

The City of Logan, West Virginia
\$377,980 Subordinate Sewerage System
Revenue Bonds, Series 1995

Closing: August 31, 1995

THE CITY OF LOGAN, WEST VIRGINIA

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TRANSCRIPT OF PROCEEDINGS

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The closing of the sale of \$377,980 in aggregate principal amount of Subordinate Sewerage System Revenue Bonds, Series 1995, dated August 31, 1995, 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 8:00 A.M., prevailing time, on August 31, 1995. No document shall be deemed to have been delivered unless and until all transactions are complete and all documents are delivered.

This Transcript of Proceedings is supplemental to and should be read in conjunction with the Transcript of Proceedings compiled in connection with the City's sale of \$2,284,839 Subordinate Sewerage System Revenue Bonds, Series 1993, and \$76,161 Supplemental Subordinate Sewerage System Revenue Bonds, Series 1993, to the WDA, which sale closed on March 29, 1993.

ABB09C19





*I, Ken Flechler, 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 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-First day of

August 1995

Ken Flechler

*Secretary of State
by Mary J. [unclear], Secy.*

one [§ 16-12-1] of this article. The conduct of the hearing and the manner of conducting the subsequent election on the question whether such territory shall become disconnected and the issuance, reception, return and canvassing of the ballots shall be, as nearly as possible, in accordance with the provisions of section one of this article. The ballots for the election provided for in this section shall be substantially as follows, to wit:

- For disconnection from sanitary district.
- Against disconnection from sanitary district.

If a majority of the votes cast at such election shall be in favor of disconnection, and if the trustees of such sanitary district shall, by ordinance, disconnect such territory, thereupon the county court of the county in which the original petition for the formation of such sanitary district was filed, shall enter an appropriate order in the records of the said county court and thereafter such territory shall henceforth be deemed disconnected from such sanitary district. (1933, Ex. Sess., c. 24, § 14.)

Editor's notes. — As to the designation of county courts as county commissions, see W. Va. Const., art. IX, § 9.

ARTICLE 13.

SEWAGE WORKS OF MUNICIPAL CORPORATIONS AND SANITARY DISTRICTS.

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§ 16-13-1

PUBLIC HEALTH

Sec.

- 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.
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Sec.

- 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 nec-

essary 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.)

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 sani-

tary 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 bondhold-

ers 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. — As to abolition of procedural distinctions between law and equity, see 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 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 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, 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 phrase "justice of the peace" and the word "justice," when used in a context meaning "justice of the peace," are construed to mean "magistrate." See § 50-1-17 and W. Va. Const., art. VIII, § 15.

§ 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. — As to abolition of procedural distinctions between law and equity, see Rule 2.

As to receivers, see Rule 66.
As to application of rules to extraordinary remedies, see 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.

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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 depository 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 director of the division of environmental protection or the environmental quality 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 director of the division of environmental protection or the environmental quality 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 municipal bond 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 shall have had 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

SEWAGE WORKS OF MUNICIPAL CORPORATIONS § 16-13-23a

[§ 59-3-1 et seq.], chapter fifty-nine of this code, and the publication area for such publication is 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, That if such change or readjustment be made substantially pro rata, as to all classes of service, no hearing or notice is required. If any rate or charge so established is not 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 has authority to construct, acquire, improve, equip, operate, repair and maintain any plants, machinery, or works necessary to comply with such order of the director of the division of environmental protection or the environmental quality board, and the authority provided herein to establish, maintain and collect rates or charges is an additional and alternative method of financing such works and matters, and is 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 director of the division of environmental protection or the environmental quality board, and the rights, powers, and duties of such municipal corporation and the respective officers and departments thereof, including the sanitary board, are governed by the provisions of this article. (1955, c. 135; 1967, c. 105; 1994, c. 61.)

Effect of amendment of 1994. — The amendment substituted "director of the division of environmental protection or the environmental quality board" for "chief of the division of water resources or the state water resources board" twice preceding the two provisos and for "state water resources board" once in each proviso; substituted "municipal bond

commission" for "state sinking fund commission"; deleted "however" in the first proviso; and made other minor changes.

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.

- | | |
|--|--|
| <p>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; service rates and charges; discontinuance of service; required water and sewer connections; lien for delinquent fees.
16-13A-9a. Limitations with respect to foreclosure.</p> | <p>Sec.
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.
16-13A-25. Borrowing and bond issuance; procedure.</p> |
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OATH OF OFFICE

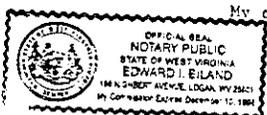
STATE OF WEST VIRGINIA
COUNTY OF LOGAN, TO-WIT:

I, THOMAS E. ESPOSITO, hereby swear: that I will support the Constitution of the United States of America and the Constitution of the State of West Virginia; that I will faithfully account for, as required by law, all monies, funds, and properties which shall come into my custody or under my control by virtue of my office as Mayor of the City of Logan, West Virginia; and that I will faithfully perform the duties of the office of Mayor of the City of Logan, West Virginia, to the best of my skill and judgment, so help me God.

Thomas E. Esposito
THOMAS E. ESPOSITO

Taken, sworn to, and subscribed before me this 2nd day of May, 1995.

My commission expires December 10, 1996.



Edward J. Elward
Notary Public

CERTIFICATE

I certify that the foregoing Oath of Office is a true and correct copy of the original thereof filed in my office.



Dated this 2nd day of May, 1995.

Lickie Lutz
Clerk, 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 3 day of May, 1995, at 10:29 A.M.

presented to me in my office, and thereupon, together with a certificate thereunto annexed is admitted to record.

Recording Fee \$ N/C

Teste: CLEN D. ADKINS, County Clerk
By Thyllia Spray, Deputy

APR 27 009:00 6Z

OATH OF OFFICE

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

I, LEVIE "DUKE" CAUDILL, hereby swear that I will support the Constitution of the United States of America and the Constitution of the State of West Virginia and that I will faithfully and impartially discharge the duties of the office of Council Member of the City of Logan, West Virginia, to the best of my skill and judgment, so help me God.

Levie Duke Caudill
LEVIE "DUKE" CAUDILL

Taken, sworn to, and subscribed before me this 2nd day of May, 1995.

My commission expires December 10, 1996.



Edward J. Edward
Notary Public

CERTIFICATE

I certify that the foregoing Oath of Office is a true and correct copy of the original thereof filed in my office.

Dated this 2nd day of May, 1995.



Lickie Luke
Clerk, 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 3 day of May, 1995 at 10:29 A.M.

presented to me in my office, and thereupon, together with a certificate thereunto annexed is admitted to record.

Recording Fee \$ N/C
Tested GLEN D. ADKINS, County Clerk
By Thyllis Spry, Deputy

OATH OF OFFICE

PAGE 009-63

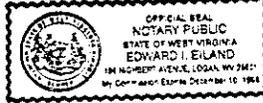
STATE OF WEST VIRGINIA
COUNTY OF LOGAN, TO-WIT:

I, LILLY LOWE, hereby swear that I will support the Constitution of the United States of America and the Constitution of the State of West Virginia and that I will faithfully and impartially discharge the duties of the office of Council Member of the City of Logan, West Virginia, to the best of my skill and judgment, so help me God.

Lilly Lowe
LILLY LOWE

Taken, sworn to, and subscribed before me this 2nd day of May, 1995.

My commission expires December 10, 1996.



Edward J. Edmond
Notary Public

CERTIFICATE

I certify that the foregoing Oath of Office is a true and correct copy of the original thereof filed in my office.

Dated this 2nd day of May, 1995.



Sickie Luke
Clerk, 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 3 day of May, 1995, at 10:29 A.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

OATH OF OFFICE

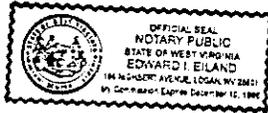
STATE OF WEST VIRGINIA
COUNTY OF LOGAN, TO-WIT:

I, STAR MORGAN, hereby swear that I will support the Constitution of the United States of America and the Constitution of the State of West Virginia and that I will faithfully and impartially discharge the duties of the office of Council Member of the City of Logan, West Virginia, to the best of my skill and judgment, so help me God.

[Signature]
STAR MORGAN

Taken, sworn to, and subscribed before me this 2nd day of May, 1995.

My commission expires December 10, 1996.



[Signature]
Notary Public

CERTIFICATE

I certify that the foregoing Oath of Office is a true and correct copy of the original thereof filed in my office.

