVIRONMENTAL PROTECTION
617 Broad Street
Charleston, WV 25301-1218

Gaston Caperton
Governor
John M. Ranson
Cabinet Secretary

David C. Callaghan
Director
Ann A. Spaner
Deputy Director

March 22, 1993

Honorable Thomas Esposito
Mayor, City of Logan
City Hall, Dingess Street
Logan, West Virginia 25601

RE: City of Logan
C-540292-02

Dear Mayor Esposito:

You are hereby advised that the bidding procedures for Contract 2 - Phase II has been reviewed and approved. The contract may now be awarded to the low, responsive bidder, Hayslett Construction Company, Incorporated, as indicated by the proposal you submitted.

As the revised eligible project cost is $5,491,600, the grant has been increased to an amount not to exceed $3,020,380 based on the maximum allowable grant regulations 40 CFR 35.2205. The Part B documents and the grant increase will be made under separate cover.

Certain construction activities have been assigned to our Engineering Section. You will be contacted by a representative of this section in the near future.

As noted on the bidder's form, subcontracts are anticipated. You, as the grant recipient, are responsible for following up on any action. This action is to be reported quarterly on Form 334 and will be monitored by our engineering staff during interim inspections.

Should you have any questions, please contact Paul Frantz or Rosalie Ortega of my staff at (304) 558-0637.

Sincerely,

CONSTRUCTION ASSISTANCE

for Rosalie Ortega
Mike Johnson, P.E.
Assistant Chief

MJ/jra

cc: Kelley, Gidley, Blair & Wolfe
Frank Sampson
Bernie Yonkosky, WDA

P-4

DEPARTMENT OF COMMERCE, LABOR & ENVIRONMENTAL RESOURCES
DIVISION OF ENVIRONMENTAL PROTECTION
617 Broad Street
Charleston, WV 25301-1218

Gaston Caperton
Governor
John M. Ranson
Cabinet Secretary

David C. Callaghan
Director
Ann A. Spaner
Deputy Director

March 23, 1993

Mr. Francis R. Snock, Chief
Grants Management Section (3PM71)
US Environmental Protection Agency
Region III
841 Chestnut Building
Philadelphia, Pennsylvania 19107

RE: City of Logan
C-540292-02

Dear Mr. Snock:

Transmitted are the Part B documents for Contract 2 - Phase II for the above referenced project. The State approves the bidding procedures and the request for grant increase in the amount of $1,173,870 reflecting a revised federal grant of $3,020,380 based on total eligible project costs of $5,491,600 and maximum allowable grant regulations 40 CFR 35.2205.

Should you have any questions, please contact Rosalie Ortega of my staff at (304) 558-0637.

Sincerely,

CONSTRUCTION ASSISTANCE

Mike Johnson, P.E.
Assistant Chief

MJ/jra

Enclosures

cc: City of Logan
Kelley, Gidley, Blair & Wolfe
Frank Sampson
Bernie Yonkosky, WDA

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION III
841 Chestnut Building
Philadelphia, Pennsylvania 19107

OCT 7 1985

CERTIFIED MAIL

RE: C-540292-02
City of Logan

Honorable Gary H. Hylton
Mayor, City of Logan
City Hall
Logan, West Virginia 25601

Dear Mayor Hylton:

We are pleased to inform you of the award of a Step II/III Federal grant for the preparation of construction drawings and specifications, and construction of wastewater treatment works for the referenced project, as described in your application and approved by the West Virginia Department of Natural Resources.

The grant award is for an amount not to exceed $1,846,510, and is subject to the conditions set forth in Part III of the Assistance Agreement.

Copies of the applicable Federal Regulations are forwarded for your reference.

The original and a copy of the Assistance Agreement are enclosed. The original copy of the Agreement should be signed and returned to Ms. Catherine Mastropieri, Chief, Grants Management Section, within twenty-one days of your receipt. The copy should also be signed and retained for your files.

Sincerely,

for Alvin R. Morris, Director
Water Management Division

Enclosures (2)

cc: Mr. Mike Johnson, WVDNR
Mr. Edgar Henry, WDA
Kelley, Gidley, Blair & Wolfe

Sent by Certified Mail to Ms. Catherine Mastropier on Oct. 25, 1985 #1

U.S. ENVIRONMENTAL PROTECTION AGENCY
EPA ASSISTANCE AGREEMENT/~~AMENDMENT~~
PART I - ASSISTANCE NOTIFICATION INFORMATION

1. ASSISTANCE ID NO.	2. LOG NUMBER
C-540292-02-0	Three - C
3. DATE OF AWARD	**4. MAILING DATE**
SEP 30 1985	OCT 7 1985

5. AGREEMENT TYPE		6. PAYMENT METHOD	7. TYPE OF ACTION
Cooperative Agreement		☐ Advance ☒ Reimbursement ☐ Letter of Credit	
Grant Agreement	X	Send Payment Request To: Grants Management Section	Continuation
Assistance Amendment			

RECIPIENT ORGANIZATION

8. RECIPIENT
City of Logan
City Hall
Logan, West Virginia 25601

9. PAYEE
City of Logan
City Hall
Logan, West Virginia 25601

EIN NO.: 55-600-0199
CONGRESSIONAL DISTRICT: 4th

10. RECIPIENT TYPE: City

11. PROJECT MANAGER AND TELEPHONE NO.
Gary H. Hylton
Mayor
(304) 752-4044

12. CONSULTANT (*WWT Construction Grants Only*)
Kelley, Gidley, Blair & Wolfe, Incorporate
P.O. Box 2986
Charleston, West Virginia 25330
(304) 345-0470

EPA CONTACT

13. ISSUING OFFICE (*City/State*): Philadelphia, Pennsylvania

14. EPA PROJECT/STATE OFFICER AND TELEPHONE NO.
R. Fenton Roudabush, Chief
Virginia-West Virginia Section
(215) 597-9131

15. EPA CONGRESSIONAL LIAISON & TEL. NO.	16. STATE APPL ID (*Clearinghouse*)	17. FIELD OF SCIENCE	18. PROJECT STEP (*WWT CG Only*)
Patricia Gaskins (202)382-5184	830413-020	N/A	II/III

19. STATUTORY AUTHORITY	20. REGULATORY AUTHORITY	21. STEP 2 + 3 & STEP 3 (*WWT Construction Only*)	
Clean Water Act, Title II	40 CFR Parts 30 & 35	a. Treatment Level	3
		b. Project Type	NEW
		c. Treatment Process	F
		d. Sludge Design	5

22. PROJECT TITLE AND DESCRIPTION
The project consists of the design and construction of Wastewater Collection and Treatmen Facilities. The eligible project includes allowable associated costs as defined in 40 CFR 35.2250 up to the amounts shown in Part II of the Assistance Agreement.

23. PROJECT LOCATION (*Areas Impacted by Project*)

City/Place	County	State	Congressional District
Logan	Logan	WV	4th

24. ASSISTANCE PROGRAM (*CFDA Program No. & Title*)	25. PROJECT PERIOD	26. BUDGET PERIOD
66.418	09 /85 - 05/89	N/A

27. COMMUNITY POPULATION (*WWT CG Only*)	28. TOTAL BUDGET PERIOD COST	29. TOTAL PROJECT PERIOD COST
4,200	N/A	3,357,300

FUNDS	FORMER AWARD	THIS ACTION	AMENDED TOTAL
30. EPA Amount This Action		1,846,510	
31. EPA In-Kind Amount			
32. Unexpended Prior Year Balance			
33. Other Federal Funds			
34. Recipient Contribution			
35. State Contribution			
36. Local Contribution			
37. Other Contribution			
38. Allowable Project Cost		3,357,300	

39. FISCAL

Program Element	FY	Appropriation	Doc. Control No.	Account Number	Object Class	Obligation/Deoblig. Amount
GMAW80	85	68X0103.H	W85021	5GMA036006	41.11	$1,846,510

EPA Form 5700-20A (Rev. 5-82) Replaces previous editions and EPA Forms 5700-1A, B, C, and D, all of which are obsolete.

PART II - APPROVED BUDGET — ASSISTANCE IDENTIFICATION NO. C-540292-02-0

TABLE A - OBJECT CLASS CATEGORY (Non-construction)	TOTAL APPROVED ALLOWABLE BUDGET PERIOD COST
1. PERSONNEL	
2. FRINGE BENEFITS	
3. TRAVEL	
4. EQUIPMENT	
5. SUPPLIES	
6. CONTRACTUAL	
7. CONSTRUCTION	
8. OTHER	
9. TOTAL DIRECT CHARGES	
10. INDIRECT COSTS RATE % BASE	
11. TOTAL (Share: Recipient ____ % Federal ____ %)	
12. TOTAL APPROVED ASSISTANCE AMOUNT	$ N/A

TABLE B - PROGRAM ELEMENT CLASSIFICATION (Non-construction)	
1.	
2.	
3.	
4.	
5.	
6.	
7.	
8.	
9.	
10.	
11.	
12. TOTAL (Share: Recipient ____ % Federal ____ %)	
13. TOTAL APPROVED ASSISTANCE AMOUNT	$ N/A

TABLE C - PROGRAM ELEMENT CLASSIFICATION (Construction)	
1. ADMINISTRATION EXPENSE	15,000
2. ~~XXXXXXXXXXXXXXXX~~ Legal & Fiscal	5,000
3. LAND STRUCTURES, RIGHT-OF-WAY	
4. ARCHITECTURAL ENGINEERING BASIC FEES	87,799
5. OTHER ARCHITECTURAL ENGINEERING FEES	79,028
6. PROJECT INSPECTION FEES	128,164
7. LAND DEVELOPMENT	
8. RELOCATION EXPENSES	
9. RELOCATION PAYMENTS TO INDIVIDUALS AND BUSINESSES	
10. DEMOLITION AND REMOVAL	
11. CONSTRUCTION AND PROJECT IMPROVEMENT	2,627,980
12. EQUIPMENT	
13. ~~XXXXXXXXXX~~ Design Allowance	151,524
14. TOTAL (Lines 1 thru 13)	
15. ESTIMATED INCOME (If applicable)	
16. NET PROJECT AMOUNT (Line 14 minus 15)	
17. LESS: INELIGIBLE EXCLUSIONS	
18. ADD: CONTINGENCIES	262,805
19. TOTAL (Share: Recipient 45 % Federal 55 %)	3,357,300
20. TOTAL APPROVED ASSISTANCE AMOUNT	$ 1,846,510

GENERAL CONDITIONS

The recipient covenants and agrees that it will expeditiously initiate and timely complete the project work for which assistance has been awarded under this agreement, in accordance with all applicable provisions of 40 CFR Chapter I, Subpart B. The recipient warrants, represents, and agrees that it, and its contractors, subcontractors, employees and representatives, will comply with: (1) all applicable provisions of 40 CFR Chapter I, Subchapter B, INCLUDING BUT NOT LIMITED TO the provisions of Appendix A to 40 CFR Part 30, and (2) any special conditions set forth in this assistance agreement or any assistance amendment pursuant to 40 CFR 30.425.

SPECIAL CONDITIONS

(For cooperative agreements include identification or summarization of EPA responsibilities that reflect or contribute to substantial involvement.)

A. The grantee is subject to all the requirements of 40 CFR Part 35, Subpart I, Part 30, Part 33 and other pertinent regulations. The grantee is directed to certain following special considerations of those requirements.

"1. Regulations Affecting Federal Grant Payments

(a) Payments shall not be made for Step III professional services until the grantee complies with the procurement requirements of 40 CFR Part 33, Subpart A.

(b) The Regional Administrator shall not pay more than 50% of the Federal share unless the grantee has furnished a satisfactory final plan of operation, and shall not pay more than 90% unless the grantee has furnished a satisfactory operation and maintenance manual (40 CFR 35.2206).

(c) Payments shall be made in accordance with 40 CFR 35.2300.

(d) The grantee may submit requests for payment for allowable costs incurred in accordance with the following schedule:

Payment No.	Date	Payment	Cumulative Amount (not to be exceeded)
1	05/86	82,500	82,500
2	06/86	82,500	165,000
3	07/86	82,500	247,500
4	08/86	82,500	330,000
5	09/86	41,670	371,670
6	05/87	141,670	513,340
7	06/87	155,550	668,890
8	07/87	150,000	818,890
9	08/87	200,000	1,018,890
10	09/87	190,500	1,209,390
11	10/87	100,000	1,309,390
12	11/87	100,000	1,409,390
13	12/87	50,000	1,459,390
14	01/88	50,000	1,509,390
15	02/88	50,000	1,559,390
16	03/88	100,000	1,659,390
17	04/88	175,120	1,834,510
18	06/88	3,000	1,837,510
19	10/88	3,000	1,840,510
20	02/89	3,000	1,843,510
21	05/89	3,000	1,846,510

2. Project Schedule Changes

For any changes in the project which increase the cost, delay or accelerate the project or alter the project in other ways (40 CFR 35.2204), the grantee must receive a formal grant amendment from the Regional Administrator before implementing the changes. Of particular interest is any change in completion of final design drawings and specifications, date of advertisement for bids, the building completion date as referenced in 40 CFR 35.2216, and the initiation of project operation date. The latter date is considered, at the time of this grant, to be 05/88 . The grantee further agrees to provide the Regional Administrator, upon request, with a revised schedule for payment.

3. Project Initiation

The grantee agrees to initiate the building of all significant elements of the project within 12 months after authorization to advertise for bids has been given (40 CFR 35.2212). To the extent practicable this initiation should not occur before all sites, easements and rights-of-way are acquired. The grantee shall notify the Regional Administrator immediately upon award of the contracts.

4. Sewer Use Ordinance and User Charge System

The grantee agrees to adopt its sewer use ordinance and implement its user charge system before the treatment works is placed in operation (40 CFR 35.2208).

5. Project Performance

The grantee agrees to certify to the Regional Administrator on the date one year after the initiation of operation whether or not the project is capable of meeting the project performance standards (40 CFR 35.2218(c)).

6. Subagreements and Contracts

(a) The grantee agrees to negotiate a subagreement and contract for all services to be awarded under this grant. Such subagreements and contracts shall be in conformance with and incorporate the required clauses of 40 CFR Part 33.

(b) A copy of the proposed subagreements and contracts shall be submitted to the Regional Administrator for review and pre-award approval as appropriate under 40 CFR Part 33. The submittal of the proposed subagreements and contracts shall include the procurement records required in Appendix A to 40 CFR Part 33.

(c) The grantee shall submit to the Regional Administrator the proposed subagreement and contract cost or price data on EPA Form 5700-41 or on a form which contains similar information.

7. Flood Insurance

The grantee agrees to acquire and maintain at his own cost any flood insurance made available to it under the National Flood Insurance Act of 1968, as amended. This condition shall not be applicable if, on the date of execution of this Grant Agreement by both parties, flood insurance was not available pursuant to the Flood Insurance Act of 1968, as amended, for property in the project location.

8. Land Acquisition

The grantee shall not make any offer to acquire allowable real property until the Regional Administrator approves the price the grantee will offer the property owner (40 CFR 35.2210).

9. Review

The grantee recognizes that approval of any part of this grant, change orders, grant increase amendments, subagreements, any specific items, or eligibility of any other costs will be subject to final review, including project officer review, audit review, and final determination of the Grant Approving official.

10. Advertisement for Bids

Prior to the advertisement for construction bids, the grantee agrees to submit to the Regional Administrator for approval the following:

(a) A draft plan of operation (40 CFR 35.2106);

(b) A user charge system (40 CFR 35.2140); and

(c) Final design drawings and specifications (40 CFR 35.2040 (b)(5).

11. MBE/WBE Requirements

The recipient agrees to submit to the Chief, Construction Grants Branch, Attn: EEO Specialist, EPA Region III, a completed EPA Form 6005-1 within 30 days after the date the recipient begins building the project (see 40 CFR 35.2202). This 6005-1 will contain the information on subagreement awards to minority and women's businesses used during the design phase of the project.

The recipient further agrees to submit to the Chief, Construction Grants Branch, Attn: EEO Specialist, EPA-Region III, a completed Form 6005-1 within 15 days after the end of each Federal fiscal quarter during which the recipient or its contractors award any subagreements to a minority or women's business for building and building-related services and supplies.

12. Public Participation

Additional public participation is required to inform prospective users of the expected costs and rates. The grantee shall submit to the DNR project officer, within 2 months, a plan/schedule for conducting the additional public participation.

13. Audit Requirement

The recipient agrees that it will comply with the provisions of OMB Circular A-128 governing the audit of State and local government recipients of federal assistance for fiscal years that begin after December 31, 1984. (This requirement replaces 40 CFR 30.540(b) which is based on OMB Circular A-102, Attachment P.)

14. Flow Monitoring Program

The flow monitoring report shall be submitted to DNR at least one month prior to initial submission of plans and specifications for the wastewater treatment plant, but no later than December 1986.

15. Archeological Survey

An archeological survey shall be completed on the proposed treatment plant site and submitted to DNR for review and approval within 3 months of grant acceptance."

16. CAPDET

In accordance with 40CFR35.2123, EPA grant assistance is limited to eligible project costs for serving existing needs on the date of approval of the final plans and specifications for a Step 4 grant. All incremental costs associated with treatment works capacity beyond existing needs are to be paid for by the grantee. Prior to written authorization to advertise for construction bids, eligible/ineligible project costs will be redefined by employing the CAPDET (Computer Assisted Procedures for the Design and Evaluation of Wastewater Treatment Systems) method. The CAPDET ratio of existing needs eligible construction costs/total project construction costs will then be utilized to revise grant participation upon receipt and review of construction bids.

17. Treatment Plant Design

The wastewater treatment plant design shall be such as to easily accommodate expansion to include flows from the Copperas Mine Fork service area.

SPECIAL CONDITIONS (Continued)

PART IV

NOTE: The Agreement must be completed in duplicate and the Original returned to the Grants Administration Division for Headquarters awards and to the appropriate Grants Administrations Office for State and local awards within 3 calendar weeks after receipt or within any extension of time as may be granted by EPA.

Receipt of a written refusal or failure to return the properly executed document within the prescribed time, may result in the withdrawal of the offer by the Agency. Any change to the Agreement by the recipient subsequent to the document being signed by the EPA Award Official which the Award Official determines to materially alter the Agreement shall void the Agreement.

OFFER AND ACCEPTANCE

The United States of America, acting by and through the U.S. Environmental Protection Agency (EPA), hereby offers

assistance ~~/amendment~~ to the City of Logan (RECIPIENT ORGANIZATION)

for 55 % of all approved costs incurred up to and not exceeding $ 1,846,510 (ASSISTANCE AMOUNT)

for the support of approved budget period effort described in application *(including all application modifications)*

C-540292-02 City of Logan (DATE AND TYPE) included herein by reference.

ISSUING OFFICE *(Grants Administration Office)*	AWARD APPROVAL OFFICE
ORGANIZATION/ADDRESS Environmental Protection Agency Grants Management Section (3PM32) 841 Chestnut Building Philadelphia, Pennsylvania 19107	ORGANIZATION/ADDRESS Environmental Protection Agency Water Management Division (3WM00) 841 Chestnut Building Philadelphia, Pennsylvania 19107

THE UNITED STATES OF AMERICA BY THE U.S. ENVIRONMENTAL PROTECTION AGENCY

SIGNATURE OF AWARD OFFICIAL	TYPED NAME AND TITLE	DATE
	James M. Seif, Regional Administrator	SEP 30 1985

This Agreement is subject to applicable U.S. Environmental Protection Agency statutory provisions and assistance regulations. In accepting this award or amendment and any payments made pursuant thereto, (1) the undersigned represents that he is duly authorized to act on behalf of the recipient organization, and (2, the recipient agrees (a) that the award is subject to the applicable provisions of 40 CFR Chapter I, Subchapter B and of the provisions of this agreement (Parts I thru IV), and (b) that acceptance of any payments constitutes an agreement by the payee that the amounts, if any found by EPA to have been overpaid will be refunded or credited in full to EPA.

BY AND ON BEHALF OF THE DESIGNATED RECIPIENT ORGANIZATION

SIGNATURE	TYPED NAME AND TITLE	DATE
Gary H. Hylton	Gary H. Hylton, Mayor	OCT. 25, 1985

STATE OF WEST VIRGINIA
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF WATER RESOURCES
1201 Greenbrier Street
Charleston, West Virginia 25311

ARCH A. MOORE, JR.
Governor

RONALD R. POTESTA
Director

ROBERT K. PARSONS
Deputy Director

September 25, 1987

The Honorable Thomas E. Esposito
Mayor, City of Logan
Dingess Street
Logan, West Virginia 25601

RE: City of Logan
C-540292-02

Dear Mayor Esposito:

This letter amends our letter of September 22, 1987, particularly paragraph 3. The EPA has awarded $1,846,510 to the City of Logan for a two-phased project, with no specific allocation between the two phases. Accordingly, no Part B documents will be processed until the contracts for Phase II of the project are out to bid.

Very truly yours,

CONSTRUCTION GRANTS BRANCH

By: Mike Johnson P.E.
Mike Johnson, P.E.
Branch Head

STATE OF WEST VIRGINIA
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF WATER RESOURCES
1201 Greenbrier Street
Charleston, West Virginia 25311

ARCH A. MOORE, JR.
Governor

RONALD R. POTESTA
Director

ROBERT K. PARSONS
Deputy Director

September 22, 1987

Honorable Gary Hylton
Mayor, City of Logan
Dingess Street
Logan, West Virginia 25601

RE: City of Logan
C-540292-02

Dear Mayor Hylton:

You are hereby advised that the bidding procedures for Contract 1 of project C-540292-02 has been reviewed and approved. The contract may now be awarded to the low, responsive bidder, Coleman Trainor & Company, Incorporated as indicated by the proposal you have submitted.

Certain construction activities have been assigned to our Engineering Section. You will be contacted by a representative of this Section in the near future.

The Part B documents that you submitted have been reviewed by this office. The Environmental Protection Agency (EPA) Form 5780-1B has been approved with some revisions. The official approval letter and the grant amendment are currently being processed and will be forwarded under separate cover.

Should you have any questions, please contact Rosalie Ortega at (304) 348-0637 or Ramzi Hourani at (304) 348-0633.

Sincerely,

CONSTRUCTION GRANTS BRANCH

Mike Johnson

Mike Johnson, P.E.
Branch Head

MJ/ROa

cc: R. Fenton Roudabush, EPA
Ed Henry, WDA
Howard Cunningham, PSC
Kelley, Gidley, Blair & Wolfe

C. JEFFREY VALLET, CPA
OWNER

AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
WV ASSOCIATION OF
CERTIFIED PUBLIC ACCOUNTANTS

Vallet & Associates, AC

210 DINGESS STREET
LOGAN, WEST VIRGINIA 25601
(304) 752-1272

THE CITY OF LOGAN, WEST VIRGINIA

$2,284,839 Subordinate Sewerage System Revenue Bonds,
Series 1993

$76,161 Supplemental Subordinate Sewerage System
Revenue Bonds, Series 1993

CERTIFICATE OF ACCOUNTANT AS TO COVERAGE AND PARITY BONDS

The undersigned C. Jeffrey Vallet, Certified Public Accountant, has reviewed the sewer service rates which were enacted by the Council of The City of Logan, West Virginia (the "City"), on June 9, 1992, and the customer usage certification prepared by Kelley, Gidley, Blair & Wolfe, Inc., as Consulting Engineer for the City (the "Consulting Engineers"), indicating that no new customers will be added to the City's sewerage system (the "System") on account of the project to be financed with the proceeds of the above-referenced bonds (the "Bonds"). It is my opinion that those rates are adequate to pay operation and maintenance expenses, and to meet the debt service coverage requirements of the Bonds and the Amendatory and Supplemental Bond and Note Ordinance adopted by the Council of the City on July 21, 1992, and a Supplemental Resolution subsequently adopted by the Council of the City on March 23, 1993, and are sufficient to comply with the provisions of Subsection 4.1 (b) (ii) of the Loan Agreement and the Supplemental Loan Agreement entered into between the City and the West Virginia Water Development Authority on March 29, 1993.

Further, based upon my investigation and the certification by the Consulting Engineers for the City, it is my opinion that the net revenues actully derived from the System during any twelve consecutive months within the eighteen months immediately preceding the proposed date of issuance of Bonds, adjusted to reflect the rates enacted on June 9, 1992, plus the estimated average increased net revenues to be received in each of the three years succeeding completion of improvements to the System to be financed by the Bonds, will be at least 115% of the maximum debt service in any succeeding year on the City's Sewerage Revenue Bonds dated March 1, 1964, the City's Subordinate Sewerage System Revenue Bonds, Series 1987, the City's Supplemental Sewerage System Revenue Bonds, Series 1987, and the Bonds, as required by the parity test of Section 7.80 of the Bond and Note Ordinance adopted August 11, 1987, authorizing issuance of said Series 1987 Bonds.

WITNESS my signature as of this 29th day of March, 1993.

C. Jeffrey Vallet CPA

C. JEFFREY VALLET
Certified Public Accountant

C. JEFFREY VALLET, CPA
OWNER

AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
WV ASSOCIATION OF
CERTIFIED PUBLIC ACCOUNTANTS

Vallet & Associates, AC

210 DINGESS STREET
LOGAN, WEST VIRGINIA 25601
(304) 752-1272

SANITARY BOARD, CITY OF LOGAN

AMENDED SCHEDULE B

CASH FLOW ANALYSIS
YEAR ENDED JUNE 30, 1992

Funds Provided, Net Income For Year Ended June 30, 1992		$ 24,327
Adjustment for Non-Cash Deductions and Income		
Depreciation & Amortization	$ 34,066	
Interest Expenses	55,664	
Income From Sinking Fund Investment	(5,632)	
TOTAL ADJUSTMENT FOR NON-CASH DEDUCTIONS AND INCOME		$ 84,098
Adjustments For Increased Revenue Due to Rate Increase Effective August 1992		
1991 - 1992 Revenue	$ 211,969	
Projected Increase	122.45%	
TOTAL INCREASE		$ 259,556
TOTAL FUNDS PROVIDED, GOING LEVEL		$ 367,981
Funds Required to be Applied Above Operating Costs		
Bonds Payable-1964 Issue Maximum Annual Interest	$ 19,147	
10% Coverage	1,915	
Annual Debt Service of $775,920, 1987 Bond Issue @ 7% Over 38 Years	58,434	
15% Coverage	8,765	
Annual Debt Service of $2,913,985.00 For Construction of New Sewer; WDA Loan Payable @ 7.5% Over 38 Years	189,218	
15% Coverage	28,383	
TOTAL FUNDS REQUIRED ABOVE OPERATIONS		$ 305,862
TOTAL FUNDS AVAILABLE FOR OPERATIONS		$ 62,119

THE CITY OF LOGAN, WEST VIRGINIA

$2,284,839 Subordinate Sewerage System Revenue Bonds, Series 1993

$76,161 Supplemental Subordinate Sewerage System Revenue Bonds, Series 1993

CONSENT AND WAIVER

In connection with the issuance of the above-referenced bonds (the "Subordinate Bonds" and the "Supplemental Bonds," respectively; together, the "Bonds"), the West Virginia Water Development Authority, as the purchaser of the Bonds and as the registered owner of The City of Logan, West Virginia, Subordinate Sewerage System Revenue Bonds, Series 1987, and Supplemental Subordinate Sewerage System Revenue Bonds, Series 1987 (the "Outstanding Subordinate Bonds" and the "Outstanding Supplemental Bonds," respectively; together, the "Outstanding Bonds") agrees as follows:

1. To the issuance of the Subordinate Bonds on a parity with the Outstanding Subordinate Bonds while the Outstanding Supplemental Bonds remain outstanding, contrary to the provisions of Section 7.08 of the ordinance authorizing the Outstanding Bonds (the "Outstanding Ordinance").

2. To the City's entering into written contracts for the acquisition or construction of the project to be financed with the Bonds later than simultaneously with the delivery of the Bonds, contrary to the provisions of Section 7.08 of the Outstanding Ordinance.

3. To less than 10 days' notice of the closing of the sale of the Bonds as required by the Loan Agreement.

4. To the comingling of the proceeds of the Bonds in the 1993 Bond Construction Trust Fund, pursuant to Section 5.02 of the Ordinance authorizing the Bonds.

WITNESS my signature as of this 29th day of March, 1993.

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

By: Daniel B. Yankosky
Director

WDA-4
(July 1990)

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

AMENDED APPLICATION FOR A CONSTRUCTION LOAN

1. **Full legal name of Applicant:** The City of Logan, West Virginia

2. **Date of original Application for a Construction Loan (the "Original Application") (date signed by Applicant):** AUGUST 10, 1992

3. (a) **Date bids for Project were received:** MAY 28, 1992
   (b) **Expiration date of bids:** ~~SEPTEMBER 28, 1992, extended to at least~~ APRIL 2, 1993
   (c) **Attach copies of apparent responsible, acceptable low bids.**

4. **Complete attached Amended Schedule A: "Total Cost of Project, Sources of Funds and Cost of Financing," based on bids received. If construction of the Project has begun, indicate any changes to date from the cost of and sources of funds for the Project as bid. Revise and attach (as Amended Schedule B) a complete "Cash Flow Analysis" for the Project, based on bids received.**

5. **Set forth any other modifications to information included in or with the Original Application. Indicate to which paragraph of or exhibit to the Original Application the modified information applies.**

* * * *

The undersigned, as a duly authorized representative of the Consulting Engineer, certifies that he has completed this Amended Application, including the exhibit documents attached, and consents to the use of such information by the Authority in connection with the financing of the Project.

(Signature)

Date: MARCH 29, **,19**93

The undersigned officer of the Applicant hereby certifies to the West Virginia Water Development Authority that he is duly authorized to execute this Amended Application on behalf of the Applicant and that the information contained in this Amended Application and in the exhibit documents attached hereto is true, correct and complete to the best knowledge and belief of the undersigned.

Name of Applicant (Typed): The City of Logan West Virginia

By: (Signature) Thom E Esposito

Title: Mayor

Date: March 26, 1993

DATE: March 19, 1993

AMENDED SCHEDULE A

NAME OF GOVERNMENTAL AGENCY: The City of Logan, West Virginia

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

A. Cost of Project

. Construction	$ 3,225,500	
. Technical Services	$ 404,737	
. Legal and Fiscal	$ 3,200	
. Administrative	$ 145,481	
. Site and Other Lands	$ 145,000	
. Step I and/or Step II (Design) or Other Loan Repayment (Specify Type: _____)	$	
. Interim Financing Costs	$ 47,000	
. Contingency	$ 232,519	
. Total of Lines 1 through 8		$ 4,203,437

B. Sources of Funds

. Federal Grants:[1] (Specify Source)	EPA	$ 1,947,937	
. State Grants:[1] (Specify Source)		$	
		$	
		$	
		$	
. Other Grants:[1] (Specify Source)		$	
		$	
		$	
. Any Other Source[2] (Specify)		$	
		$	
. Total of Lines 10 through 13			$ 1,947,937
. Net Proceeds Required from Bond Issue (Line 9 less Line 14)			$ 2,255,500

C. Cost of Financing

. Capitalized Interest (Construction period plus six months)	$ 88,500	
. Funded Reserve Account[3]	$	
. Other Costs[4]	$ 17,000	
. Total Cost of Financing (Lines 16 through 18)		$ 105,500
. Size of Bond Issue (Line 15 plus Line 19)		$ 2,361,000

---

1 Attach supporting documentation not previously submitted. If not yet available, state such and expectations as to availability.