Dated this 2nd day of May, 1995.

CITY



[Signature]
Clerk, 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 3 day of May, 1995, at 10:29 A.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 [Signature] Deputy

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OATH OF OFFICE

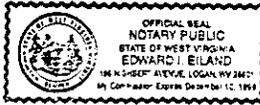
STATE OF WEST VIRGINIA
COUNTY OF LOGAN, TO-WIT:

I, RUTH "SIS" WARE, hereby swear that I will support the Constitution of the United States of America and the Constitution of the State of West Virginia and that I will faithfully and impartially discharge the duties of the office of Council Member of the City of Logan, West Virginia, to the best of my skill and judgment, so help me God.

Ruth "Sis" Ware
RUTH "SIS" WARE

Taken, sworn to, and subscribed before me this 2nd day of May, 1995.

My commission expires December 10, 1996.



Edward J. Edland
Notary Public

CERTIFICATE

I certify that the foregoing Oath of Office is a true and correct copy of the original thereof filed in my office.

Dated this 2nd day of May, 1995.



Lickie Luke
Clerk, 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 3 day of May, 1995 at 10:29 A.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 Spay, Deputy

OATH OF OFFICE

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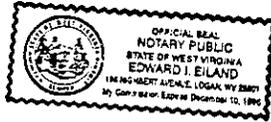
STATE OF WEST VIRGINIA
COUNTY OF LOGAN, TO-WIT:

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

Bea N. Orr
BEA N. ORR

Taken, sworn to, and subscribed before me this 9th day of May, 1995.

My commission expires December 10, 1996.



Edward J. Eiland
Notary Public

CERTIFICATE

I certify that the foregoing Oath of Office is a true and correct copy of the original thereof filed in my office.

Dated this 9th day of May, 1995.



Lester L. Lutz
Clerk, 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 10 day of May, 1995, at 11:06 a.m. presented to me in my office and thereupon legally with a certificate thereunto approved is solemnly record.

Recording Fee N/A

By Phyllis Spay Town Clerk of Logan, West Virginia

OATH OF OFFICE

STATE OF WEST VIRGINIA

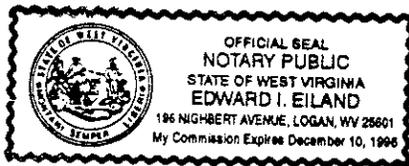
COUNTY OF LOGAN, TO-WIT:

I, **VICKIE LUKE**, hereby swear that I will support the Constitution of the United States of America and the Constitution of the State of West Virginia and that I will faithfully and impartially 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 2nd day of May, 1995.

My commission expires December 10, 1996.



Edward I. Eiland
Notary Public

CERTIFICATE

I certify that the foregoing Oath of Office is a true and correct copy of the original thereof filed in my office.

Dated this 2nd day of May, 1995

C I T Y

S E A L

John Espout
Mayor, City of Logan, West Virginia



MINUTES OF SANITARY BOARD OF THE CITY OF LOGAN

March 27, 1995

The Sanitary Board of the City of Logan, West Virginia, met for its regular monthly meeting on Monday, March 27, 1995, at 11:00 a.m. in the Council Chambers of the City Building in said City.

The following persons were present:

Thomas E. Esposito, Mayor and
Ex-Officio Chairman of the Board

Sergei Steven Summers, P.E., Member
of the Board

Thomas Shadd, Waste Water Treatment
Plant Operator

Franklin E. Sampson, P.E., Project
Coordinator

Gene R. Weekley, Jr., P.E., of the firm
of Kelley, Gidley, Blair & Wolfe

Edward I. Eiland, City Attorney

Vickie Luke, City Clerk

Upon motion by Mr. Summers, seconded by the Chairman, the Board confirmed its petition for a sewer rate increase, which was adopted on October 24, 1994, and was presented to the City Council at said Council's meeting of November 9, 1994.

Upon motion by Mr. Summers, seconded by the Chairman, the following resolution was adopted:

"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 III PROJECT AND CERTAIN ADDITIONAL CONSTRUCTION OF THE PHASE III PROJECT AND CERTAIN ADDITIONAL CONSTRUCTION REQUIRED BY THE WEST VIRGINIA DIVISION OF ENVIRONMENTAL PROTECTION, AND ISSUANCE OF REVENUE BONDS TO FINANCE THE COST THEREOF.

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 pipe, a flap gate and headwall modifications, manholes, diversion structures, cleanouts, pavement repair and other miscellaneous items necessary for the completed project with work at three locations within the City (the 'Phase III Project') and of certain additional constuction required by the West Virginia Division of Environmental Protection ('DEP') (the construction required by DEP, the Phase III Project and the payment of approximately \$10,000 remaining unpaid from the City's Phase II sewerage project are hereinafter referred to together as the 'Project').

WHEREAS, it is in the best interest of the City that Subordinate Sewerage System Revenue Bonds, Series 1995, in an aggregate principal amount not to exceed \$600,000 (the '1995 Bonds'), be issued to finance the cost of the Project; and

WHEREAS, it is in the best interest of the City that the 1995 Bonds respectively be issued on a parity with the City's Subordinate Sewerage System Revenue Bonds, Series 1987, and Series 1993 (together, the 'Original Bonds'), and that the ordinances and resolutions authorizing the Original Bonds (the 'Original Ordinance') be supplemented and amended in connection with the issuance of the 1995 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 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 April 11, 1995.

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 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 amended by the Amendatory and Supplemental Bond and Note Ordinance passed by Council of the City on July 21, 1992, all as supplemented (the 'Original Ordinance'), pursuant to which the City respectively issued \$623,087 in aggregate principal amount of Subordinate Sewerage System Revenue Bonds, Series 1987, and \$2,284,839 in aggregate principal amount of Subordinate Sewerage System Revenue Bonds, Series 1993 (together the 'Original Bonds'), and \$152,833 in aggregate principal amount of Supplemental Subordinate Sewerage System Revenue Bonds, Series 1987, and \$76,161 in aggregate principal amount of Supplemental Subordinate Sewerage System Revenue Bonds, Series 1993;

(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 pipe, a flap gate and headwall modifications, manholes, division structures, cleanouts, pavement repair and other miscellaneous items necessary for a completed project with work at three locations within the City (the 'Phase III Project') and of certain additional construction, required by the West Virginia Division of Environmental Protection ('DEP') (the construction required by DEP, the Phase III project and the payment of approximately \$10,000 remaining unpaid from the City's Phase II sewerage system project are hereinafter referred to as the 'Project'), both 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 Project, being the cost of Phase III Project as currently estimated by the Consulting Engineers, being \$732,000; the cost of the additional construction required by DEP; and, as currently estimated, \$9,144 for the shortfall from the Phase II Project; provided, that in no event may the cost require an increase in the rates previously approved by this Board and recommended to Council;

(d) Order the construction and acquisition of the Project;

(e) Direct that the City issue pursuant to the Act and the Original Ordinance not more than \$600,000 in aggregate principal amount of Subordinate Sewerage System Revenue Bonds, Series 1995, on a parity with the Original Bonds, or such other amounts as may be found necessary to pay the costs of the Project and make other necessary provisions; and

(f) 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 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 March 27, 1995.

Witness our signatures on March 27, 1995.

THE SANITARY BOARD OF THE
CITY OF LOGAN, WEST VIRGINIA

By /s/ Thomas E. Esposito
MAYOR OF THE CITY AND
EX-OFFICIO CHAIRMAN

/s/ Sergei S. Summers
MEMBER

/s/ Donald D. Browning
MEMBER"

The Board discussed its Phase III Project and the progress thereof.

Upon motion by Mr. Summers, seconded by the Chairman, the following invoices were approved for payment:

Franklin E. Sampson, Project Coordinator
Services to 2-28-95 \$1,609.17

Kelley, Gidley, Blair & Wolfe, Inc.,
Basic Engineering Services to 3-2-95 2,457.34

Same - Basic Services 867.78

Kauffelt & Kauffelt - services before
PSC from 2-24-94 through 1-31-95 4,554.65

Upon motion by Mr. Summers, seconded by the Chairman, Amendment No. 4 to the Board's Engineering Agreement with Kelley, Gidley, Blair & Wolfe was approved.

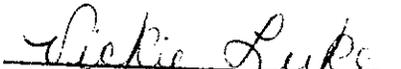
Upon motion by Mr. Summers, seconded by the Chairman, Addendum No. 2 to Contract No. 3 was approved.