2 For example, interest earnings during construction, if applicable. Include the proceeds of any parity or subordinate bond issue to be used for such purpose and attach supporting documentation if available (if not yet available, state such and expectations as to availability). Consult with bond counsel and the Authority before assuming a funded reserve.

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

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

SIGNATURE OF AUTHORIZED OFFICER OF APPLICANT

SIGNATURE OF ENGINEER

Introduced in Council:

August 11, 1992

Adopted by Council:

_____

A Resolution supplementing the Amendatory and Supplemental Bond and Note Ordinance passed by the Council of the City of Logan on July 21, 1992, authorizing, among other things, a revolving line of credit in an amount not to exceed $500,000 to provide funds for acquisition and construction of certain additional extensions, improvements and betterments to the existing public sewerage facilities of the City of Logan to the extent bond proceeds, grant receipts or other funds are not timely available therefor and an agreement with respect to said line of credit, authorizing issuance of a Sewerage System Construction Note of the City of Logan in a stated principal amount not to exceed $500,000 to evidence the City's obligation to repay any draws upon said line of credit and the issuance, if necessary, of not more than $550,000 in aggregate principal amount of Subordinate Sewerage System Revenue Bonds of the City of Logan to provide for the payment of the principal of and interest on said Note; approving the form and authorizing the execution and delivery to The National Bank of Logan of a Line of Credit Agreement; approving the form of said Note; providing as to maturity, interest rate and interest payment dates of said Note; and making other provisions with respect to said line of credit and said Note.

WHEREAS, the Council (the "Council") of The City of Logan, West Virginia (the "City"), on July 21, 1992, duly passed an Amendatory and Supplemental Bond and Note Ordinance (the "Ordinance"); and

WHEREAS, capitalized terms used and not otherwise defined in this Supplemental Resolution have the meanings respectively given to them in the Ordinance; and

WHEREAS, the Ordinance authorized a revolving 1992 Line of Credit in an amount not to exceed $500,000 to provide funds for the acquisition and construction of the Phase II Project to the extent 1992 Bond proceeds, Grant Receipts or other funds are not

timely available therefor and a 1992 Line of Credit Agreement; issuance of the 1992 Note of the City in a stated principal amount not to exceed $500,000 to evidence the City's obligation to repay any draws upon the 1992 Line of Credit and the issuance, if necessary, of not more than $550,000 in aggregate principal amount of 1992 Line of Credit Bonds of the City to provide for the payment of the principal of and interest on the 1992 Note; and

WHEREAS, the Ordinance provides that the 1992 Line of Credit Agreement be approved by the Supplemental Resolution and that the form of the 1992 Note and certain terms of the 1992 Note, including the principal amount, the rate and terms of payment of interest thereon and the maturity date thereof, be prescribed by the Supplemental Resolution; and

WHEREAS, the Council deems it essential and desirable that this Supplemental Resolution be adopted and that the 1992 Line of Credit Agreement be approved, the 1992 Note be issued, the form of the 1992 Note be approved, and the principal amount, the rate and terms of payment of interest, the maturity date and other terms of the 1992 Note be fixed as stated herein and that other matters relating to the 1992 Note and the 1992 Line of Credit Agreement be as provided herein;

NOW, THEREFORE, Be It Resolved by the Council of The City of Logan, West Virginia, as follows:

(1) The 1992 Line of Credit shall be established with The National Bank of Logan (the "Bank") in the aggregate principal amount of $500,000.

(2) The 1992 Line of Credit Agreement is hereby approved in substantially the form attached hereto, and the Mayor is hereby authorized and directed to execute the 1992 Line of Credit Agreement with such changes, additions or deletions as shall be approved by the Mayor. The execution of the 1992 Line of Credit Agreement by the Mayor shall be conclusive evidence of such approval.

(3) The form of the 1992 Note shall be substantially as set forth in Exhibit II attached to the 1992 Line of Credit Agreement. The 1992 Note shall be in the stated principal amount of $500,000. The 1992 Note shall be dated as of the date of delivery thereof; shall mature 48 months (four years) from the date thereof; and shall bear interest at the rate per annum equal to one percent above the rate determined by the Bank as "prime rate," to be adjusted from time to time, as often as daily if necessary, so that it shall at all times equal said prime rate, not to exceed 12% per annum. The Bank shall advise the City and the 1992 Note Registrar of the interest rate that is in effect from time to time, no less often than monthly. Any payments by the City shall be applied first to interest accrued to the date of payment and then to principal outstanding. Notwithstanding, the City shall pay all interest accrued on the 1992 Note and then unpaid at least once a quarter, not later than the three month anniversary of the date of the 1992 Note. Payments on account of interest only

shall be made by check or draft of the 1992 Note Registrar, mailed to the registered owner of the 1992 Note or, if the Bank owns all of such 1992 Note, by wire transfer or such other method as may be agreeable to the Bank and the 1992 Note Registrar. The Mayor and the City Clerk are hereby authorized and directed to execute and seal the 1992 Note in substantially the form attached as Exhibit II to the 1992 Line of Credit Agreement, with such changes, additions or deletions as shall be approved by the Mayor. The execution of the 1992 Note by the Mayor shall be conclusive evidence of such approval.

(4) The National Bank of Logan is hereby appointed as the 1992 Note Registrar and 1992 Note Depository.

(5) The 1992 Line of Credit shall be in addition to the Phase II Line of Credit. The 1992 Note is subordinate as to payment from both the Grant Receipts and the Net Revenues of the System to the Phase II Note. The 1992 Note shall be secured as provided in the Ordinance and the 1992 Line of Credit Agreement.

(6) The Council hereby authorizes draws upon the 1992 Line of Credit from the Bank as the Sanitary Board shall deem necessary and expedient for the acquisition and construction of the Phase II Project.

(7) The Mayor and the City Clerk and other appropriate officers and employees of the City and the Sanitary Board are hereby authorized and directed to execute and deliver such other documents and certificates

required or desired in connection with the establishment of the 1992 Line of Credit with the Bank, including entering into the 1992 Line of Credit Agreement.

(8) This Supplemental Resolution is adopted under and shall be governed by the laws of the State of West Virginia and shall be effective immediately upon its adoption.

THE CITY OF LOGAN, WEST VIRGINIA

(SEAL)

By_____

_____
City Clerk

Approved as to Form:

_____
City Attorney

ABB00BDF.WP5

[The National Bank of Logan letterhead]

August ____, 1992

The City of Logan
City Hall
Dingess Street
Logan, West Virginia 25601

RE: $500,000 Revolving Line of Credit

Ladies and Gentlemen:

At your request, we, the undersigned bank (the "Bank"), hereby establish in your favor a revolving line of credit in the original aggregate amount of $500,000 (the "Stated Amount"). You may draw upon such line of credit from time to time as hereinafter set forth, but the aggregate amount outstanding at any time may not exceed the Stated Amount.

This line of credit is extended to you for the purpose of providing funds for completion of the design and, following such design, for the acquisition and construction of certain addition extensions, improvements and betterments to the existing sewage treatment facilities of the City (the "Phase II Project") to the extent bond proceeds, grant receipts or other funds are not timely available therefor. It is our understanding that the Phase II Project and this line of credit were authorized by the Amendatory and Supplemental Bond and Note Ordinance passed by the Council of the City on July 21, 1992, and supplemented on August 11, 1992 (collectively, the "Ordinance"). Capitalized terms used and not otherwise defined in this letter shall have the respective meanings given them in the Ordinance.

This line of credit is irrevocable to the extent set forth herein. Subject to the further provisions of this letter, a draw upon the line of credit may be made by you on or after August 12, 1992, but prior to the expiration date hereof, in the event and to the extent funds are needed for the design, acquisition or construction of the Phase II Project and are not otherwise timely available therefor. On or after such date and in such event, a draw upon the line of credit may be made by you by presentation to the Bank at 755 E. Stratton Street, Logan, West Virginia 25601, Attention: Edward L. Brewster, Senior Vice President, of your certificate, on your letterhead and signed by your authorized officer, in the form of Exhibit I attached hereto and incorporated herein by reference, duly completed. In accordance with said

Exhibit I, such draw shall be in the amount demanded; provided, that the aggregate principal amount of draws that will be outstanding and unpaid immediately after such draw shall not exceed the Stated Amount.

Draws upon the line of credit may be made by you on or after August 12, 1992, and prior to the expiration hereof at any time during the Bank's business hours at its address set forth above on a Business Day (as hereinafter defined). As used herein, the term "Business Day" means a day on which the Bank is open for the purpose of conducting a commercial banking business. If demand for a draw upon the line of credit is made by you at or prior to 10:00 a.m., prevailing time, on a Business Day, and provided that such demand and the documents presented in connection therewith conform to the terms and conditions hereof, payment shall be made to you of the amount demanded, in immediately available funds, no later than 2:00 p.m., prevailing time, on the Business Day next succeeding the date of said demand. If demand for a draw upon the line of credit is made by you hereunder after 10:00 a.m., prevailing time, on a Business Day, and provided such demand for payment and the documents presented in connection therewith conform to the terms and conditions hereof, payment shall be made to you of the amount demanded, in immediately available funds, not later than 2:00 p.m., prevailing time, on the second (2nd) Business Day next succeeding the date of said demand. If the demand for a draw upon the line of credit made by you does not, in any instance, conform to the terms and conditions of this letter, the Bank shall give you prompt notice that the draw was not effected in accordance with the terms and conditions of this letter, stating the reasons therefor and that the Bank is holding any documents at your disposal or is returning the same to you, as the Bank may elect. Upon being notified that the draw was not effected in accordance with this letter, you may attempt to correct any such nonconforming demand for a draw upon the line of credit if, and to the extent that, you are entitled (without regard to the provisions of this sentence) and able to do so.

Unless the Bank is then in default hereunder by reason of its having wrongfully failed to honor a demand for a draw upon the line of credit, such line of credit established hereby shall expire at the Bank's close of business at its address set forth above on August 11, 1996; provided, that, if said date shall not be a Business Day, the line of credit shall expire on the close of business at such address on the first Business Day next succeeding said date. The agreement set forth by this letter shall terminate upon expiration of the line of credit and payment to the Bank of all principal of and interest on the Note, as hereinafter described, as such outstanding principal is reflected on the Record of Advances and Payments attached thereto.

The City's obligation to repay the Bank for any draw upon the line of credit shall be evidenced by its sewerage system construction note (the "Note") in the stated principal amount of $500,000, in substantially the form attached as Exhibit II hereto.

Notwithstanding said stated principal amount, the Note shall evidence only the outstanding indebtedness reflected on the Record of Advances and Payments attached hereto. Each advance shall bear interest at such rate, payable at such times, and the Note shall mature and be subject to prepayment and such other terms and provisions, as shall be described in Exhibit II.

All documents presented to us in connection with any demand for a draw upon the line of credit, as well as all notices and other communications to us in respect of this letter or the line of credit, shall be in writing and addressed and presented to us at our above address. Such documents, notices and other communications shall be personally delivered to us.

This letter sets forth in full our undertaking, and such undertaking shall not in any way be modified, amended, amplified or limited by reference to any other document, instrument or agreement except only Exhibits I and II hereto and the Ordinance. Upon execution by the Mayor of the City of the duplicate letter attached hereto and return of such letter to us, and the Note, this letter shall become an agreement between the Bank and the City, governed by the laws of the State of West Virginia.

Very truly yours,

THE NATIONAL BANK OF LOGAN

By: _____
Its _____

Accepted this ____ day of August, 1992.

THE CITY OF LOGAN, WEST VIRGINIA

By: _____
Thomas E. Esposito, Mayor

Exhibit I

[Letterhead of the City of Logan]

_____, 19 _____

The National Bank of Logan
755 E. Stratton Street
P. O. Box 420
Logan, West Virginia 25601

Attention:

RE: $500,000 Revolving Line of Credit

Gentlemen:

We refer to our letter agreement dated as of August ___, 1992 (the "Letter Agreement"), with respect to the above-referenced line of credit (the "Line of Credit"). Terms defined in the Letter Agreement have the same meanings when used herein.

1. We hereby make demand for a draw upon the Line of Credit to pay a portion of the costs of the Phase II Project.

2. There are not available grant receipts, bond proceeds or other funds to pay such costs, currently due and owing.

3. The principal amount of the Note outstanding, as evidenced by the Record of Advances and Payments, aggregates $_____.

4. Accordingly, $_____ of the Stated Amount is available to be drawn.

5. A draw upon the Line of Credit is hereby demanded in the following amount, as expressed in words and figures:

_____DOLLARS ($ _____).

Please deposit the amount hereby demanded in our Sewerage System 1992 Line of Credit Construction Trust Fund (account number _____) with you.

By _____
Authorized Officer

ABB00A3A

Exhibit II

[Form of Note]

United States of America
State of West Virginia
The City of Logan
Sewerage System Construction Note
Series 1992
Number R-1
$500,000

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF LOGAN, a municipal corporation organized and existing under the laws of the State of West Virginia (the "City"), for value received, hereby promises to pay, but only from the special funds provided therefor, as hereinafter set forth, to THE NATIONAL BANK OF LOGAN (the "Owner"), or registered assigns, the sum of Five Hundred Thousand Dollars ($500,000), or such lesser sum as shall be reflected by the Record of Advances and Payments attached hereto, on such date as hereinafter described. Notwithstanding any provision of this Note to the contrary, this Note shall evidence only the indebtedness reflected as outstanding on the Record of Advances and Payments attached hereto. Interest shall accrue only on the amount of each advance from its actual date as listed on said Record of Advances and Payments and shall cease to accrue on the amount hereof outstanding, or portions thereof, as the same are paid, as reflected by said Record of Advances and Payments. Such interest shall be at the rate per annum _____ _____ _____ _____ but in no event shall the interest rate per annum exceed 12%. The Registrar, as hereinafter defined, shall notify the Sanitary Board of the City of the amount of interest so accrued. Any payments by the City shall be applied first to interest accrued to the date of payment and then to principal outstanding. Notwithstanding, the City shall pay all interest on the Note then unpaid at least once each quarter, with the first payment due not later than _____, 1992. This Note matures August 11, 1996, and shall be payable as to principal upon surrender at the principal office of The National Bank Logan, Logan, West Virginia, as registrar and paying agent (the "Registrar"), in any coin or currency which on the date of payment of principal is legal tender for the payment of public and private debts under the laws of the United States of America; provided, that any payment of principal prior to the maturity of this Note as provided by the Ordinance, as hereinafter defined, shall be recorded on the Record of Advances and Payments attached hereto, and this Note shall be returned to the Owner. Prepayments of the principal of this Note may be made upon two (2) days' notice to the

Owner. Any such prepayment shall also be reflected on the Record of Advances and Payments attached hereto, and interest shall cease to accrue thereon.

This Note is issued pursuant to the Amendatory and Supplemental Bond and Note Ordinance passed by the Council of the City on July 21, 1992, and supplemented on August 11, 1992 (collectively, the "Ordinance"), to evidence the City's obligation to repay any draws upon a line of credit (the "Line of Credit") extended to the City by The National Bank of Logan (the "Bank"). Such line of credit was extended and, thus, this Note was issued, to provide funds for completion of the design and, following such design, for the acquisition and construction of certain additional extensions, betterments and improvements to the existing sewage treatment facilities of the City to the extent grant receipts, bond proceeds or other funds are not timely available therefor.

This Note is issued, in addition to the Ordinance, under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13, of the Code of West Virginia, 1931, as amended (the "Act"), and is subject to all the terms and provisions of the Ordinance and the Act. The principal of and interest on this Note are payable from the proceeds of a grant from the United States Environmental Protection Agency, and, to the extent necessary, from the net proceeds of certain subordinate sewerage system revenue bonds of the City also authorized by the Ordinance. The principal of and interest on this Note are further payable from and secured by a lien on the net revenues derived from the operation of the sewerage system of the City; provided, that such lien on the net revenues is junior, subordinate and inferior to the lien on such net revenues created on behalf of various issues of the City's sewerage system revenue bonds issued pursuant to an ordinance passed by the Council of the City on February 11, 1964, as supplemented and amended, issued pursuant to an ordinance passed by the Council of the City on August 11, 1987, as supplemented and amended, issued pursuant to the Ordinance, and any bonds issued to refund any of said bonds, and issued pursuant to loan agreements with the West Virginia Water Development Authority.

This Note is subordinate as to payment from both the EPA grant proceeds and the net revenues of the system to a line of credit in the stated principal amount of $250,000, established by The National Bank of Logan as of April 24, 1989, and expiring on April 24, 1993.

This Note does not constitute a corporate indebtedness of the City within the meaning of any constitutional, statutory or charter provisions or limitations, nor shall the City be obligated to pay the same or the interest hereon except from the special fund provided from said grant receipts, the net revenues derived from

the operation of said sewerage system and the net proceeds of said bonds. Under the Ordinance, the City has entered into certain covenants with the Owner, for the terms of which reference is made to said Ordinance. Remedies provided the Owner are exclusively as provided in the Ordinance, to which reference is here made for a detailed description thereof.

Subject to the requirements for transfer set forth below, this Note is, and has all the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the State of West Virginia. This Note is transferable, as provided in the Ordinance, only upon the books of the City at the office of the Registrar by the Owner in person or by his attorney duly authorized in writing, upon surrender hereof, together with a written instrument of transfer satisfactory to said Registrar duly executed by the Owner of his duly authorized attorney. Upon transfer hereof, there shall be issued another fully registered Note or fully registered Notes of the aggregate stated principal amount equal to the stated principal amount hereof but evidencing only the indebtedness reflected on the Record of Advances and Payments attached hereto and outstanding in the aggregate principal amount equal to the advanced but unpaid amount hereof as reflected on the Record of Advances and Payments attached hereto.

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 Note exist, have happened and have been performed in due time, form and manner as required by law, and that this Note, together with all other obligations of the City, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia and that the grant receipts and the net revenues of the sewerage system of the City have been pledged to and will be set aside into a special fund by the City for, and will be sufficient for, the payment of the principal of and interest on this Note and that the City will issue the subordinate bonds to the extent necessary to pay the principal hereof and interest hereon on or prior to the maturity hereof.

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

IN WITNESS WHEREOF, The City of Logan, West Virginia, has caused this Note to be signed by its Mayor and its corporate seal to be hereunto affixed and attested by the City Clerk, all as of the _____ day of August, 1992.

_____
Thomas E. Esposito, Mayor

[SEAL]

Attest:

_____

CERTIFICATE OF AUTHENTICATION

The undersigned, as Registrar for this Note, hereby certifies that this Note is one of the Notes described in the above-mentioned Ordinance and was duly registered in the name set forth above on the date set forth below.

Date: _____

The National Bank of Logan,
as Registrar

By _____
Its Authorized Officer

RECORD OF ADVANCES AND PAYMENTS*

Date	Amount Advanced	Principal Payment	Outstanding Balance	Authorized Officer
	$	$	$	

* To be completed upon each draw upon or repayment on the Line of Credit

** Not to exceed $500,000 at any one time

[Form of Assignment]

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto _____ the Sewerage System Construction Note, Series 1992, dated August ____, 1992, of The City of Logan, West Virginia, and does hereby irrevocably constitute and appoint _____, attorney to transfer said Note on the books of said City with full power of substitution in the premises.

_____

DATED: _____

IN THE PRESENCE OF: _____

ABB00A3A

THE CITY OF LOGAN, WEST VIRGINIA

$2,284,839 Subordinate Sewerage System Revenue Bonds, Series 1993

$76,161 Supplemental Subordinate Sewerage System Revenue Bonds, Series 1993

CERTIFICATE OF:

1. TERMS
2. NO LITIGATION
3. GOVERNMENTAL APPROVALS AND BIDDING
4. NO ADVERSE FINANCIAL CHANGE; INDEBTEDNESS
5. SIGNATURES
6. PUBLIC SERVICE COMMISSION ORDER; RATES
7. INCUMBENCY AND OFFICIAL NAME
8. LAND AND RIGHTS-OF-WAY
9. MEETINGS
10. INSURANCE
11. LOAN AGREEMENT
12. TRUTH AND ACCURACY
13. SPECIMEN BONDS
14. GRANT
15. NO CONFLICTS OF INTENT

We, the undersigned MAYOR and the undersigned CITY CLERK of The City of Logan, West Virginia (the "City"), and the undersigned ATTORNEY for the City, hereby certify in connection with the single, fully registered The City of Logan, West Virginia, Subordinate Sewerage System Revenue Bond, Series 1993, numbered R-1, dated the date hereof, in the principal amount of $2,284,839 and bearing interest at the rate of 7.75 percent per annum (the "Subordinate Bonds"), and the single, fully registered The City of Logan, West Virginia, Supplemental Subordinate Sewerage System Revenue Bond, Series 1993, numbered SR-1, dated the date hereof, in the principal amount of $76,161 and bearing no interest (the "Supplemental Bonds") (together, the "Bonds"), as follows:

1. TERMS: All capitalized words and terms used in this Certificate and not otherwise defined have the same meaning as in the Amendatory and Supplemental Bond and Note Ordinance duly adopted by the Council (the "Council") of the City on July 21, 1992, effective August 11, 1992, and the Supplemental Resolution duly adopted by the Council on March 23, 1993, relating to the Bonds (together, the "Ordinance"), and the Loan Agreement and Supplemental Loan Agreement (together, the "Loan Agreement") entered into between the City and the West Virginia Water Development Authority (the "Authority"), dated March 29, 1993.

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; nor questioning the proceedings and authority by which the Council of the City authorized the issuance and sale of the Bonds; nor affecting the validity of the Bonds or any provisions made or authorized for the payment thereof; nor questioning the existence of the City or the title of the members or officers of the City or of the Council thereof to their respective offices; nor questioning the design and the subsequent construction and acquisition of certain extensions, improvements or betterments to the existing sewerage system of the City financed in part by the proceeds of sale of the Bonds (the "Project"), nor operation by the City of the Project or the existing sewerage system as improved by the Project (the existing system, together with the Project and any further extensions, additions, improvements or betterments thereto, are collectively called the "System"), nor challenging the collection or use of the revenues of the System or the pledge of the net revenues to the Bonds.

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

4. NO ADVERSE FINANCIAL CHANGE;INDEBTEDNESS: There has been no adverse change in the financial condition of the City since August 10, 1992. There are no outstanding obligations of the City which will rank prior to or on a parity with the Bonds as to source of and security for payment except the City's Sewer Revenue Bonds dated as of March 1, 1964, outstanding as of December 31, 1992, in the principal amount of $91,000, which are prior to the Bonds; the City's Subordinate Sewerage System Revenue Bonds, Series 1987, outstanding as of December 31, 1992, in the aggregate principal amount of $611,422, which are on a parity with the Subordinate Bonds and prior to the Supplemental Bonds; and the City's Supplemental Sewerage System Revenue Bonds, Series 1987, outstanding as of December 31, 1992, in the aggregate principal amount of $136,745, which are on a parity with the Supplemental Bonds. The City will use proceeds of the Bonds to reduce to zero the amount outstanding on its $500,000 line of credit from The National Bank of Logan, notice of which was given in the form of Exhibit A attached hereto and incorporated herein by reference, but said line of credit will remain in existence until its expiration on August 11, 1996.

5. SIGNATURES: The undersigned Mayor and City Clerk

are the duly elected or appointed, qualified and serving officers of the City as indicated by the official titles opposite their signatures below, and were duly authorized to execute and seal the Bonds for the City. The seal impressed upon the Bonds and this Certificate is the duly authorized, proper and only seal of the City.

6. PUBLIC SERVICE COMMISSION ORDER; RATES: The City has filed any information with the Public Service Commission of West Virginia (the "Commission") and taken any other actions required to maintain the Public Service Commission order dated August 6, 1992, in full force and effect. The rates were enacted by ordinance adopted June 9, 1992, and the City has complied with all requirements of State law and the Commission to make the rates valid and effective and such rates are in full force and effect.

7. INCUMBENCY AND OFFICIAL NAME: The proper corporate title of the City is "The City of Logan," and it is a municipal corporation of the State of West Virginia in Logan County of said State. The governing body of the City is its City Council, consisting of five members, a Mayor and a City Clerk, whose names and dates of commencement and termination of terms of office for all members during these Bond proceedings, including current terms, are listed below:

Office	Name	Date of Commencement Of Office	Date of Termination Of Office
Mayor	Thomas E. Esposito	5/1/91	5/1/95
Council Member	Levie ("Duke") Caudill	5/1/91	5/1/95
Council Member	Ruth ("Sis") Ware	5/1/91	5/1/95
Council Member	Lilly Lowe		
Council Member	Bea Orr		
Council Member			
City Clerk	Vickie Luke		

The Sanitary Board is composed of the Mayor, Vincent J. Ferzacca and Chin J. Fot, both of whom were duly appointed prior to March 26, 1992. Mr. Fot is a registered professional engineer. The duly appointed and acting City Attorney is Edward I. Eiland, Esquire, Logan, West Virginia.

8. LAND AND RIGHTS-OF-WAY: All land in fee simple and all rights-of-way and easements necessary for the construction of the Project and 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 City or the Sanitary Board of the City and are adequate for such purposes and are not or will not be subject to any liens, encumbrances, reservations or exceptions that would adversely affect or interfere in any way with the use thereof for such purposes. The costs thereof, including costs of any

properties that may have to be acquired by condemnation are, in the opinion of all the undersigned, within the ability of the City to pay for the same without jeopardizing the security of or payments on the Bonds. Attached as Exhibit B hereto is a copy of the order entered by the United States District Court for the Southern District of West Virginia regarding the site for the new treatment plant for the System.

9. MEETINGS: All actions, ordinances, resolutions, orders and agreements taken, adopted and entered into by or on behalf of the City in any way connected with the construction, acquisition, operation and financing of the Project were authorized or adopted at meetings of the Council duly and regularly or specially called and held pursuant to all applicable statutes and the rules of procedure of Council, and a quorum of duly appointed, qualified and acting members of the Council was present and acting at all times during all such meetings. A copy of the notice of the July 21, 1992, special Council meeting is attached as Exhibit C hereto.

10. INSURANCE: The City will maintain or, as appropriate, will require all contractors to maintain Worker's Compensation, public liability and property damage insurance, standard hazard insurance, builder's risk insurance, flood insurance and business interruption insurance, where applicable, in accordance with the Ordinance.

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

12. TRUTH AND ACCURACY: As of the date hereof, Thomas E. Esposito, Mayor, and Vickie Luke, City Clerk, hereby certify that the copies of documents previously or on the date hereof certified by them as being true and accurate are true and accurate as of the date hereof and that none of such documents has been repealed, rescinded, amended or otherwise modified.

13. SPECIMEN BONDS: Attached hereto as Exhibit D are specimens of the Bonds which, except as to execution and authentication, are identical in all respects with such Bonds this day delivered to the Authority and being substantially in the form prescribed in the Ordinance.

14. GRANT: The City has received a grant from the United States Environmental Protection Agency in the amount of $3,020,380, which grant is in full force and effect.

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

WITNESS our signatures and the official corporate seal of The City of Logan, West Virginia on this 29th day of March, 1993.

[SEAL]

Signature	Official Title
Thomas Sprouse	Mayor and Chairman of the Sanitary Board
Vickie Luke	City Clerk
Edward E. Lauck	City Attorney

ABB028F8

EXHIBIT A

NOTICE TO WATER DEVELOPMENT AUTHORITY

Pursuant to § 6.25 of the Amendatory and Supplemental Bond and Note Ordinance passed by the Council of The City of Logan on July 21, 1992, the undersigned hereby notifies the West Virginia Water Development Authority that, as of the date hereof, the City has established with The National Bank of Logan a Line of Credit in the amount of $500,000. The City's obligation to repay draws upon the Line of Credit are evidenced by a Sewerage System Construction Note, Series 1992, in the aggregate principal amount of $500,000. Security for the Note from the net revenues of the City's sewerage system is subordinate to that on account of the City's bonds currently owned by and to be issued to the Water Development Authority.

Dated this 19TH day of August, 1992.

THE CITY OF LOGAN, WEST VIRGINIA

By _____
Its Mayor

ABB00CF5.WP5

EXHIBIT B

UNITED STATES DISTRICT COURT FOR THE
SOUTHERN DISTRICT OF WEST VIRGINIA

AT CHARLESTON

ENTERED
FEB 12
ORDER BOOK
NO. PAGE

THE CITY OF LOGAN,
a municipal corporation,

Petitioner,

v.

In Eminent Domain
Civil Action No. 2:92-0817

CSX TRANSPORTATION, INC.,
a Virginia corporation, and
MANUFACTURERS HANOVER TRUST COMPANY,
as Trustee,

Defendants.

ORDER GRANTING TO
PETITIONER THE RIGHT OF ENTRY

This day came The City of Logan, a West Virginia municipal corporation, by John O. Kizer, Jon Nicol and Kay, Casto, Chaney, Love & Wise, its attorneys, and came also the defendant CSX Transportation, Inc., a Virginia corporation, and Manufacturers Hanover Trust Cmopany, as Trustee, by Andrew S. Zettle and Huddleston, Bolen, Beatty, Porter & Copen, their attorneys, and this cause came on to be heard on the petitioner's Second Amended Petition and the exhibits therewith heretofore filed, upon notice duly served upon all the defendants, and the proceedings heretofore had herein.

Thereupon, the petitioner moved the Court that an order be entered permitting the petitioner at once to enter upon, take possession of, appropriate, and use the land and easement sought to be appropriated for the purposes for which the same is to be taken,

namely, for the construction, maintenance, and operation of a Wastewater Treatment Plant by the petitioner. It appearing to the Court and the Court being satisfied that the purpose for which said land and easements are sought to be taken is a public use for which private property may be appropriated upon compensating the owner, and that the land and easements so proposed to be taken are necessary for such purpose and will be used therefor, that the petitioner has paid to the Clerk of this Court as provided by W. Va. Code §54-2-14, the sum of Fifty Thousand Dollars ($50,000.00), which it estimates to be the fair value of the property sought to be condemned in order that petitioner may be entitled to an order permitting it at once to enter upon, take possession of, appropriate and use the land and easement sought to be condemned, it is ADJUDGED, ORDERED and DECREED that the petitioner, The City of Logan, its agents and employees, be, and they hereby are, authorized and permitted from the date of the entry of this order at once or later as they see fit, to enter upon, take possession of, appropriate and use for the purpose of constructing, maintaining and operating thereon a Wastewater Sewage Treatment Plant and its appurtenances the land and right of way easements described in the Second Amended Petition herein and as shown on the map filed in the office of the Clerk of this Court, Petitioner's Second Amended Exhibit 1, subject to the conditions and limitations set forth in said petition.