Franklin E. Sampson, P.E., Project Coordinator, announced by a bid opening for the Phase 3 project was scheduled for April 12, 1995, at 2:00 p.m.

The Board's monthly meeting for April was scheduled for April 18, 1995, at 11:00 a.m.

Thereupon the meeting was adjourned.


MAYOR


CITY CLERK



3/23/95

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 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 amended by the Amendatory and Supplemental Bond and Note Ordinance passed by Council of the City on July 21, 1992, all as supplemented (the "Original Ordinance"), pursuant to which the City respectively issued \$623,087 in aggregate principal amount of Subordinate Sewerage System Revenue Bonds, Series 1987, and \$2,284,839 in aggregate principal amount of Subordinate Sewerage System Revenue Bonds, Series 1993 (together the "Original Bonds"), and \$152,833 in aggregate principal amount of Supplemental Subordinate Sewerage System Revenue Bonds, Series 1987, and \$76,161 in aggregate principal amount of Supplemental Subordinate Sewerage System Revenue Bonds, Series 1993;

(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 pipe, a flap gate and headwall modifications, manholes, division structures, cleanouts, pavement repair and other miscellaneous items necessary for a completed project with work at three locations within the City (the "Phase III Project") and of certain additional construction required by the West Virginia Division of Environmental Protection ("DEP") (the construction required by DEP, the Phase III project and the payment of approximately \$10,000 remaining unpaid from the City's Phase II sewerage system project are hereinafter referred to as the "Project"), both 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 Project, being the cost of Phase III Project as currently estimated by the Consulting Engineers, being \$732,000; the cost of the additional construction required by DEP; and, as currently estimated, \$9,144 for the shortfall from the Phase II Project; provided, that in no event may the cost require an increase in the rates previously approved by this Board and recommended to Council;

Project; (d) Order the construction and acquisition of the

(e) Direct that the City issue pursuant to the Act and the Original Ordinance not more than \$600,000 in aggregate principal amount of Subordinate Sewerage System Revenue Bonds, Series 1995, on a parity with the Original Bonds, or such other amounts as may be found necessary to pay the costs of the Project and make other necessary provisions; and

(f) 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 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 March 29, 1995.

Witness our signatures on March 29, 1995.

THE SANITARY BOARD OF THE
CITY OF LOGAN, WEST VIRGINIA

John E. Esposito
BY _____
MAYOR OF THE CITY AND
EX-OFFICIO CHAIRMAN

Sergei S. Sumner

MEMBER

Ronald W. Browning

MEMBER

ABB0876A

Filed with me this 24, day of Oct 1994
Vickie Luke City Clerk
Refiled with me this 5th, day of April 1995
Vickie Luke City Clerk

**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 October 4, 1994, 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, (4) the payment of the sums required by an ordinance finally enacted on July 21, 1992, to be paid into the State Sinking Fund for the retirement and security of the City's Subordinate Sewerage System Revenue bonds dated the 29th day of March, 1993, and (5) the financing of certain improvements and betterments to said system, consisting of modifications to the stormwater overflow structures in keeping with Department of Environmental Protection requirements, all in accordance with plans and specifications prepared and

74 17
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	3.64 per 1,000 gallons
Next 100,000 gallons used per month	3.48 per 1,000 gallons
All over 200,000 gallons used per month	3.33 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.

CERTIFICATE

I, Vickie Luke, City Clerk of the City of Logan, West Virginia, hereby certify that the foregoing is a true and correct copy of an ordinance finally adopted by the Council of said City at its regular monthly meeting on May 9, 1995.

Given under my hand and the seal of the City of Logan this 10th day of May, 1995.

Vickie Luke, City Clerk
Vickie Luke



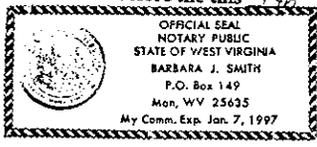
published in Logan County, West Virginia, do hereby certify that the annexed notice was published in said paper for _____ successive times on the following dates:
April 20 and April 27, 1995

Given under my hand this 4th day of May, 1995.

Deanna C. Cotten
CLASSIFIED MANAGER

State of West Virginia
County of Logan, to-wit

Subscribed and sworn before me this 4th day of May, 1995.



Barbara J. Smith
NOTARY PUBLIC

Cost Of Publication: \$ 162.67

COPY OF PUBLICATION

NOTICE OF HEARING ON ORDINANCE CHANGING AND READJUSTING RATES AND CHARGES FOR FURNISHING SEWER SERVICE BY THE CITY OF LOGAN, WEST VIRGINIA.
Notice is hereby given that on Tuesday, May 9, 1995, 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, to-wit:
AN ORDINANCE CHANGING AND READJUSTING RATES AND CHARGES FOR FURNISHING SEWER SERVICE BY THE CITY OF LOGAN, WEST VIRGINIA.
BE IT ORDAINED BY THE COUNCIL OF THE CITY OF LOGAN, WEST VIRGINIA:

FINDINGS. The Council hereby finds, as follows:
A. The Sanitary Board of the City of Logan has reported and an Accounting Exhibit dated October 4, 1994, prepared by Vallat & Associates, P.C.E.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, (4) the payment of the sums required by an ordinance finally enacted on July 21, 1982, to be paid into the State Sinking Fund for the retirement and security of the City's Subordinate Sewerage System Revenue bonds dated the 29th day of March, 1983, and (5) the financing of certain improvements and betterments to said system, consisting of modifications to the stormwater overflow structures in keeping with Department of Environmental Protection requirements, all in accordance with 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.

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 2 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	3.64 per 1,000 gallons
Next 100,000 gallons used per month	3.48 per 1,000 gallons
All over 200,000 gallons used per month	3.33 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.

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 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, City Clerk



THE CITY OF LOGAN, WEST VIRGINIA
AMENDATORY AND SUPPLEMENTAL BOND ORDINANCE

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AMENDATORY AND SUPPLEMENTAL BOND ORDINANCE

AN ORDINANCE AMENDING AND SUPPLEMENTING THE BOND AND NOTE ORDINANCE PASSED BY THE COUNCIL OF THE CITY OF LOGAN, WEST VIRGINIA, ON AUGUST 11, 1987, AS AMENDED BY THE AMENDATORY AND SUPPLEMENTAL BOND AND NOTE ORDINANCE PASSED BY SAID COUNCIL ON JULY 21, 1992, ALL AS SUPPLEMENTED PRIOR TO THE DATE OF INTRODUCTION HEREOF; 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 \$600,000 IN AGGREGATE PRINCIPAL AMOUNT OF SUBORDINATE SEWERAGE SYSTEM REVENUE BONDS, SERIES 1995, 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; 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 hereinafter defined, 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. "Amendatory Ordinance" means this ordinance as hereafter amended or supplemented.

C. "Authority" means the West Virginia Water Development Authority, which shall be the original purchaser of the 1995 Bonds, as hereinafter defined, or any other agency of the State that succeeds to the functions of the Authority.

D. "Bonds" means, collectively, the 1987 Subordinate Bonds, the 1987 Supplemental Bonds, the 1993 Subordinate Bonds, the 1993 Supplemental Bonds, and the 1995 Bonds.

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

F. "Operating Expenses" includes the fees and charges due to the trustee for the Authority's bonds pursuant to Section 4.7 of the 1995 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 1995 Bonds.

G. "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.

H. "Original Ordinance" means the Bond and Note Ordinance passed by the Council of the City on August 11, 1987, as amended by the Amendatory Bond and Note Ordinance passed by the Council on July 21, 1992, all as supplemented prior to the date of introduction hereof.