It is further ORDERED that the Clerk of this Court shall

deposit said Fifty Thousand Dollars ($50,000.00) in an interest bearing account until the further order of this Court.

All of which is ADJUDGED, ORDERED and DECREED ACCORDINGLY.

Dated this 12th day of February, 1993.

ENTER:

This order agreed to by all parties:

United States District Judge

Submitted by:

John O. Kizer

Jon Nicol
KAY, CASTO, CHANEY, LOVE & WISE
Post Office Box 2031
Charleston, West Virginia 25327
(304) 345-8900
Attorneys for Petitioner

A TRUE COPY, Certified this

FEB 12 1993

RONALD D. LAWSON, Clerk
BY Robin Clark DEPUTY

Inspected by:

Macel E Rhodes for Andrew Zettle

Andrew S. Zettle
HUDDLESTON, BOLEN, BEATTY, PORTER & COPEN
Post Office Box 3285
Huntington, West Virginia 25722
Attorney for Defendants
CSX Transportation, Inc. and
Manufacturers Hanover Trust
Company, as Trustee

OC

The City of Logan

EXHIBIT C

Dingess Street
Logan, West Virginia 25601
Phone (304) 752-4044

Mayor
Thomas E. Esposito

Council
Levie Caudill
Lilly Lowe
Stan Morgan
Bea N. Orr
Ruth Ware

NOTICE OF SPECIAL COUNCIL MEETING

TO: LEVIE CAUDILL, Council Member
LILLY LOWE, Council Member
STAN MORGAN, Council Member
BEA N. ORR, Council Member
RUTH WARE, Council Member
VICKIE LUKE, Acting City Clerk
Editor, THE LOGAN BANNER
News Editor, WLOG
News Editor, WVOW
All Members of the Public

I hereby call a special meeting of the City Council of the City of Logan for Tuesday, July 21, 1992, at 6:00 p.m. in the Council Chambers of the City Building in said City for the following purposes:

1. To consider and finally adopt an ordinance authorizing the issuance of Sewerage System Revenue Bonds to finance the acquisition and construction of a new wastewater treatment plant and also authorizing the establishment of a revolving line of credit for interim financing of that project, evidenced by a note to be paid, if necessary, by the issuance of additional bonds.

2. To adopt a resolution providing for the publication of an abstract of said ordinance and scheduling a date for a public hearing at which any person interested may appear and present protests to the ordinance.

3. To take such other actions as may be necessary or appropriate in connection with said ordinance and resolution.

The public is invited to the hearing.

ORIGINAL SIGNED BY

THOMAS E. ESPOSITO, MAYOR

INSTRUCTIONS: DELIVER A COPY TO EACH PERSON, NEWSPAPER, & RADIO STATIONS
POST A COPY AT THE FRONT ENTRANCE TO THE CITY BUILDING
POST A COPY AT THE WATER BOARD OFFICE
POST A COPY AT THE TICKET OFFICE OF THE MAIN STREET PARKING BUILDING

THE CITY OF LOGAN, WEST VIRGINIA

$2,284,839 Subordinate Sewerage System Revenue Bonds, Series 1993

$76,161 Supplemental Subordinate Sewerage System Revenue Bonds, Series 1993

CERTIFICATE OF CITY CLERK AS TO TRUTH AND ACCURACY OF DOCUMENTS DELIVERED

I, the undersigned Vickie Luke, the duly appointed Clerk of The City of Logan, West Virginia (the "City"), hereby certify that the copies of the following documents being delivered in connection with the closing of the sale of the above-referenced Bonds (the "Bonds"), are, as of the date hereof, true and accurate copies of the originals of those documents maintained on file with the City and delivered in the transcript of proceedings, and that said documents are in full force and effect as of the date hereof and have not been repealed, rescinded, superseded, amended or modified in any way unless the document effecting such repeal, rescission, supersedence, amendment or modification is also listed below:

1. Charter of The City of Logan, West Virginia (the "City").

2. Rules and Order of Business of the Council of the City ("Council").

3. Oaths of office of Mayor, City Clerk and Council Members.

4. Ordinance creating the Sanitary Board of the City (the "Sanitary Board"), enacted by the Council on April 12, 1948.

5. Ordinance passed by the Council on February 11, 1964, authorizing $308,000 in aggregate principal amount of Sewer Revenue Bonds, dated March 1, 1964, of the City.

6. Ordinance passed by the Council on August 11, 1987, as supplemented on September 8, 1987, authorizing $623,087 in aggregate principal amount of Subordinate Sewerage System Revenue Bonds, Series 1987, and $152,833 in aggregate principal amount of Supplemental Subordinate Sewerage System Revenue Bonds, Series 1987.

7. Minutes of Council meeting held June 9, 1992, regarding passage of Rate Ordinance.

8. Rate Ordinance passed by the Council on June 9, 1992.

9. Sanitary Board Resolution authorizing petition, adopted June 22, 1992 (see No. 10 for Exhibit A).

10. Sanitary Board Petition dated June 22, 1992 (without Exhibit I).

11. Minutes of Council meeting held July 14, 1992, regarding first reading of Ordinance.

12. Minutes of meeting held by Council on July 21, 1992, regarding second reading and passage of Ordinance, and adoption of Resolution with respect to abstract and public hearing.

13. Amendatory and Supplemental Bond and Note Ordinance (the "Ordinance") adopted by the Council on July 21, 1992 (without Exhibits B and C).

14. Resolution adopted by Council on July 21, 1992, authorizing publication of an abstract and notice of the Ordinance.

15. Minutes of the August 11, 1992, meeting of Council wherein the Resolution putting the Ordinance into effect was adopted.

16. Resolution adopted by Council on August 11, 1992, putting Ordinance into effect.

17. Supplemental Resolution adopted by Council on March 23, 1993, authorizing sale of the above-referenced Bonds.

18. EPA Grant Agreement with Part B approval.

19. Resolution adopted by Council on August 11, 1992, regarding $500,000 line of credit.

20. NPDES permit (cover page).

WITNESS my signature and the official seal of The City of Logan, West Virginia, as of the 29th day of March, 1993.

Vickie Locke

City Clerk
The City of Logan

(SEAL)

ABB005F9

THE CITY OF LOGAN, WEST VIRGINIA

$2,284,839 Subordinate Sewerage System Revenue Bonds, Series 1993

CERTIFICATE AS TO NON-ARBITRAGE

I, Thomas E. Esposito, Mayor of The City of Logan, West Virginia (the "City"), being one of the officials of the City duly charged with the responsibility for the issuance of $2,284,839 in aggregate principal amount of Subordinate Sewerage System Revenue Bonds, Series 1993, of the City, dated March 29, 1993 (the "Bonds"), hereby certify as follows:

1. This certificate is being executed and delivered pursuant to Section 148 of the Internal Revenue Code of 1986, as amended, and applicable regulations (the "Code"). I am one of the officers of the City charged with the responsibility of issuing the Bonds. I am familiar with the facts, circumstances and estimates herein certified and am duly authorized to execute and deliver this certificate on behalf of the City. Capitalized terms used and not otherwise defined in this Certificate have the respective meanings given them in the Ordinance as hereafter defined.

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

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

4. This certificate is based upon facts, circumstances, estimates and expectations of the City in existence on March 29, 1993, the date on which the Bonds are to be physically delivered in exchange for the issue price thereof, and to the best of my knowledge and belief, the expectations of the City set forth herein are reasonable.

5. In the Amendatory and Supplemental Bond and Note Ordinance adopted by the Council of the City on July 21, 1992, as supplemented on March 23, 1993 (the "Ordinance"), pursuant to which the Bonds are issued, the City has covenanted to make no use of the proceeds of the Bonds which would cause the Bonds to be "arbitrage bonds" within the meaning of the Code.

6. The Bonds and the Supplemental Subordinate Sewerage System Revenue Bonds, Series 1993 (the "Supplemental Bonds"), which bear no interest, were sold on March 29, 1993, to the West Virginia Water Development Authority (the "Authority") for an aggregate purchase price of $2,284,839 and $76,161, respectively (100% of par).

7. The Bonds are being delivered simultaneously with the delivery of this certificate and are issued for the purposes of (i) paying costs, not otherwise provided, of acquisition and construction of certain extensions, improvements and betterments to the existing public sewerage system of the City (the "Project"), (ii) paying capitalized interest on the Bonds during a portion of the construction period, and (iii) paying costs of issuance and other costs in connection therewith.

8. The City shall, within 30 days following delivery of the Bonds, enter into agreements which require the City to expend in excess of $2,361,000 on the Project, constituting a substantial binding commitment. Acquisition, construction and equipping of the Project will proceed with due diligence to completion, and all of the proceeds from the sale of the Bonds, together with any investment earnings thereon will be expended for payment of Costs of the Project on or before April 1, 1994. Construction of the Project is expected to be completed by April 1, 1994.

9. The total cost of the Project is estimated at $4,308,937. Sources and uses of funds for the Project are as follows:

SOURCES

Bonds	$2,284,839
Supplemental Bonds	$ 76,161
EPA Grant (the "EPA Grant")	$1,947,937
Total Sources	$4,308,937

USES

Acquisition and Construction of Project	$4,203,437
Capitalized Interest	$ 88,500
Costs of Issuance	$ 17,000
Total Uses	$4,308,937

The amount of Project costs not expected to be reimbursed by the grant from the United States Environmental Protection Agency (the "EPA Grant") or paid from Supplemental Bond proceeds is estimated to be at least equal to the gross proceeds of the Bonds. Except

for the proceeds of the Bonds, the Supplemental Bonds, the EPA Grant and as otherwise provided in the Ordinance, no other funds of the City will be available to meet costs of the Project, and no balances are available to meet such costs in any account which may, without legislative or judicial action, be invaded to pay such expenditures without a legislative, judicial or contractual requirement that such account be reimbursed.

10. Pursuant to Articles IV and V of the Ordinance, the following special funds or accounts have been continued or created:

The following special funds or accounts are created with and shall be held by the Depository Bank:

(1) Revenue Fund;

(2) Renewal and Replacement Fund; and

(3) 1993 Bond Construction Trust Fund.

The following special funds or accounts are established with the Commission:

(1) Sinking Fund; and

(a) Within the Sinking Fund, the Reserve Account.

(2) Supplemental Sinking Fund; and

(a) Within the Supplemental Sinking Fund, the Supplemental Reserve Account.

11. Pursuant to the Ordinance, the proceeds of the Bonds (and the Supplemental Bonds) will be deposited as follows:

(1) Bond proceeds in the amount of $88,500 will be deposited with the Municipal Bond Commission in the Sinking Fund.

(2) $338,234.87 will be wired to The National Bank of Logan to pay off interim financing for the Project.

(3) The balance of the proceeds of the Bonds and the Supplemental Bonds will be deposited in the 1993 Bond Construction Trust Fund and applied solely to payment of Costs of the Project, including but not limited to payment of cost of issuance.

12. Moneys held in the Sinking Fund will be used solely to pay principal of and interest on the Bonds as the same shall become due. Moneys in the Reserve Account in the Sinking Fund shall be used only for the purpose of paying principal of and interest on

the Bonds, as the same shall become due, when other moneys in the Sinking Fund are insufficient therefor, and for no other purpose. All investment earnings on moneys in the Sinking Fund and Reserve Account shall be transferred, not less than once each year to the 1993 Bond Construction Trust Fund prior to completion of the Project, and thereafter into the Revenue Fund or the Prior Revenue Fund, as the case may be.

13. Except for the Sinking Fund and the Reserve Account, there are no other funds or accounts established or held by the City which are reasonably expected to be used to pay debt service on the Bonds, or which are pledged as collateral for Bonds, and for which there is a reasonable assurance that amounts therein will be available to pay debt service on the Bonds, if the City encounters financial difficulties. The City does not expect that moneys in the Renewal and Replacement Fund will be used or needed for payments upon the Bonds. Except as provided herein, no funds which have been or will be used to acquire directly or indirectly securities, obligations, annuity contracts or other investment-type property producing a yield in excess of the yield on the Bonds, have been or will be pledged to payment of the Bonds. None of the proceeds of the Bonds will be deposited in the Reserve Account or any other reserve or replacement fund. The amounts deposited in the Reserve Account from time to time by the City will not exceed the maximum annual principal and interest on the Bonds and will not exceed 125% of average annual principal and interest on the Bonds. Amounts in the Reserve Account, not to exceed 10% of the proceeds of the Bonds, if invested, will be invested without yield limitation. The establishment of the Reserve Account is required by the Authority, is vital to its purchase of the Bonds and is reasonably required to assure payments of debt service on the Bonds.

14. The City expects to enter into a contract within 6 months of the date hereof or has already entered into such a contract for the construction of the Project, and the amount to be expended pursuant to such contract exceeds the lesser of 2 1/2% of the estimated total Project cost financed with proceeds from the sale of the Bonds or $100,000.

15. Work with respect to the construction of the Project will proceed with due diligence to completion. Construction is expected to be completed within three years of August 27, 1991.

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

17. All of the proceeds of the Bonds will be expended on the Project within 13 months from the date of issuance thereof.

18. Any money deposited in the Sinking Fund for payment of the principal and interest on the Bonds (other than the Reserve Account therein) will be spent within a 13-month period beginning on the date of receipt and any moneys received from the investment of amounts held in the Sinking Fund (other than in the Reserve Account therein) will be spent within a 1-year period beginning the date of receipt.

19. All the proceeds of the Bonds which were used for the payment of costs of the Project will be expended for such purposes within 3 years of August 27, 1991.

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

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

22. The City shall file Form 8038-G in a timely fashion with the Internal Revenue Service Center, Philadelphia, Pennsylvania 19255.

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

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

25. The City has general taxing powers to finance operations of or facilities of the nature of the system, and the Town and all subordinate entities reasonably expect to issue less than $5,000,000 of tax-exempt obligations during calendar year 1993 and has issued no other tax-exempt obligations during the current calendar year, and the City believes that it may avail itself of the "small governmental issuer" exception to rebate.

26. The City will use the proceeds of the Bonds solely for the Project, and the Project will be operated solely for a public purpose as a local governmental activity of the City.

27. The City will not permit at any time or times any of the proceeds of the Bonds, or any other funds of the City, to be used directly or indirectly in a manner which would result in the exclusion of Bonds from treatment afforded by Section 103(a) of the Code by reason of classification of the Bonds as "private activity bonds" within the meaning of the Code. The City will take all

actions and refrain from taking such actions as shall be necessary to comply with the Code in order to ensure the interest on the Bonds is excludable from gross income for federal income tax purposes.

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

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

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

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

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

33. The City shall submit to the Authority within thirty (30) days following the end of the City's bond year a certified copy of its rebate calculation, or, if the City qualifies for the small governmental issuer exception to rebate, then the City shall submit to the Authority a certificate stating that it is exempt from the rebate provisions and that no event has occurred to its knowledge during the bond year which would make the Bonds subject to rebate.

34. The City expects that no part of the Project financed by the Bonds will be sold or otherwise disposed of prior to the last maturity date of the Bonds.

35. The City covenants and agrees to comply with the rebate requirements of the Code if not exempted therefrom, and with all

other requirements of the Code necessary, proper or desirable to maintain the tax-exempt status of the Bonds.

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

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

IN WITNESS WHEREOF, I have set my hand this 29th day of March, 1993.

THE CITY OF LOGAN

By _____
Mayor

ABB005FA

THE CITY OF LOGAN, WEST VIRGINIA

$2,284,839 Subordinate Sewerage System Revenue Bonds,
Series 1993

$76,161 Supplemental Subordinate Sewerage System
Revenue Bonds, Series 1993

CERTIFICATE OF CONSULTING ENGINEER

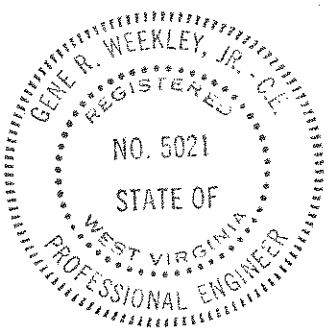
I, Gene R. Weekley, Jr., Registered Professional Engineer, West Virginia License No. 5021, of Kelley, Gidley, Blair & Wolfe, Inc., Consulting Engineers, Charleston, West Virginia, hereby certify that my firm is engineer for the acquisition and construction of certain extensions, improvements and betterments to the existing sewerage system (the "Project") of The City of Logan, West Virginia (the "City"), to be constructed in Logan County, West Virginia, which acquisition and construction are being permanently financed in part by the above-captioned bonds (the "Bonds") of the City. Capitalized words not defined herein have the meanings set forth in the Amendatory and Supplemental Bond and Note Ordinance adopted by the Council of the City on July 21, 1992, and the Loan Agreement and Supplemental Loan Agreement between the City and the West Virginia Water Development Authority (the "Authority") dated March 29, 1993.

1. The Bonds are being issued for the purpose of permanently financing the costs of acquisition and construction of the Project. The City has received a grant from the United States Environmental Protection Agency in the amount of ~~$3,022,410~~ $3,020,380 and reasonably allocable to Phase II of the Project in the amount of $1,947,937.

2. The undersigned hereby certifies that (i) the Project will be constructed in accordance with the approved plans, specifications and designs prepared by my firm and as described in the application submitted to the Authority requesting the Authority to purchase the Bonds (the "Application") and approved by all necessary governmental bodies, (ii) the Project is adequate for the purpose for which it was designed and has an estimated useful life of at least forty years, (iii) the City has received bids for the construction of the Project which are in an amount and otherwise compatible with the plan of financing described in the Application and my firm has ascertained or will ascertain prior to the start of construction that all contractors have made required provisions for all insurance and payment and performance bonds and such bonds have been or will be prior to the start of construction verified by my firm for accuracy, (iv) the City has obtained all permits required by the laws of the State and the federal government necessary for the construction of the Project, (v) the rates and charges for the System as adopted by the City are sufficient to comply with the provisions of Section 4.1(b) (ii) of the Loan Agreement and the Supplemental Loan Agreement, (vi) the net proceeds of the Bonds, together with all other moneys on deposit or to be simultaneously deposited and irrevocably pledged thereto and the proceeds of grants irrevocably committed therefor, are sufficient to pay the costs of construction and acquisition of the Project as set forth in the Application as of the date of the Loan Agreement, and (vii) attached hereto as Exhibit A is the final amended "Schedule A – Total Cost of Project and Sources of Funds" for the Project.

3. No new customers or increased use of the System are anticipated on account of the Project.

WITNESS my signature on this 29th day of March, 1993.



KELLEY, GIDLEY, BLAIR & WOLFE, INC.

By: _____
Gene R. Weekley, Jr.
License No. 5021

THE CITY OF LOGAN, WEST VIRGINIA

$2,284,839 Subordinate Sewerage System Revenue Bonds, Series 1993

$76,161 Supplemental Subordinate Sewerage System Revenue Bonds, Series 1993

ISSUANCE OF PARITY DEBT

The undersigned, as Mayor of The City of Logan, West Virginia (the "City"), hereby certifies with respect to the issuance of the above-referenced bonds (the "Bonds") on a parity with the City's Subordinate Sewerage System Revenue Bonds, Series 1987, and Supplemental Subordinate Sewerage System Revenue Bonds, Series 1987 (the "Outstanding Bonds"), respectively, as follows:

1. The City has received the written certificate from an Independent Accountant required by Section 7.08 of the Ordinance pursuant to which the Outstanding Bonds were issued (the "Outstanding Ordinance").

2. The City has received certain consents and waivers from the West Virginia Water Development Authority, as the owner of the Outstanding Bonds.

3. The City is in compliance with all of the covenants, agreements, and terms of the Outstanding Ordinance and has made all the payments into the respective funds and accounts provided for in the Outstanding Ordinance on account of the Outstanding Bonds and any other payments provided for in the Outstanding Ordinance.

WITNESS my signature this 29th day of March, 1993.

THE CITY OF LOGAN, WEST VIRGINIA

By _____
Mayor

ABB028F6

THE CITY OF LOGAN, WEST VIRGINIA

$2,284,839 Subordinate Sewerage System Revenue Bonds, Series 1993

$76,161 Supplemental Subordinate Sewerage System Revenue Bonds, Series 1993

REGISTRAR'S AGREEMENT

THIS REGISTRAR'S AGREEMENT, dated as of the 29th day of March, 1993, by and between THE CITY OF LOGAN, WEST VIRGINIA, a municipal corporation (the "Governmental Agency"), and One Valley Bank, National Association, Charleston, West Virginia (the "Registrar").

WHEREAS, the Governmental Agency has, contemporaneously with the execution hereof, issued and sold its $2,284,839 Subordinate Sewerage System Revenue Bonds, Series 1993 (the "Subordinate Bonds"), in the form of one bond numbered R-1, and its $76,161 Supplemental Subordinate Sewerage System Revenue Bonds, Series 1993 (the "Supplemental Bonds"), in the form of one bond numbered SR-1, both in fully registered form (collectively the "Bonds"), pursuant to an Amendatory and Supplemental Bond and Note Ordinance duly adopted on July 21, 1992, effective August 11, 1992, and a Supplemental Resolution duly adopted on March 23, 1993 (collectively, the "Ordinance");

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

WHEREAS, the Ordinance provides for an appointment by the Governmental Agency of a Registrar for the Bonds; and

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

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

1. Upon the execution of this Registrar's Agreement by the Governmental Agency and the Registrar and during the term hereof, the Registrar does accept and shall have and carry out the powers and duties of Registrar, for the Bonds, all as set forth in the Ordinance, such duties including, among other things, the

duties to authenticate, register and deliver Bonds upon original issuance and when properly presented for exchange or transfer, and shall do so with the intention of maintaining the exclusion of interest on the Primary Bonds from gross income for federal income tax purposes, in accordance with any rules and regulations promulgated by the United States Treasury Department or by the Municipal Securities Rulemaking Board or similar regulatory bodies as the Governmental Agency advises it of and with generally accepted industry standards.

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

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

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

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

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

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

GOVERNMENTAL AGENCY:

The City of Logan
City Hall
Dingess Street

Logan, West Virginia 25601
ATTENTION: Mayor

REGISTRAR:

One Valley Bank, National Association
P. O. Box 1793
Charleston, West Virginia 25326
Attention: Corporate Trust

The Governmental Agency and the Registrar shall notify the other in writing of any change of address.

8. The Registrar is hereby requested and authorized to authenticate and deliver the Bonds in accordance with the Ordinance.

IN WITNESS WHEREOF, THE CITY OF LOGAN and One Valley Bank, National Association, have respectively caused this Registrar's Agreement to be signed in their names and on their behalf, all as of the day and year first above-written.

THE CITY OF LOGAN

By _____
Its Mayor

ONE VALLEY BANK,
NATIONAL ASSOCIATION

By: _____
Authorized Officer

ABB005F7

EXHIBIT A

See Amendatory and Supplemental Bond and Note Ordinance
(Tab Nos. 16 and 23)

Invoice

ONE VALLEY BANK

CITY OF LOGAN, WEST VIRGINIA
ATTN: MAYOR

DATE MARCH 29, 1993

UNITS	ITEM DESCRIPTION	TOTAL
	$2,361,000 CITY OF LOGAN WV SEWER REVENUE BONDS, 1993 SERIES A AND SERIES B.	
	ONE TIME FEE FOR SERVICES AS REGISTRAR AND AUTHICATING AGENT.....	$500.00

SEND REMITTANCE TO: One Valley Bank
One Valley Square
P.O. Box 1793
Charleston, WV 25326

Attn: CHARLOTTE S. MORGAN

The National Bank of Logan
Key Central Bank

755 East Stratton St.
P. O. Box 420
Logan, WV 25601-0420
(304) 752-1023
FAX (304) 752-4862

March 29, 1993

The City of Logan, West Virginia

$2,284,839 Subordinate Sewerage System Revenue Bonds, Series 1993

$76,161 Supplemental Subordinate Sewerage System Revenue Bonds, Series 1993

ACCEPTANCE OF DUTIES OF DEPOSITORY BANK

The National Bank of Logan, with it's principal office in Logan, West Virginia, hereby accepts appointment as Depository Bank in connection with an Amendatory and Supplemental Bond and Note Ordinance of The City of Logan, West Virginia (the "City"), duly adopted by the Council of the City on July 21, 1992, and the Supplemental Resolution duly adopted by the Council of the City on March 23, 1993 (together the "Ordinance"), authorizing issuance of the City's Subordinate Sewerage System Revenue Bonds, Series 1993, dated March 29, 1993, in the aggregate principal amount of $2,284,839, and Supplemental Subordinate Sewerage System Revenue Bonds, Series 1993, dated March 29, 1993, in the aggregate principal amount of $76,161, and agrees to perform all the duties of Depository Bank, all as set forth in the Ordinance. The National Bank of Logan hereby certifies that it has received a copy of the Ordinance.

WITNESS my signature as of the 29th day of March, 1993.

THE NATIONAL BANK OF LOGAN

By: E. L. Brewster
Senior Vice President

THE CITY OF LOGAN, WEST VIRGINIA

$2,284,839 Subordinate Sewerage System Revenue Bonds, Series 1993

$76,161 Supplemental Subordinate Sewerage System Revenue Bonds, Series 1993

REQUEST AND AUTHORIZATION AS TO AUTHENTICATION AND DELIVERY OF THE BONDS

March 29, 1993

One Valley Bank, National Association
P. O. Box 1793
Charleston, West Virginia 25326

Ladies and Gentlemen:

We herewith hand to you, duly executed, $2,284,839 Subordinate Sewerage System Revenue Bond, Series 1993, in the form of one bond numbered R-1, and $76,161 Supplemental Sewerage System Revenue Bond, Series 1993, in the form of one bond numbered SR-1 (together, the "Bonds") of The City of Logan, West Virginia (the "City"), authorized to be issued under and pursuant to the Amendatory and Supplemental Bond and Note Ordinance, duly adopted by the Council of the City on July 21, 1992, effective August 11, 1992, and a Supplemental Resolution duly adopted by the Council on March 23, 1993.

You are hereby requested and authorized to register, authenticate and deliver the Bonds on behalf of the City to the West Virginia Water Development Authority.

THE CITY OF LOGAN

By _____
Its Mayor

(SEAL)

Attest:

_____
Clerk, The City of Logan

ABB005FC

THE CITY OF LOGAN, WEST VIRGINIA

$2,284,839 Subordinate Sewerage System Revenue Bonds, Series 1993

$76,161 Supplemental Subordinate Sewerage System Revenue Bonds, Series 1993

CERTIFICATE OF REGISTRATION OF BONDS

I, Charlotte S. Morgan, Corporate Trust Administrative Officer of One Valley Bank, National Association, Charleston, West Virginia, as Registrar (the "Registrar"), hereby certify that on the 29th day of March, 1993, the bonds of The City of Logan, West Virginia in the principal amount of $2,284,839 designated "The City of Logan, West Virginia, Subordinate Sewerage System Revenue Bonds, Series 1993" (the "Subordinate Bonds"), and numbered R-1, and the bonds in the principal amount of $76,161 designated "The City of Logan, West Virginia, Supplemental Subordinate Sewerage System Revenue Bonds, Series 1993," and numbered SR-1, both dated as of the date hereof, were registered as to principal, and the Subordinate Bonds were registered as to interest, in the name of "West Virginia Water Development Authority" in the books of the City kept for that purpose at our office, by a duly authorized officer on behalf of One Valley Bank, National Association, Charleston, West Virginia, as Registrar.

WITNESS my signature as of the 29th day of March, 1993.

ONE VALLEY BANK, NATIONAL, ASSOCIATION,
as Registrar

By Charlotte S. Morgan
Authorized Officer

ABB005F6

THE CITY OF LOGAN, WEST VIRGINIA

$2,284,839 Subordinate Sewerage System Revenue Bonds, Series 1993

$76,161 Supplemental Subordinate Sewerage System Revenue Bonds, Series 1993

RECEIPT FOR BONDS

The undersigned, Barbara B. Meadows, Secretary-Treasurer of the West Virginia Water Development Authority, for and on behalf of the West Virginia Water Development Authority (the "Authority"), hereby certifies as follows:

1. On the 29th day of March, 1993, in Dunbar, West Virginia, the Authority received the entire original issue of $2,284,839 in aggregate principal amount of The City of Logan, West Virginia, Subordinate Sewerage System Revenue Bonds, Series 1993, and the entire original issue of $76,161 in aggregate principal amount of The City of Logan, West Virginia, Supplemental Subordinate Sewerage System Revenue Bonds, Series 1993 (together, the "Bonds"), said Bonds being dated the 29th day of March, 1993; and issued in the form of one bond per issue, fully registered to the Authority, and numbered R-1 and SR-1, respectively.

2. At the time of receipt of such Bonds, they had been executed by Thomas E. Esposito, as Mayor of The City of Logan, by manual signature, and attested by Vickie Luke as City Clerk of The City of Logan, by manual signature, and the official seal of said City had been impressed upon each Bond.

IN WITNESS WHEREOF, Barbara B. Meadows duly signed and delivered this receipt on behalf of the West Virginia Water Development Authority on the 29th day of March, 1993.

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

By Barbara B Meadows
Secretary-Treasurer

THE CITY OF LOGAN, WEST VIRGINIA

$2,284,839 Sewerage System Revenue Bonds, Series 1993
$76,161 Supplemental Subordinate Sewerage System Revenue Bonds, Series 1993

RECEIPT FOR BOND PROCEEDS

The undersigned Thomas E. Esposito, Mayor of The City of Logan (the "City"), hereby certifies as follows:

1. The City has received and hereby acknowledges receipt from the West Virginia Water Development Authority (the "Authority"), as original purchaser of the City's $2,284,839 Subordinate Sewerage System Revenue Bond, Series 1993, of the proceeds of said bond in the amount of $2,284,839 (100% of par value) and with no interest having been accrued thereon.

2. The City has received and hereby acknowledges receipt from the Authority, as original purchaser of the City's $76,161 Supplemental Subordinate Sewerage System Revenue Bond, Series 1993, of the proceeds of said bond in the amount of $76,161 (100% of par value) and said bond bearing no interest.

IN WITNESS WHEREOF, The City of Logan has caused this receipt to be executed by the Mayor of The City of Logan on this 29th day of March.