I. "Phase III 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.

J. "Prior Bonds" collectively means the City's Sewer Revenue Bonds dated as of March 1, 1964 (individually, the "1964 Bonds"), issued in the aggregate principal amount of \$308,000 and outstanding as of February 28, 1995, in the aggregate principal amount of \$63,000, the lien of which 1964 Bonds on the Net Revenues is prior and superior to that of the 1995 Bonds, the Prior Subordinate Bonds and the Prior Supplemental Bonds, all as hereinafter described; the City's Subordinate Sewerage System Revenue Bonds, Series 1987 (individually, the "1987 Subordinate Bonds"), issued in the aggregate principal amount of \$623,087 and outstanding as of February 28, 1995, in the aggregate principal amount of \$604,021, and the City's Subordinate Sewerage System Revenue Bonds, Series 1993 (individually, the "1993 Subordinate Bonds"; together with the 1987 Subordinate Bonds, the "Prior Subordinate Bonds"), issued in the aggregate principal amount of \$2,284,839 and outstanding as of February 28, 1995, in the aggregate principal amount of \$2,263,669, the lien of which Prior Subordinate Bonds is on a parity with the 1995 Bonds, as hereinafter defined; and the City's Supplemental Subordinate Sewerage System Revenue Bonds, Series 1987 (individually, the "1987

Supplemental Bonds"), issued in the aggregate principal amount of \$152,833 and outstanding as of February 28, 1995, in the aggregate principal amount of \$128,702, and the City's Supplemental Subordinate Sewerage System Revenue Bonds, Series 1993 (individually the "1993 Supplemental Bonds"; together with the 1987 Supplemental Bonds, the "Prior Supplemental Bonds"), issued in the aggregate principal amount of \$76,161 and outstanding as of February 28, 1995, in the aggregate principal amount of \$72,255, the lien of which Prior Supplemental Bonds on the Net Revenues is junior, subordinate and inferior to that of the 1995 Bonds.

K. "Project" means the Phase III Project certain additional construction required by the West Virginia Division of Environmental Protection ("DEP") and payment of certain costs remaining unpaid from the City's Phase II sewerage system project.

L. "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 1995 Bonds; provided, that any matter intended by this Amendatory Ordinance to be included in the Supplemental Resolution with respect to the 1995 Bonds and not so included may be included in another Supplemental Resolution.

M. "1995 Bondholder" or "Owner of the 1995 Bonds" or any similar term means any person who is the registered owner of any Outstanding 1995 Bond or 1995 Bonds.

N. "1995 Bonds" means the not more than \$600,000 in aggregate principal amount of Subordinate Sewerage System Revenue Bonds, Series 1995, originally authorized hereby to pay a portion of the costs of the Project.

O. "1995 Bond Construction Trust Fund" means the 1995 Bond Construction Trust Fund established by Section 5.02.

P. "1995 Loan Agreement," "1995 WDA Loan Agreement" or "1995 Authority 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 1995 Bonds from the City by the Authority.

Q. "1995 Reserve Account Requirement" means, as of any date of calculation, the maximum amount of principal and interest that will become due on the 1995 Bonds in the then current or any succeeding year.

R. 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 1964 Bonds is outstanding, is supplemental to the Ordinance authorizing the 1964 Bonds (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 Project, enactment of this Amendatory Ordinance, and issuance of the 1995 Bonds.

B. It is deemed necessary and desirable for the health, welfare and safety of the inhabitants of the City that the 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 of which the Phase III Project is generally described in Exhibit A hereto.

C. The estimated maximum cost of the Phase III Project is \$732,000, and the estimated costs remaining from the City's Phase II sewerage system project is \$9,144, totalling \$741,144 for the Project, of which approximately \$468,596 will be obtained from the proceeds of the 1995 Bonds and approximately \$272,548 will be obtained from the Grant. The City may obtain other grants and contributions as may be necessary to pay the cost of the Project. The cost of the Project may be revised to reflect the cost of the additional construction imposed by DEP; provided, that in no event shall the cost require an increase in the rates for the use of the System set forth in the Rule 42 Exhibit filed with the PSC in connection with the Phase III Project.

D. It is deemed necessary for the City to issue its 1995 Bonds in the aggregate principal amount of not more than \$600,000 to finance costs of construction and acquisition of the 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 1995 Bonds prior to and during construction or acquisition and for six months after completion of construction of the 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 1995 Bonds, and such other expenses as may be necessary or incidental to the financing herein authorized, the construction or acquisition of the Project and the placing of 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 1995 Bonds or the repayment of indebtedness incurred by the City for such purposes shall be deemed costs of the Project.

E. The period of usefulness of the System after completion of the Project will not be less than forty years.

F. Other than the 1964 Bonds and the Prior Subordinate Bonds, there are no obligations of the City outstanding which will rank prior to or on a parity with the 1995 Bonds as to their liens on and sources of and security for payment. There is also outstanding on the date of introduction of this Amendatory Ordinance the City's line of credit note in the stated principal amount not to exceed \$500,000 (the "Note"), which is subordinate to both the Prior Bonds and the 1995 Bonds as to lien on and security for payment from the Net Revenues.

G. The issuance of the 1995 Bonds on a basis subordinate to the 1964 Bonds and on a parity with the Prior Subordinate Bonds 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 and the Note.

H. The principal of and interest on the 1995 Bonds will be paid solely from the proceeds thereof and the Net Revenues derived from the operation of the System. None of such 1995 Bonds shall in any respect be a corporate indebtedness of the City within the meaning of any charter, statutory or constitutional provisions or limitations.

I. 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 and the 1995 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 1995 Bonds be sold to the Authority pursuant to the terms and provisions of the 1995 Authority Loan Agreement.

J. 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 1995 Bonds 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.

K. 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 1995 Bonds 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 1995 Bonds 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 1995 Bonds will be issued will not exceed \$5,000,000. The City reasonably expects to issue the 1995 Bonds in 1995.

L. The City will not permit, at any time, any of the proceeds of the 1995 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.

M. The City will file all statements, instruments and returns necessary to assure the tax-exempt status of the Bonds.

N. The 1995 Bonds will not be federally guaranteed within the meaning of the Code.

O. It is reasonably anticipated that all proceeds of the 1995 Bonds will be spent within three years from the date of

issuance of the Authority's bonds from which payment for the 1995 Bonds is made.

ARTICLE II

AUTHORIZATION OF PROJECT

Section 2.01. Authorization of Project. There is hereby authorized the acquisition and construction of the 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 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 1995 BONDS; AUTHORIZATION AND EXECUTION OF 1995 AUTHORITY LOAN AGREEMENT

Section 3.01. Authorization of 1995 Bonds. For the purposes of financing a portion of the costs of acquisition and construction of the Project not otherwise provided for, of paying the costs of issuance of the 1995 Bonds, and, if authorized by the Supplemental Resolution, of funding the Reserve Account on account of the 1995 Bonds or providing for interest on the 1995 Bonds during construction, or both, there shall be issued the 1995 Bonds of the City. The proceeds of the 1995 Bonds shall be applied as provided in Section 5.01.

Section 3.02. Terms of 1995 Bonds. The 1995 Bonds shall be originally issued in the form of a single bond, designated Subordinate Sewerage System Revenue Bond, Series 1995, Number R-1, fully registered to the Authority, in the principal amount of not more than \$600,000, as shall be set forth in the Supplemental Resolution. The 1995 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 1995 Loan Agreement, so long as the Authority shall be the Owner of the 1995 Bonds; and shall mature in principal installments on October 1 of each of the years and in the amounts set forth in the 1995 Loan Agreement "Schedule X" to be approved by the Supplemental Resolution.

Section 3.03. Other Provisions with Respect to the 1995 Bonds. The 1995 Bonds shall be executed as set forth in Subsection 3.03 of the Ordinance. The 1995 Bonds shall be authenticated and registered in accordance with Section 3.04 of the Ordinance, and the Certificate of Authentication and Registration on the 1995 Bonds shall be substantially in the form set forth in Section 3.06 of this Amendatory Ordinance. The 1995 Bonds shall be negotiable and shall be subject to transfer and registration as provided in Section 3.05 of the Ordinance. Any 1995 Bonds mutilated, destroyed, stolen, or lost shall be dealt with as prescribed by Section 3.06 of the Ordinance.

Section 3.04. 1995 Bonds Not To Be Indebtedness of the City. The 1995 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 1995 Bonds shall ever have the right to compel the exercise of the taxing power of the City to pay the 1995 Bonds or the interest thereon.

Section 3.05. 1995 Bonds Secured by Subordinate and Parity Pledge of Net Revenues. The payment of the debt service of all of the 1995 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 1964 Bonds and which lien is on a parity with that on account of the Prior Subordinate Bonds and any other Subordinate Bonds that may be issued pursuant to the Ordinance. Such Net Revenues, in an amount sufficient, after paying the principal of and interest on the 1964 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 as 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 1995 Bonds. The text of the 1995 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 1995 Subordinate Bond]

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF LOGAN
SUBORDINATE SEWERAGE SYSTEM REVENUE BOND, SERIES 1995

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 "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 passed by the Council of the City on August 11, 1987, as amended by the Amendatory and Supplemental Bond and Note Ordinance passed by said Council on July 21, 1992, all as supplemented, and as amended and supplemented by the Amendatory and Supplemental Bond Ordinance duly passed by the Council of the City on the ___ day of _____, 1995, 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 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, as hereinafter defined, and on all obligations secured by or payable from such revenues prior to or on a parity with the Bonds, including the 1964 Bonds and the Prior Subordinate 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 Prior Subordinate Bonds in any year, and the reserve accounts for any such obligations prior to or on a parity with the Bonds, including said 1964 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 JUNIOR, SUBORDINATE AND INFERIOR AS TO LIEN ON AND SOURCE OF 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 "1964 BONDS").

THIS BOND IS ON A PARITY AS TO LIEN ON AND SOURCE OF 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 \$_____ (THE "1987 SUBORDINATE BONDS"), AND THE CITY'S SUBORDINATE SEWERAGE SYSTEM REVENUE BONDS, SERIES 1993, OUTSTANDING AS OF THE DATE HEREOF IN THE AGGREGATE PRINCIPAL AMOUNT OF \$_____ (THE "1993 SUBORDINATE BONDS"; TOGETHER WITH THE 1987 SUBORDINATE BONDS, THE "PRIOR SUBORDINATE BONDS").

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 ordinances, 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 _____, 1995.

[SEAL]

Mayor

ATTEST:

City Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Subordinate Sewerage System Revenue Bonds, Series 1995, 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 1995 Bonds; Execution of 1995 Authority Loan Agreement. The 1995 Bonds shall be sold to the Authority pursuant to the terms and conditions of the 1995 Authority Loan Agreement; provided, that the City must satisfy certain legal and other requirements of the Program. Execution and delivery to the Authority of the 1995 Authority Loan Agreement by the Mayor and the Clerk are hereby specifically authorized, directed, confirmed and ratified. The 1995 Authority Loan Agreement is specifically incorporated in this Ammendatory Ordinance.

Section 3.08. 1995 Bonds Are Issued as Parity Bonds. The 1995 Bonds are issued as and shall constitute Parity Bonds in accordance with Section 7.08 of the Ordinance. Prior to the issuance of the 1995 Bonds, the following must occur:

A. The City must receive the written approval of the Authority for the issuance of the 1995 Bonds on a parity with the Prior Subordinate Bonds while the Prior 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 1995 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 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 1964 Bonds and any other obligations secured by or payable from the revenues prior to or on a parity with the 1995 Bonds;

(2) the Prior Subordinate Bonds then Outstanding;

(3) any other parity bonds theretofore issued pursuant to the provisions contained in the Ordinance then Outstanding; and

(4) the 1995 Bonds.

C. Unless waived in writing by the Authority, the City must enter into written contracts for the immediate acquisition or construction of the Project not later than simultaneously with the delivery of the 1995 Bonds.

D. The 1995 Bonds shall not be issued unless all the payments into the respective funds and accounts provided for in the Prior Ordinance and in the Original Ordinance, respectively, on account of the Prior 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 1995 Bonds.

Section 3.09. Certificate of Consulting Engineers. Prior to the issuance of the 1995 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 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.

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 1995 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 established by the Ordinance are hereby continued and shall apply to the 1995 Bonds with the same effect as if they had been created hereunder. The amounts to be deposited into the Sinking Fund and the Reserve Account prescribed by Section 5.03 of the Ordinance shall be increased as required to provide for payment of the 1995 Bonds as provided by the Ordinance; provided, that the 1995 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 1995 Bonds less than seven months after issuance of the 1995 Bonds or completion of construction of the 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 Prior Subordinate Bonds and 1/120th of the 1995 Reserve Account Requirement on account of the 1995 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, to the 1993 Bond Construction Trust Fund prior to the completion of the Phase II Project, to the 1995 Bond Construction Trust Fund prior to the completion of the 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 1995 BOND PROCEEDS; FUNDS AND ACCOUNTS; TRANSFERS AND EXISTING FUNDS

Section 5.01. Application of 1995 Bond Proceeds. From the monies received from the sale of any or all of the 1995 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 1995 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 Project.

B. If required by the Supplemental Resolution, the amount of the proceeds which shall be sufficient to fund the 1995 Reserve Account Requirement on account of the 1995 Bonds shall be first credited to the 1995 Bond Construction Trust Fund and then deposited in the Reserve Account with the Commission; provided, that such amounts shall not exceed in the aggregate 10% of the proceeds in the 1995 Bonds.

C. The remaining monies derived from the sale of the 1995 Bonds shall be deposited by the City in the 1995 Bond Construction Trust Fund and applied to the cost of the 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 Note.

Section 5.02. 1995 Bond Construction Trust Fund. The 1995 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 Project, which include but are not limited to the cost of the issuance of the 1995 Bonds as well as construction of the Project, as more fully set out in Section 1.03(D), 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 1995 Bonds are purchased, be used for construction and acquisition of the remainder of the 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 to fund the 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 1995 Bonds at the first redemption date and, prior thereto, to pay a proportionate amount of principal of the 1995 Bonds by depositing in the Sinking Fund 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 1995 Bonds.

Expenditures or disbursements by the Depository Bank from the 1995 Bond Construction Trust Fund, except for legal, fiscal and engineering expenses, expenses in connection with the issuance and sale of the 1995 Bonds, any Origination Fee, repayment to the Authority of any Step 1 or Step 2 loans, and any repayment of the Note, shall be made only after such expenditures or disbursements shall have been approved in writing by the Board and the Consulting Engineers.

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 1995 Bonds. The portion of the proceeds of the 1995 Bonds, if any, designated by the Supplemental Resolution for the Origination Fee shall be first credited to the 1995 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

ADDITIONAL COVENANTS OF THE CITY

Section 6.01. 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 1995 Bonds as if they were set forth in full in this Amendatory Ordinance. The following shall also apply with respect to the 1995 Bonds.

Section 6.02. Rates. Prior to the issuance of the 1995 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 1995 Bonds to be issued as Bonds on a parity with the Prior Subordinate Bonds.

Section 6.03. Completion, Operation and Maintenance; Schedule of Cost. The City will expeditiously complete the

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 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 Project and sources of funds therefor.

Section 6.04. Sale of the System. When only the 1995 Bonds are Outstanding, in addition to the circumstances allowing sale or other disposition of the System pursuant to Section 6.06 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 6.05. Parity Bonds. With the written consent in advance of the Authority and anything to the contrary in Sections 6.07 or 6.08 of the Ordinance notwithstanding, Parity Bonds may be authorized and issued by the City pursuant to a Supplemental Resolution solely to complete the Project as described in the City's Program application to the Authority as of the date of the 1995 Authority Loan Agreement and in accordance with the plans and specifications, in the event that the 1995 Bonds should be insufficient, together with other funds lawfully available therefor, to pay all costs of acquisition and construction of the 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 Project, and the maturities of any such Parity Bonds shall be in years and amounts suggested by the Authority.

Section 6.06. Insurance. In addition to the insurance required by Section 6.09 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 1995 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 1995 Authority Loan Agreement, during construction of the Project in the full insurable value thereof.

Section 6.07. Enforcement of Collections. If the City does not own the Water System referred to in Section 6.11 of the Ordinance, it shall enter into a termination agreement with the provider of water for the customers of the System.

Section 6.08. Books, Records and Reports. In addition to the requirements set forth in Section 6.13 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 1995 Authority Loan Agreement 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 1995 Authority Loan Agreement.

Commencing on the date contracts are executed for construction of the Project and for two years following completion of the Project, the City each month shall complete a monthly financial report in the form attached as Exhibit C to the 1995 Authority Loan Agreement and forward a copy of such report to the Authority by the 10th of each month.

Section 6.09. Operating Budget. The City shall submit to the Authority a copy of the annual budget required by Section 6.14 of the Ordinance within 30 days of the adoption thereof.

Section 6.10. 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 1995 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 1995 Bonds to meet the requirements of the Authority.

Section 6.11. Public Purpose Bonds. The City shall use the 1995 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 1995 Authority Loan Agreement.

Section 6.12. 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 6.13. Filing Covenants. The City will file all statements, instruments and returns necessary to assure the tax-exempt status of the 1995 Bonds, including, without limitation, the information return required under Section 149(e) of the Code.