THE CITY OF LOGAN

By _____
MAYOR

ABB005FD

One Valley Bank, National Association
One Valley Square, P.O. Box 1793
Charleston, WV 25326 Member FDIC

ONE VALLEY BANK

69-3
519

No. 230507

Payment Per Requisition
3/29/93 Fund Cap. Int City Logan Swr Rev Bond 1993 Series A

ONE VALLEY BANK N.A. 88500dd's00cts

103627 - WDA 1991 Loan Fund fvi/85

CHECK DATE	AMOUNT
March 29, 1993	$88,500.00***

X P
I
II

PAY TO THE ORDER OF WV Municipal Bond Commission

ONE FINANCIAL PLACE
Financial & Trust Services

AUTHORIZED OFFICER

⑈230507⑈ ⑆051900353⑆ ⑈900⑈051 4⑈ 1490

STATE OF WEST VIRGINIA
DEPARTMENT OF COMMERCE, LABOR AND ENVIRONMENTAL RESOURCES
DIVISION OF NATURAL RESOURCES
WATER RESOURCES SECTION
1201 Greenbrier Street
Charleston, West Virginia 25311-1088
Telephone (304) 558-2107
TDD (304) 558-2751

GASTON CAPERTON
Governor

J. EDWARD HAMRICK III
Director

July 29, 1992

Honorable Thomas E. Esposito
Mayor, City of Logan
Sanitary Board
City Hall
Logan, WV 25601

CERTIFIED RETURN RECEIPT REQUESTED

RE: WV/NPDES Permit No. WV0033821
Modification No. 1

Dear Mayor Esposito:

This letter serves as Modification No. 1 of your existing WV/NPDES Water Pollution Control Permit No. WV0033821, issued the 9th day of July 1991.

After review and consideration of the information submitted on and with Permit Modification Application No. WV0033821-A, dated the 20th day of August 1991, the plans and specifications, additional information received the 18th day of November 1991, and other relevant information, the subject permit is hereby modified to acquire, construct, install, operate and maintain a 0.53 MGD oxidation ditch wastewater treatment plant to be comprised of a triplex influent lift station, a mechanical bar screen, grit removal facilities, an oxidation ditch with a volume of 530,000 gallons, an intra-channel clarifier with a volume of 66,318 gallons and a surface area of 1,285 square feet, ultraviolet disinfection facilities, a sludge decant tank with a volume of 54,770 gallons, two(2) vacuum sludge dewatering beds with a total surface area of 1,270 square feet and all requisite appurtenances.

These facilities are to serve a population equivalent of approximately 5,300 persons in the City of Logan and discharge treated wastewater through relocated Outlet No. 001 to the Guyandotte River at Mile Point 79.1 at a latitude of 37° 52'14" North and a longitude of 81°58'45" West.

The wastewater treatment plant is to be constructed in accordance with the plans and specifications, approved the 23rd day of March 1992, prepared by Kelley Gidley Blair & Wolfe, 550 Eagan Street, Charleston, WV 25330 and entitled "City of Logan, Wastewater Treatment Facilities, Contract 2, EPA Project No. C-540292."

We are sending you revised pages 2, 8 and 8A of 9 and page 8B of 9 along with a discharge monitoring report. These documents shall supersede the ones currently in your possession and should be incorporated into your existing permit.

Please note revised page 8A and page 8B of 9 which, in part, present Section G - Other Requirements. This section has been revised to incorporate requirements relative to sludge management practices for the new plant and whole effluent toxicity testing. During the review process for this modification, it was noted that the materials relative to the whole effluent toxicity testing had been inadvertently omitted from the permit.

All other terms and conditions of the subject permit shall remain in effect and unchanged.

Sincerely,

Laidley Eli McCoy, Ph.D.
Chief

LEM:jml

Attachments

Form **8038-G** (Rev. October 1989)
Department of the Treasury
Internal Revenue Service

Information Return for Tax-Exempt Governmental Obligations

▶ Under Section 149(e)
▶ See separate Instructions
(Use Form 8038-GC if the issue price is under $100,000)

OMB No. 1545-0720
Expires 5-31-92

Part I Reporting Authority — Check box if **Amended Return** ▶ ☐

1 Issuer's name: City of Logan	2 Issuer's employer identification number: 556000199
3 Number and street: Dingess Street	4 Report number: G19 93 - 1
5 City or town, state, and ZIP code: Logan, West Virginia 25601	6 Date of issue: March 29, 1993
7 Name of issue: Subordinate Sewerage System Revenue Bonds, Series 1993	8 CUSIP Number: None

Part II Type of Issue (check box(es) that applies and enter the Issue Price)

		Issue price
9	☐ Check box if obligations are tax or other revenue anticipation bonds ▶ ☐	
10	☐ Check box if obligations are in the form of a lease or installment sale ▶ ☐	
11	☐ Education	$
12	☐ Health and hospital	
13	☐ Transportation	
14	☐ Public safety	
15	☒ Environment (including sewage bonds) (sewerage bonds)	2,284,839
16	☐ Housing	
17	☐ Utilities	
18	☐ Other. Describe (see Instructions) ▶	

Part III Description of Obligations

		(a) Maturity date	(b) Interest rate	(c) Issue price	(d) Stated redemption price at maturity	(e) Weighted average maturity	(f) Yield	(g) Net interest cost
19	Final maturity	10/1/31	7.75 %	173,796	173,796			
20	Entire issue			2,284,839	2,284,839	27.84 years	7.75 %	7.75 %

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

21	Proceeds used for accrued interest		21	-0-
22	Issue price of entire issue (enter line 20c)		22	2,284,839
23	Proceeds used for bond issuance costs (including underwriters' discount)	23 17,000		
24	Proceeds used for credit enhancement	24 -0-		
25	Proceeds allocated to reasonably required reserve or replacement fund	25 -0-		
26	Proceeds used to refund prior issues	26 -0-		
27	Total (add lines 23, 24, 25, and 26)		27	17,000
28	Nonrefunding proceeds of the issue (subtract line 27 from line 22 and enter amount here)		28	2,267,839

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

29	Enter the remaining weighted average maturity of the bonds to be refunded ▶	N/A years
30	Enter the last date on which the refunded bonds will be called ▶	
31	Enter the date(s) the refunded bonds were issued ▶	

Part VI Miscellaneous

32	Enter the amount of the state volume cap allocated to the issue ▶	N/A
33	Enter the amount of the bonds designated by the issuer under section 265(b)(3)(B)(i)(III) (small issuer exception) ▶	N/A
34	Pooled financings:	
a	Enter the amount of the proceeds of this issue that are to be used to make loans to other governmental units ▶	N/A
b	Check box if this issue is a loan made from the proceeds of another tax-exempt issue ▶ ☒ and enter the name of the issuer ▶ West Virginia Water Development Authority and the date of the issue ▶ August 27, 1991	

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete.

Please Sign Here

Signature of officer: Thom Esposito — Date: March 29, 1993 — Type or print name and title: Thomas E. Esposito, Mayor

*U.S. Government Printing Office: 1989-262-151/00019

WV MUNICIPAL BOND COMMISSION
Suite 337 Building 3
1800 Washington St. E
State Capitol Complex
Charleston, WV 25305
(304) 348-3971

NEW ISSUE REPORT FORM

Date of Report: March 29, 1993

(See Reverse for Instructions)

ISSUE: The City of Logan $2,284,839 Subordinate Sewerage System Revenue Bonds, Series 1993

ADDRESS: City Hall, Dingess Street, Logan, WV 25601 COUNTY: Logan

PURPOSE OF ISSUE: New Money X Refunding ____ Refunds issue(s) dated: ____

ISSUE DATE: March 29, 1993 CLOSING DATE: March 29, 1993

ISSUE AMOUNT: $ 2,284,839 RATE: 7.75%

1st DEBT SERVICE DUE: 10/1/93 1st PRINCIPAL DUE: 10/1/93

1st DEBT SERVICE AMOUNT: $99,711.26 PAYING AGENT: Municipal Bond Commission

ISSUERS
BOND COUNSEL: Jackson & Kelly
Contact Person: Taunja Willis-Miller, Esq.
Phone: (304) 340-1357
CLOSING BANK: The National Bank of Logan
Contact Person: Michael Stone
Phone: (304) 752-1023
KNOWLEDGEABLE ISSUER CONTACT
Contact Person: Thomas E. Esposito
Position: Mayor
Phone: (304) 752-4044

UNDERWRITERS
BOND COUNSEL: ____
Contact Person: ____
Phone: ____
ESCROW TRUSTEE: ____
Contact Person: ____
Phone: ____
OTHER: ____
Contact Person: ____
Function: ____
Phone: ____

DEPOSITS TO MBC AT CLOSE:
By ____ Wire
X Check

____ Accrued Interest: $ ____
X Capitalized Interest: $ 88,500
____ Reserve Account: $ ____
____ Other: ____ $ ____

REFUNDS & TRANSFERS BY MBC AT CLOSE:
By ____ Wire
____ Check
____ IGT

____ To Escrow Trustee: $ ____
____ To Issuer: $ ____
____ To Cons. Invest. Fund: $ ____
____ To Other: ____ $ ____

NOTES: ____

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

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

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

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

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

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

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

LOAN PROGRAM II
REQUISITION AS TO LOAN TO GOVERNMENTAL AGENCY

TO: ONE VALLEY BANK, NATIONAL ASSOCIATION, Trustee (formerly Kanawha Valley Bank, National Association)

A. Name of Governmental Agency to which payment is to be made: The City of Logan, West Virginia

B. Total Amount to be paid: $2,284,839

C. Certification by Water Development Authority.

I hereby certify that under the terms and provisions of the Loan Agreement providing for the Loan to the above-captioned Governmental Agency, dated as of March 29, 1993, said Governmental Agency has sold its Local Bonds to the Authority in the principal amount equal to the amount of the Loan set forth in B above, that such Governmental Agency is obligated to make Local Bonds Payments and to pay Fees and Charges in accordance with Section 9.09 of the General Resolution and that such Governmental Agency is not in default under any of the terms or provisions of said Loan Agreement.

I further certify that the Local Bonds Payments, the Supplemental Bonds Payments, and other moneys available therefor, will be sufficient to pay interest on and Principal Installments of the Bonds, the proceeds of which were used to fund the Loan Obligation, as such interest and Principal Installments come do.

The above certification complies with Subsections 6.06(2)(a)(ii) and (v) of the General Resolution.

Barbara B. Meadows
Authorized Representative
West Virginia Water Development Authority

DATE: March 29, 1993
ABB00601

ASSIGNMENT SEPARATE FROM BOND

FOR VALUE RECEIVED, the West Virginia Water Development Authority hereby sells, assigns and transfers unto One Valley Bank, National Association, Charleston, West Virginia, The City of Logan, West Virginia, $2,284,839 Subordinate Sewerage System Revenue Bond, Series 1993, numbered R-1, and standing in the name of the West Virginia Water Development Authority on the books of said Governmental Agency.

Dated: March 29, 1993

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

Barbara B Meadows
Authorized Representative

ABB00601

DISBURSEMENT REQUEST FORM

The National Bank of Logan
Box 420
Logan, West Virginia 25601

Re: The City of Logan, West Virginia
$2,284,839 Subordinate Sewerage System Revenue Bonds, Series 1993
$76,161 Supplemental Subordinate Sewerage System Revenue Bonds, Series 1993

Ladies and Gentlemen:

You are authorized, on behalf of The City of Logan, to make the following disbursements from the 1993 Bond Construction Trust Fund:

The expenses listed above have been incurred as Costs of the Phase II Project that have not been the basis of any previous disbursement. A copy of the Amendatory and Supplemental Bond and Note Ordinance of The City of Logan is attached hereto. Disbursements from the 1993 (then, 1992) Bond Construction Trust Fund are authorized by Section 5.02 thereof.

Very truly yours,

SANITARY BOARD OF THE CITY OF LOGAN

By _____
Authorized Officer

KELLEY, GIDLEY, BLAIR & WOLFE, INC.

By _____

Date: _____

EXHIBIT A

Amendatory and Supplemental Bond and Note Ordinance

(See Tab No. 16)

ABB00600

JACKSON & KELLY
ATTORNEYS AT LAW
1600 LAIDLEY TOWER
P. O. BOX 553
CHARLESTON, WEST VIRGINIA 25322

TELEPHONE 304-340-1000 TELECOPIER 304-340-1130

300 FOXCROFT AVENUE
MARTINSBURG, WEST VIRGINIA 25401
TELEPHONE 304-263-8800

6000 HAMPTON CENTER
MORGANTOWN, WEST VIRGINIA 26505
TELEPHONE 304-599-3000

256 RUSSELL AVENUE
NEW MARTINSVILLE, WEST VIRGINIA 26155
TELEPHONE 304-455-1751

700 EAST WASHINGTON STREET
CHARLES TOWN, WEST VIRGINIA 25414
TELEPHONE 304-728-6088

175 EAST MAIN STREET
LEXINGTON, KENTUCKY 40595
TELEPHONE 606-255-9500

202 WEST MAIN STREET
FRANKFORT, KENTUCKY 40601
TELEPHONE 502-227-4000

2401 PENNSYLVANIA AVENUE N.W.
WASHINGTON, D.C. 20037
TELEPHONE 202-973-0200

WRITER'S DIRECT DIAL NO.

3.1

March 29, 1993

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

Ladies and Gentlemen:

We are bond counsel to The City of Logan, West Virginia (the "Governmental Agency"), a duly organized and presently existing municipal corporation and political subdivision of the State of West Virginia.

We have examined a certified copy of proceedings and other papers relating to (i) the authorization of a loan agreement, dated March 29, 1993, including all schedules and exhibits attached thereto (the "Loan Agreement"), between the Governmental Agency and the West Virginia Water Development Authority (the "Authority"), and (ii) the issue of a series of revenue bonds of the Governmental Agency, dated March 29, 1993 (the "Governmental Agency Bonds"), to be purchased by the Authority in accordance with the provisions of the Loan Agreement. The Governmental Agency Bonds are in the principal amount of $2,284,839, issued in the form of one bond registered as to principal and interest to the Authority, with interest payable April 1 and October 1 of each year, beginning October 1, 1993, at the respective rate and with principal payable in installments on October 1 in each of the years 1993 through 2013, inclusive, all as set forth in Exhibit A incorporated in and made a part of the Governmental Agency Bonds.

The Governmental Agency Bonds are issued for the purpose of paying a portion of the costs of acquiring and constructing certain extensions, improvements and betterments to the existing public sewerage system of the Governmental Agency, to capitalize interest on the Governmental Agency Bonds during a portion of the construction period, and paying certain issuance and other costs in connection therewith.

We have also examined the applicable provisions of Chapter 16, Article 13 of the Code of West Virginia, 1931, as amended (the "Local Statute"), under which the Governmental Agency Bonds are issued, and the Loan Agreement that has been undertaken, including all schedules and exhibits to the Loan Agreement. The

Governmental Agency Bonds have been authorized by an Amendatory and Supplemental Bond and Note Ordinance (the "Ordinance") duly adopted by the Council of the Governmental Agency on July 21, 1992, effective August 11, 1992, and a Supplemental Resolution adopted on March 23, 1993 (the "Local Act"), which contain provisions and covenants substantially in the form of those set forth in Section 4.1 of the Loan Agreement. The Governmental Agency Bonds are subject to redemption prior to maturity to the extent, at the time, under the conditions and subject to the limitations set forth in the Local Act and the Loan Agreement.

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

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

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

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

4. The Governmental Agency has legally and effectively adopted the Local Act and all other necessary resolutions and orders in connection with the issuance and sale of the Governmental Agency Bonds.