Section 6.14. Federal Guarantee Covenant. The 1995 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 6.15. 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 1995 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 1995 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 1995, in which the 1995 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 7.03. 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 1995 Bonds.

Section 6.16. 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 VII

INVESTMENT OF FUNDS

Section 7.01. Investments Particular to the 1995 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 1995 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, 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 1993 Bond Construction Trust Fund, and, thereafter, to the 1995 Bond Construction Trust Fund and, thereafter, to the Prior Revenue Fund or the Revenue Fund, as the case may be.

Section 7.02. 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 1995 Bonds which would cause the 1995 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 1995 Bonds) so that the interest on the 1995 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 1995 Subordinate Bonds.

Section 7.03. 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 1995 Bonds. In addition, the City covenants to comply with all

regulations from time to time in effect and applicable to the 1995 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 1995 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 qualify for an exception to Section 148 of the Code or the City is otherwise subject to rebate in connection with the 1995 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 7.03.

The City shall keep and retain, or cause to be kept and retained, records of the determinations made pursuant to this Section 7.03 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 1995 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 1995 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 7.04. 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 VIII

DEFAULTS AND REMEDIES

Section 8.01. 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 Project.

ARTICLE IX

MISCELLANEOUS

Section 9.01. Severability of Invalid Provision. If any section, paragraph, clause or provision of this Ammendatory Ordinance or of the Ordinance shall be held invalid, such invalidity shall not affect any of the remaining provisions of this Ammendatory Ordinance or the Ordinance.

Section 9.02. 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;

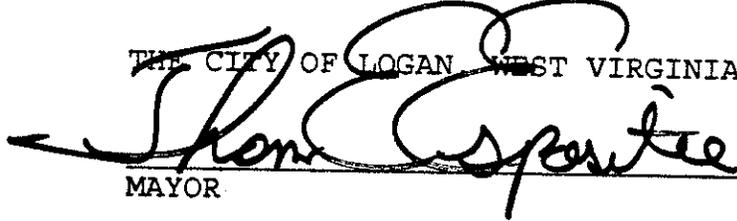
provided, that no provision of the Prior Ordinance shall be repealed hereby so long as the 1964 Bonds are outstanding. So long as any of the 1964 Bonds is outstanding, in the event of an otherwise irreconcilable conflict between the Prior Ordinance and the Ordinance, the Prior Ordinance shall govern; provided, that a conflict shall be deemed reconcilable if satisfaction of the more conservative provision at least complies with the conflicting provision.

Section 9.03. 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 9.04. Effective Date. This Amendatory Ordinance shall take effect after notice and public hearing hereon and otherwise in accordance with the Act.

First Reading: April 11th, 1995
Second Reading and Passage May 9th, 1995
Public Hearing and Effective Date June 13th, 1995

THE CITY OF LOGAN, WEST VIRGINIA


MAYOR

ATTEST: [SEAL]


CITY CLERK

This Ordinance approved as to form:


CITY ATTORNEY

ABB06FAF

PHASE III PROJECT DESCRIPTION

Pipe, a flap gate and headwall modifications, manholes, division structures, cleanouts, pavement repair and other miscellaneous items necessary for a completed project with work at three locations within the City.

Exhibit B

1995 LOAN AGREEMENT

WDA-5
(May 1993)

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

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

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

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

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

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

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

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

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

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

ARTICLE II

The Project and the System

2.1 The Project shall generally consist of the construction and acquisition of the facilities described in the Application, to be, being or having been constructed in accordance with plans, specifications and designs prepared for the Governmental Agency by the Consulting Engineers, the Authority having found, to the extent applicable, that the Project is consistent with the applicable comprehensive plan of water management approved by the Director of the West Virginia Division of Natural Resources" (or in the process of preparation by such

Now administered by the West Virginia Division of Environmental Protection.

Director), has been approved by the West Virginia Bureau of Public Health and is consistent with the standards set by the West Virginia Water Resources Board for the waters of the State affected thereby.

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE III

Conditions to Loan; Issuance of Local Bonds

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

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

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

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

Engineers to such effect the form of which certificate is attached hereto as Exhibit A;

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

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

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

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

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

(i) Such rates and charges for the System shall be sufficient to comply with the provisions of Subsection 4.1(b)(ii) hereof, and the Authority shall have received a certificate of the

accountants for the Governmental Agency, or such other person or firm experienced in the finances of governmental agencies and satisfactory to the Authority, to such effect; and

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

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

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

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

3.5 The Governmental Agency understands and acknowledges that it is one of several governmental agencies which have applied

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

ARTICLE IV

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

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

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

(b) Covenants substantially as follows:

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

(ii) That the schedule of rates or charges for the services of the System shall be sufficient to provide funds which, along with other revenues of the System, will pay all Operating Expenses and leave a balance each year equal to at least

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

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

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

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

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

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

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

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

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

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

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

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

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

Authority, the proceeds of the Local Bonds may be used to fund all or a portion of the Reserve Account, on which the owner of the Local Bonds shall have a lien as provided herein;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE V

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

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

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

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

5.3 In the event the Governmental Agency defaults in the payment of any fees due to the Authority pursuant to Section 4.6 hereof, the amount of such default shall bear interest at the interest rate of the installment of the Loan next due, from the date of the default until the date of the payment thereof.

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

ARTICLE VI

Other Agreements of the Governmental Agency

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

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

Authority, the Governmental Agency may issue and sell to the Authority additional, subordinate bonds for such purposes as may be acceptable to the Authority.

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

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

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

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

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

6.8 The Governmental Agency hereby agrees to file with the Authority upon completion of acquisition and construction of

the Project a schedule in substantially the form of Amended Schedule A to the Application, setting forth the actual costs of the Project and sources of funds therefor.

ARTICLE VII

Miscellaneous

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

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

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

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

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

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

7.7 By execution and delivery of this Loan Agreement, notwithstanding the date hereof, the Governmental Agency specifically recognizes that it is hereby agreeing to sell its Local Bonds to the Authority and that such obligation may be

specifically enforced or subject to a similar equitable remedy by the Authority.

7.8 This Loan Agreement shall terminate upon the earlier of:

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

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

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

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

[Proper Name of Governmental Agency]

(SEAL)

By: _____

Its: _____

Attest:

Date: _____

Its: _____

WEST VIRGINIA WATER DEVELOPMENT
AUTHORITY

(SEAL)

By: _____
Director

Attest:

Date: _____

Secretary-Treasurer

ABB0017F

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 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 Agreement, (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:

<u>Year</u>	<u>Installment</u>	<u>Interest Rate</u>
-------------	--------------------	----------------------

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: _____

	<u>CURRENT</u> <u>MONTH</u>	<u>YEAR TO</u> <u>DATE</u>	<u>BUDGET YEAR</u> <u>TO DATE</u>	<u>DIFFERENCE</u>
1. <u>ITEM</u> 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

ABB0017F



MINUTES

The City Council of the City of Logan, West Virginia, met for its regular monthly meeting on Tuesday, April 11, 1995, at 7:30 o'clock p.m. in the Council Chambers of the City Building in said City.

The following persons were present:

- Lilly Lowe, Council Member
- Stan Morgan, Council Member
- Bea Orr, Council Member
- Ruth Ware, Council Member
- Edward I. Eiland, City Attorney
- Vickie Luke, City Clerk
- Tim Wiley, Police Chief
- Bill Saunders, Fire Chief
- Lindsey Collier, Street Commissioner
- Samme Gee, Attorney
- Jack Casey, Logan County Solid Waste Authority
- T. D. Kiger, THE LOGAN BANNER
- Bill France, WVOW News

In the absence of the Mayor, Council Member Ruth Ware presided and asked the City Attorney to take the minutes.

Jack Casey, a representative of the Logan County Solid Waste Authority, encouraged the Council to institute and conduct recycling in connection with its garbage collection program. He stated that he could put the City in contact with businesses who would take and dispose of recyclibles without charge. He further stated that recycling would substantially reduce the city's landfill expenses. He was invited to return with representatives of those businesses.

The results of the April 4, 1995, general election were declared and certified by the Board of Canvassers.

James Ruggles, a resident of the Draper neighborhood urged that buildings which are unsafe, unsanitary, unsightly, and hazardous, be removed by the City.

Upon motion by Mr. Morgan, seconded by Mrs. Orr, the week beginning April 24, 1995, was declared to be Spring Clean-Up Week.

Upon motion by Mrs. Orr, seconded by Mrs. Lowe, the Mayor was authorized to sign a letter dated March 24, 1995, authorizing Wachovia Bank of NC to release the following securities pledged by Bank One of West Virginia securing its depository agreement with the City:

"161612AA4	Chase Manhattan Credit Card	8.750%	08/15/99	\$1,145,000.00
238253FE3	Dauphin County PA	9.750%	10/15/97	\$500,000.00
458840GT6	Intermountain Pwr Agy Utah Rev	10.250%	07/01/18	\$500,000.00
956622AS3	West Virginia Hosp Fin Auth	8.000%	04-01-95	\$265,000.00"

and to sign a Memorandum of Agreement between Bank One, West Virginia, as pledgor, and the City of Logan, as pledgee, dated March 24, 1995, pledging the following securities as security for the aforementioned depository agreement:

"192792HU6	Colchester Conn	6.200%	04/01/03	\$535,000.00
978335D27	Wood County WV Board of Educ	6.125%	12/01/01	\$615,000.00
766809HL4	Ringgold PA School District	5.750%	08/01/05	\$690,000.00
345802AL6	Forest Hills PA School District	6.000%	10/0102	\$570,000.00"

Upon motion by Mrs. Orr, seconded by Mrs. Ware, and in conformance with the Sanitary Board of the City of Logan's petition dated October 24, 1994, heretofore filed with the Council and affirmed by said Sanitary Board at the meeting on March 27, 1995, the following ordinance, which was filed with the Clerk on October 24, 1994, and was refiled with the Clerk on April 5, 1995, was approved on first reading, Council members Lowe, Orr and Ware voting for its approval and Council member Morgan voting against its approval:

**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 October 4, 1994, 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, (4) the payment of the sums required by an ordinance finally enacted on July 21, 1992, to be paid into the State Sinking Fund for the retirement and security of the City's Subordinate Sewerage System Revenue bonds dated the 29th day of March, 1993, and (5) the financing of certain improvements and betterments to said system, consisting of modifications to the stormwater overflow structures in keeping with Department of Environmental Protection requirements, all in accordance with 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	3.64 per 1,000 gallons
Next 100,000 gallons used per month	3.48 per 1,000 gallons
All over 200,000 gallons used per month	3.33 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.

Upon motion by Mrs. Orr, seconded by Mrs. Lowe, the following resolution was adopted, Council members Lowe, Orr and Ware voting for its adoption and Council member Morgan voting against its adoption:

WHEREAS an Accounting Exhibit dated October 4, 1994, prepared by Vallet & Associates, C.P.A., demonstrates that the rates and charges now in effect for sewer service furnished by the City of Logan are not sufficient in each year (1) to pay the proper and reasonable expense of operation, repair, replacement, and maintenance of the City's sewer collection system and sewage treatment plant, (2) to pay the sums required by its several bond ordinances to be paid into the State Sinking Fund, and (3) to finance certain improvements and betterments to said system, consisting of modifications to the stormwater overflow structures in keeping with Department of Environmental Protection requirements in accordance with plans and specifications prepared and filed by Kelley, Gidley, Blair & Wolfe, Inc., the engineers chosen by this Sanitary Board, and

WHEREAS, said Accounting Exhibit proposes rates and charges which will be sufficient to provide in each year for the payment of the aforementioned expense, the payment of the sums required by said ordinances and the financing of those improvements and betterments,

AND WHEREAS, it is in the best interest of the City that the proposed rates be adopted.

NOW, THEREFORE, BE IT RESOLVED that this Board adopt and file with the City Council the petition for an ordinance adopting the rates and charges proposed in said accounting exhibit, a copy of which petition is hereto attached, marked "Exhibit A".

Samme Gee, of the law firm of Jackson & Kelly, Bond Council to the City, presented the following petition of the Sanitary Board dated March 27, 1995:

"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 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 amended by the Amendatory and Supplemental Bond and Note Ordinance passed by Council of the City on July 21, 1992, all as supplemented (the 'Original Ordinance'), pursuant to which the City respectively issued \$623,087 in aggregate principal amount of Subordinate Sewerage system Revenue Bonds, Series 1987, and \$2,284,839 in aggregate principal amount of Subordinate Sewerage System Revenue Bonds, Series 1993 (together the 'Original Bonds'), and \$152,833 in aggregate principal amount of Supplemental Subordinate Sewerage System Revenue bonds, Series 1987, and \$76,161 in aggregate principal amount of Supplemental Subordinate Sewerage System Revenue Bonds, Series 1993;

(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 pipe, a flap gate and headwall modifications, manholes, division structures, cleanouts, pavement repair and other miscellaneous items necessary for a completed project with work at three locations within the City (the 'Phase III Project') and of certain additional construction required by the West Virginia Division of Environmental Protection ('DEP') (the construction required by DEP, the Phase III project and the payment of approximately \$10,000 remaining unpaid from the City's Phase II sewerage system project are hereinafter referred to as the 'Project'), both 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 Project, being the cost of Phase III Project as currently estimated by the Consulting Engineers, being \$732,000; the cost of the additional construction required by DEP; and, as currently estimated, \$9,144 for the shortfall from the Phase II Project; provided, that in no event may the cost require an increase in the rates previously approved by this Board and recommended to Council;

(d) Order the construction and acquisition of the project;

(e) Direct that the City issue pursuant to the Act and the Original Ordinance not more than \$600,000 in aggregate principal amount of Subordinate Sewerage System Revenue bonds, Series 1995, on a parity with the Original Bonds, or such other amounts as may be found necessary to pay the costs of the Project and make other necessary provisions; and

(f) 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 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 March 27, 1995.

Witness our signatures on March 27, 1995.

THE SANITARY BOARD OF THE
CITY OF LOGAN, WEST VIRGINIA

By /s/ Thomas E. Esposito
MAYOR OF THE CITY AND
EX-OFFICIO CHAIRMAN

/s/ Sergei S. Summers
MEMBER

/s/ Donald C. Browning
MEMBER"

Upon motion by Mrs. Ware, seconded by Mrs. Lowe, the following Amendatory And Supplemental Bond Ordinance, which was filed with the Clerk on April 5, 1995, was read by title and, after a discussion, was adopted on first reading, Council members Lowe, Orr, and Ware voting for its adoption and Council member Morgan abstaining:

AMENDATORY AND SUPPLEMENTAL BOND ORDINANCE

AN ORDINANCE AMENDING AND SUPPLEMENTING THE BOND AND NOTE ORDINANCE PASSED BY THE COUNCIL OF THE CITY OF LOGAN, WEST VIRGINIA, ON AUGUST 11, 1987, AS AMENDED BY THE AMENDATORY AND SUPPLEMENTAL BOND AND NOTE ORDINANCE PASSED BY SAID COUNCIL ON JULY 21, 1992, ALL AS SUPPLEMENTED PRIOR TO THE DATE OF INTRODUCTION HEREOF; 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 \$600,000 IN AGGREGATE PRINCIPAL AMOUNT OF SUBORDINATE SEWERAGE SYSTEM REVENUE BONDS, SERIES 1995, 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; 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 hereinafter defined, 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. "Amendatory Ordinance" means this ordinance as hereafter amended or supplemented.

C. "Authority" means the West Virginia Water Development Authority, which shall be the original purchaser of the 1995 Bonds, as hereinafter defined, or any other agency of the State that succeeds to the functions of the Authority.

D. "Bonds" means, collectively, the 1987 Subordinate Bonds, the 1987 Supplemental Bonds, the 1993 Subordinate Bonds, the 1993 Supplemental Bonds, and the 1995 Bonds.

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

F. "Operating Expenses" includes the fees and charges due to the trustee for the Authority's bonds pursuant to Section 4.7 of the 1995 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 1995 Bonds.

G. "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.

H. "Original Ordinance" means the Bond and Note Ordinance passed by the Council of the City on August 11, 1987, as amended by the Amendatory Bond and Note Ordinance passed by the Council on July 21, 1992, all as supplemented prior to the date of introduction hereof.