5. The Governmental Agency Bonds are valid and legally enforceable special obligations of the Governmental Agency, payable from the net revenues of the System referred to in the Local Act and secured by a second lien on and pledge of the net revenues of said System. Said lien and pledge are subordinate to that created for the City's Sewer Revenue Bonds, dated March 1, 1964, outstanding as of December 31, 1992, in the aggregate principal amount of $91,000, and are on a parity with that created for the City's Subordinate Sewerage System Revenue Bonds, Series 1987, outstanding as of December 31, 1992, in the aggregate principal

amount of $611,422. The Supplemental Bonds, as defined in the Local Act, are junior, subordinate and inferior to the lien on the net revenues in favor of the Governmental Agency Bonds, and have been duly issued and delivered to the Authority.

6. The Governmental Agency has reserved the right to issue additional bonds ranking on a parity with the Governmental Agency Bonds, as provided in the Local Act.

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

8. The Governmental Agency Bonds and the interest thereon are, by the Local Statute, exempt from all taxation by the State of West Virginia or any county, municipality, political subdivision or agency thereof.

It is to be understood that the rights of the holders of the Governmental Agency Bonds and the enforceability of the Governmental Agency Bonds, and the Local Act may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and that such enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

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

Very truly yours,

Jackson & Kelly

ABB00605

JACKSON & KELLY
ATTORNEYS AT LAW
1600 LAIDLEY TOWER
P. O. BOX 553
CHARLESTON, WEST VIRGINIA 25322

TELEPHONE 304-340-1000 TELECOPIER 304-340-1130

300 FOXCROFT AVENUE
MARTINSBURG, WEST VIRGINIA 25401
TELEPHONE 304-263-8800

6000 HAMPTON CENTER
MORGANTOWN, WEST VIRGINIA 26505
TELEPHONE 304-599-3000

256 RUSSELL AVENUE
NEW MARTINSVILLE, WEST VIRGINIA 26155
TELEPHONE 304-455-1751

700 EAST WASHINGTON STREET
CHARLES TOWN, WEST VIRGINIA 25414
TELEPHONE 304-728-6088

175 EAST MAIN STREET
LEXINGTON, KENTUCKY 40595
TELEPHONE 606-255-9500

202 WEST MAIN STREET
FRANKFORT, KENTUCKY 40601
TELEPHONE 502-227-4000

2401 PENNSYLVANIA AVENUE N.W.
WASHINGTON, D.C. 20037
TELEPHONE 202-973-0200

3.2

March 29, 1993

WRITER'S DIRECT DIAL NO.

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

Ladies and Gentlemen:

We are bond counsel to The City of Logan, West Virginia (the "Governmental Agency"), a duly organized and presently existing municipal corporation and political subdivision of the State of West Virginia.

We have examined a certified copy of proceedings and other papers relating to (i) the authorization of a supplemental loan agreement, dated March 29, 1993, including all schedules and exhibits attached thereto (the "Supplemental Loan Agreement"), between the Governmental Agency and the West Virginia Water Development Authority (the "Authority"), and (ii) the issue of a series of supplemental, subordinate sewerage system revenue bonds of the Governmental Agency, dated March 29, 1993 (the "Supplemental Bonds"), to be purchased by the Authority in accordance with the provisions of the Supplemental Loan Agreement. The Supplemental Bonds are in the principal amount of $76,161, issued in the form of one bond registered as to principal to the Authority, without interest thereon, with principal payable in installments on October in each of the years 1993 through 2031, inclusive, all as set forth in Exhibit A incorporated in and made a part of the Supplemental Bonds.

The Supplemental Loan Agreement is supplemental to a loan agreement dated March 29, 1993, also between the Governmental Agency and the Authority (the "Loan Agreement"). The Supplemental Bonds are junior, subordinate and inferior as to lien and source of and security for payment to the bonds issued pursuant to the Loan Agreement (the "Local Bonds"), which Local Bonds are issued simultaneously herewith. The Supplemental Bonds are on a parity with certain Supplemental Subordinate Sewerage System Revenue Bonds, Series 1987, outstanding as of December 31, 1992, in the aggregate principal amount of $136,745 (the "Outstanding Supplemental Bonds") and are subordinate to certain Sewer Revenue

Bonds, dated March 1, 1964, outstanding as of December 31, 1992, in the aggregate principal amount of $91,000 (the "Prior Bonds") and to certain Subordinate Sewerage System Revenue Bonds, Series 1987, outstanding as of December 31, 1992, in the aggregate principal amount of $611,422 (the "Outstanding Subordinate Bonds").

The Supplemental Bonds are issued, together with the Local Bonds, for the purpose of paying a portion of the costs of acquiring and constructing certain extensions, improvements and betterments to the existing public sewerage system of the Governmental Agency, and paying certain issuance and other costs in connection therewith.

We have also examined the applicable provisions of Chapter 16, Article 13 of the Code of West Virginia, 1931, as amended (the "Local Statute"), under which the Supplemental Bonds are issued, and the Supplemental Loan Agreement that has been undertaken, including all schedules and exhibits to the Supplemental Loan Agreement. The Supplemental Bonds have been authorized by an Amendatory and Supplemental Bond and Note Ordinance (the "Ordinance") duly adopted by the Council of the Governmental Agency on July 21, 1992, effective August 11, 1992, and a Supplemental Resolution adopted on March 23, 1993 (the "Local Act"), which contains provisions and covenants substantially in the form of those set forth in Section 4.1 of the Supplemental Loan Agreement. The Supplemental Bonds are subject to redemption prior to maturity to the extent, at the time, under the conditions and subject to the limitations set forth in the Local Act and the Supplemental Loan Agreement.

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

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

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

3. The Governmental Agency is a duly organized and presently existing municipal corporation with full power and authority to construct and acquire the Project and to operate and maintain the System referred to in the Supplemental Loan Agreement

and to issue and sell the Supplemental Bonds, all under the Local Statute and other applicable provisions of law.

4. The Governmental Agency has legally and effectively enacted the Local Act and all other necessary resolutions and orders in connection with the issuance and sale of the Supplemental Bonds.

5. The Supplemental Bonds are valid and legally enforceable special obligations of the Governmental Agency, payable from the net revenues of the System referred to in the Local Act and secured by a third lien on and pledge of the net revenues of said System, all in accordance with the terms of the Supplemental Bonds and the Local Act, and have been duly issued and delivered to the Authority. Said lien and pledge are on a parity with that existing for the Outstanding Supplemental Bonds and are junior, subordinate and inferior to that created for the Local Bonds and to that existing for the Prior Bonds and the Outstanding Subordinate Bonds.

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

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

It is to be understood that the rights of the holders of the Supplemental Bonds and the enforceability of the Supplemental Bonds and the Local Act may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and that such enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

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

Very truly yours,

Jackson & Kelly

ABB005FE

JACKSON & KELLY
ATTORNEYS AT LAW
1600 LAIDLEY TOWER
P. O. BOX 553
CHARLESTON, WEST VIRGINIA 25322

TELEPHONE 304-340-1000 TELECOPIER 304-340-1130

300 FOXCROFT AVENUE
MARTINSBURG, WEST VIRGINIA 25401
TELEPHONE 304-263-8800

6000 HAMPTON CENTER
MORGANTOWN, WEST VIRGINIA 26505
TELEPHONE 304-599-3000

256 RUSSELL AVENUE
NEW MARTINSVILLE, WEST VIRGINIA 26155
TELEPHONE 304-455-1751

700 EAST WASHINGTON STREET
CHARLES TOWN, WEST VIRGINIA 25414
TELEPHONE 304-728-6088

175 EAST MAIN STREET
LEXINGTON, KENTUCKY 40595
TELEPHONE 606-255-9500

202 WEST MAIN STREET
FRANKFORT, KENTUCKY 40601
TELEPHONE 502-227-4000

2401 PENNSYLVANIA AVENUE N.W.
WASHINGTON, D.C. 20037
TELEPHONE 202-973-0200

WRITER'S DIRECT DIAL NO.

3.3

March 29, 1993

The City of Logan
City Hall
Dingess Street
Logan, WV 25601

Re: The City of Logan, West Virginia
$2,284,839 Subordinate Sewerage System
Revenue Bonds, Series 1993

Ladies and Gentlemen:

We have examined a record of proceedings relating to the issuance of the $2,284,839 in aggregate principal amount of The City of Logan, West Virginia, Subordinate Sewerage System Revenue Bonds, Series 1993 (the "Bonds"), issued by The City of Logan (the "City"), a municipal corporation of the State of West Virginia, and a Certificate as to Non-Arbitrage executed by Thomas E. Esposito, Mayor of the City on this date.

We are of the opinion that the facts, estimates and circumstances set forth in the Certificate as to Non-Arbitrage are sufficient to satisfy the requirements of Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), to support the conclusion that the Bonds are not "arbitrage bonds" as therein defined.

While we have undertaken no independent verification or investigation of the certifications, statements, expectations or representations set forth in such Certificate as to Non-Arbitrage, no matters have come to our attention which in our opinion make unreasonable or incorrect the representations made in such certification.

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

Please be advised that this opinion is subject to the condition that the City comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that the Bonds not be "arbitrage bonds." Failure to comply with certain of such requirements may cause the interest on the Bonds to be includable in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. The City has covenanted to comply with all such requirements.

Very truly yours,

Jackson & Kelly

ABB00604

EILAND & BENNETT
ATTORNEYS AT LAW
200 NATIONAL BANK BUILDING
POST OFFICE BOX 899
LOGAN, WEST VIRGINIA 25601

EDWARD I. EILAND
JOHN W. BENNETT

TELEPHONE (304) 752-2275
TELECOPIER (304) 752-2281

March 29, 1993

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

Jackson & Kelly
Attorneys at Law
Box 553
Charleston, WV 25322

Ladies and Gentlemen:

Re The City of Logan, West Virginia;
$2,284,839 Subordinate Sewerage System
Revenue Bonds, Series 1993
$76,161 Supplemental Subordinate Sewerage
System Revenue Bonds, Series 1993

I am counsel to The City of Logan, West Virginia (the "City"). As such counsel, I have examined copies of the approving opinion of Jackson & Kelly, as bond counsel, relating to the above-captioned bonds of the City (the "Bonds"), the Loan Agreement and Supplemental Loan Agreement between the West Virginia Water Development Authority (the "Authority") and the City, both dated March 29, 1993, and an Amendatory and Supplemental Bond and Note Ordinance duly adopted by the Council of the City (the "Council") on July 21, 1992, as supplemented by a Supplemental Resolution duly adopted by the Council on March 23, 1993 (together, the "Ordinance"), and other documents relating to the Bonds. Terms used in said opinion, the Loan Agreement, the Supplemental Loan Agreement, and the Ordinance and not otherwise defined herein have the same meanings herein.

I am of the opinion that:

1. The Loan Agreement and Supplemental Loan Agreement have been duly authorized, executed, and delivered by the City and, assuming due authorization, execution, and delivery by the Authority, constitute valid and binding agreements of the City in accordance with their terms.

2. The members of the Council were duly and properly elected or appointed and are thereby authorized to act on behalf of the City.

3. The Ordinance has been duly enacted by the Council of the City and is in full force and effect.

4. I am informed that the City has received all permits, licenses, approvals, and authorizations necessary for the issuance of the Bonds, construction of the Phase II Project, operation of the System, and imposition of rates and charges, and has taken any other action required for the imposition of such rates and charges, including, without limitation, the enactment of an ordinance prescribing such rates and charges. The time for appeal of such rate ordinance has expired prior to the date hereof without any appeal. In connection with the Phase II Project, however, there is an area of the Force Main Easement which is being obtained from CSX Transportation, Inc., ("CSX") for which CSX does not have a deed. CSX contends that it has title to that area by prescription, having occupied, used, and maintained it for more than seventy-five (75) years. I am unable to identify anyone who has title to or asserts any claim to that area. If an adverse, hostile claim is made to that area, the City will condemn it.

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

6. I am also informed that the City has received all the necessary permits, licenses, approvals, and authorizations that are presently obtainable to construct the Project and that the City expects that any permits, licenses, approvals, and authorizations not presently obtainable will be obtained in due course.

7. As of the date hereof, no controversy or litigation of any nature is now pending or threatened restraining, enjoining, or affecting in any manner the issuance, sale, or delivery of the Bonds, the acquisition and construction of the Phase II Project, the operation of the System, the receipt of the Grant Receipts or the Net Revenues, or in any way contesting or affecting the validity of the Bonds or the Grants or any proceedings of the City taken with respect to the issuance or sale of the Bonds, the pledge or application of the Net Revenues or any other monies or security provided for the payment of the Bonds or the existence or the powers of the City insofar as they relate to the authorization, sale, and issuance of the Bonds, the acquisition and construction of the Phase II Project, the operation of the System, and receipt of the Grant Receipts or such pledge or application of monies and security or the collection of the Net Revenues or pledge thereof. As you know, a condemnation proceeding against CSX Transportation, Inc., to acquire the site for the wastewater treatment plant, a force main easement thereto, and an access road thereto,

is pending in the United States District Court for the Southern District of West Virginia, at Charleston. On February 12, 1993, the Court granted the City a right of entry. The City and CSX have agreed upon the purchase price, and it is anticipated that a final order in the case will be entered around April 1, 1993.

8. Except as stated in Paragraph No. 4 above, all land in fee simple and all rights of way and easements necessary for the construction of the Phase II Project and the operation and maintenance of this System as approved thereby have been acquired or can and will be acquired by purchase or, if necessary, by condemnation by the City and are adequate for such purposes and are not or will not be subject to any liens, encumbrances, reservations, or exceptions that would adversely affect or interfere in any way with the use thereof for such purposes.

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

Very truly yours,

Edward I. Eiland

Edward I. Eiland

LAW OFFICES
KAUFFELT & KAUFFELT
803 KANAWHA VALLEY BUILDING
CHARLESTON, WEST VIRGINIA 25301
(304) 345-1272

T. D. KAUFFELT
JAMES D. KAUFFELT
MARK E. KAUFFELT

MAILING ADDRESS
P. O. BOX 3082
CHARLESTON, WV 25331
FAX (304) 345-1280

March 29, 1993

The City of Logan
City Hall
Dingess Street
Logan, WV 25601

Jackson & Kelly
P. O. Box 553
Charleston, WV 25322-0553

Re: The City of Logan, West Virginia
$2,284,839 Subordinate Sewerage System Revenue Bonds, Series 1993
$76,161 Supplemental Subordinate Sewerage System Revenue Bonds, Series 1993

Ladies and Gentlemen:

I have served as counsel to the City of Logan, West Virginia (the "City"), in regard to certain matters concerning the Public Service Commission of West Virginia (the "Commission"). I was active in obtaining the City's Certificate of Public Convenience and Necessity granted by Order on August 6, 1992. Capitalized terms used and not otherwise defined have the respective meanings given them in the Amendatory and Supplemental Bond and Note Ordinance adopted by the Council of the City on July 21, 1992. I am also familiar with the Rate Ordinance adopted by the Council of the City on June 9, 1992. Pursuant to the above-noted documents, I am of the opinion as follows:

1. The City has received a Certificate of Public Convenience and Necessity from the Commission for construction and operation of the Phase II Project and said Certificate is in full force and effect and is not subject to appeal.

2. The Rate Ordinance adopted on June 9, 1992, was duly enacted by the Council of the City, is in full force and effect and is not subject to appeal.

3. The City has the authority under the Act to adopt rates, and the revenues from said rates may be used to pay the costs of operation and maintenance of the system and to pay the debt service on and establish reserves for the above-noted Bonds.

Very truly yours,

T. D. Kauffelt

TDK:nlb