I. "Phase III 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.

J. "Prior Bonds" collectively means the City's Sewer Revenue Bonds dated as of March 1, 1964 (individually, the "1964 Bonds"), issued in the aggregate principal amount of \$308,000 and outstanding as of February 28, 1995, in the aggregate principal amount of \$63,000, the lien of which 1964 Bonds on the Net Revenues is prior and superior to that of the 1995 Bonds, the Prior Subordinate Bonds and the Prior Supplemental Bonds, all as hereinafter described; the City's Subordinate Sewerage System Revenue Bonds, Series 1987 (individually, the "1987 Subordinate Bonds"), issued in the aggregate principal amount of \$623,087 and outstanding as of February 28, 1995, in the aggregate principal amount of \$604,021, and the City's Subordinate Sewerage System

Revenue Bonds, Series 1993 (individually, the "1993 Subordinate Bonds"; together with the 1987 Subordinate Bonds, the "Prior Subordinate Bonds"), issued in the aggregate principal amount of \$2,284,839 and outstanding as of February 28, 1995, in the aggregate principal amount of \$2,263,669, the lien of which Prior Subordinate Bonds is on a parity with the 1995 Bonds, as hereinafter defined; and the City's Supplemental Subordinate Sewerage System Revenue Bonds, Series 1987 (individually, the "1987 Supplemental Bonds"), issued in the aggregate principal amount of \$152,833 and outstanding as of February 28, 1995, in the aggregate principal amount of \$128,702, and the City's Supplemental Subordinate Sewerage System Revenue Bonds, Series 1993 (individually the "1993 Supplemental Bonds"; together with the 1987 Supplemental Bonds, the "Prior Supplemental Bonds"), issued in the aggregate principal amount of \$76,161 and outstanding as of February 28, 1995, in the aggregate principal amount of \$72,255, the lien of which Prior Supplemental Bonds on the Net Revenues is junior, subordinate and inferior to that of the 1995 Bonds.

K. "Project" means the Phase III Project certain additional construction required by the West Virginia Division of Environmental Protection ("DEP") and payment of certain costs remaining unpaid from the City's Phase II sewerage system project.

L. "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 1995 Bonds; provided, that any matter intended by this Amendatory Ordinance to be included in the Supplemental Resolution with respect to the 1995 Bonds and not so included may be included in another Supplemental Resolution.

M. "1995 Bondholder" or "Owner of the 1995 Bonds" or any similar term means any person who is the registered owner of any Outstanding 1995 Bond or 1995 Bonds.

N. "1995 Bonds" means the not more than \$600,000 in aggregate principal amount of Subordinate Sewerage System Revenue Bonds, Series 1995, originally authorized hereby to pay a portion of the costs of the Project.

O. "1995 Bond Construction Trust Fund" means the 1995 Bond Construction Trust Fund established by Section 5.02.

P. "1995 Loan Agreement," "1995 WDA Loan Agreement" or "1995 Authority 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 1995 Bonds from the City by the Authority.

Q. "1995 Reserve Account Requirement" means, as of any date of calculation, the maximum amount of principal and interest that will become due on the 1995 Bonds in the then current or any succeeding year.

R. 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 1964 Bonds is outstanding, is supplemental to the Ordinance authorizing the 1964 Bonds (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 Project, enactment of this Amendatory Ordinance, and issuance of the 1995 Bonds.

B. It is deemed necessary and desirable for the health, welfare and safety of the inhabitants of the City that the 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 of which the Phase III Project is generally described in Exhibit A hereto.

C. The estimated maximum cost of the Phase III Project is \$732,000, and the estimated costs remaining from the City's Phase II sewerage system project is \$9,144, totalling \$741,144 for the Project, of which approximately \$468,596 will be obtained from the proceeds of the 1995 Bonds and approximately \$272,548 will be obtained from the Grant. The City may obtain other grants and contributions as may be necessary to pay the cost of the Project. The cost of the Project may be revised to reflect the cost of the additional construction imposed by DEP; provided, that in no event shall the cost require an increase in the rates for the use of the System set forth in the Rule 42 Exhibit filed with the PSC in connection with the Phase III Project.

D. It is deemed necessary for the City to issue its 1995 Bonds in the aggregate principal amount of not more than \$600,000 to finance costs of construction and acquisition of the 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 1995 Bonds prior to and during construction or acquisition and for six months after completion of construction of the 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 1995 Bonds, and such other expenses as may be necessary or incidental to the financing herein authorized, the construction or acquisition of the Project and the placing of 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 1995 Bonds or the repayment of indebtedness incurred by the City for such purposes shall be deemed costs of the Project.

E. The period of usefulness of the System after completion of the Project will not be less than forty years.

F. Other than the 1964 Bonds and the Prior Subordinate Bonds, there are no obligations of the City outstanding which will rank prior to or on a parity with the 1995 Bonds as to their liens on and sources of and security for payment. There is also outstanding on the date of introduction of this Amendatory Ordinance the City's line of credit note in the stated principal amount not to exceed \$500,000 (the "Note"), which is subordinate to both the Prior Bonds and the 1995 Bonds as to lien on and security for payment from the Net Revenues.

G. The issuance of the 1995 Bonds on a basis subordinate to the 1964 Bonds and on a parity with the Prior Subordinate Bonds 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 and the Note.

H. The principal of and interest on the 1995 Bonds will be paid solely from the proceeds thereof and the Net Revenues

derived from the operation of the System. None of such 1995 Bonds shall in any respect be a corporate indebtedness of the City within the meaning of any charter, statutory or constitutional provisions or limitations.

I. The estimated revenues to be derived in each year after the enactment of this Amending 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 and the 1995 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 1995 Bonds be sold to the Authority pursuant to the terms and provisions of the 1995 Authority Loan Agreement.

J. 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 1995 Bonds 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.

K. 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 1995 Bonds 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 1995 Bonds 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 1995 Bonds will be issued will not exceed \$5,000,000. The City reasonably expects to issue the 1995 Bonds in 1995.

L. The City will not permit, at any time, any of the proceeds of the 1995 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.

M. The City will file all statements, instruments and returns necessary to assure the tax-exempt status of the Bonds.

N. The 1995 Bonds will not be federally guaranteed within the meaning of the Code.

O. It is reasonably anticipated that all proceeds of the 1995 Bonds will be spent within three years from the date of issuance of the Authority's bonds from which payment for the 1995 Bonds is made.

ARTICLE II

AUTHORIZATION OF PROJECT

Section 2.01. Authorization of Project. There is hereby authorized the acquisition and construction of the 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 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 1995 BONDS; AUTHORIZATION AND EXECUTION
OF 1995 AUTHORITY LOAN AGREEMENT

Section 3.01. Authorization of 1995 Bonds. For the purposes of financing a portion of the costs of acquisition and construction of the Project not otherwise provided for, of paying the costs of issuance of the 1995 Bonds, and, if authorized by the Supplemental Resolution, of funding the Reserve Account on account of the 1995 Bonds or providing for interest on the 1995 Bonds during construction, or both, there shall be issued the 1995 Bonds of the City. The proceeds of the 1995 Bonds shall be applied as provided in Section 5.01.

Section 3.02. Terms of 1995 Bonds. The 1995 Bonds shall be originally issued in the form of a single bond, designated Subordinate Sewerage System Revenue Bond, Series 1995, Number R-1, fully registered to the Authority, in the principal amount of not more than \$600,000, as shall be set forth in the Supplemental Resolution. The 1995 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 1995 Loan Agreement, so long as the Authority shall be the Owner of the 1995 Bonds; and shall mature in principal installments on October 1 of each of the years and in the amounts set forth in the 1995 Loan Agreement "Schedule X" to be approved by the Supplemental Resolution.

Section 3.03. Other Provisions with Respect to the 1995 Bonds. The 1995 Bonds shall be executed as set forth in Subsection 3.03 of the Ordinance. The 1995 Bonds shall be authenticated and registered in accordance with Section 3.04 of the Ordinance, and the Certificate of Authentication and Registration on the 1995 Bonds shall be substantially in the form set forth in Section 3.06 of this Amendatory Ordinance. The 1995 Bonds shall be negotiable and shall be subject to transfer and registration as provided in Section 3.05 of the Ordinance. Any 1995 Bonds mutilated, destroyed, stolen, or lost shall be dealt with as prescribed by Section 3.06 of the Ordinance.

Section 3.04. 1995 Bonds Not To Be Indebtedness of the City. The 1995 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 1995 Bonds shall ever have the right to compel the exercise of the taxing power of the City to pay the 1995 Bonds or the interest thereon.

Section 3.05. 1995 Bonds Secured by Subordinate and Parity Pledge of Net Revenues. The payment of the debt service of all of the 1995 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 1964 Bonds and which lien is on a parity with that on account of the Prior Subordinate Bonds and any other Subordinate Bonds that may be issued pursuant to the Ordinance. Such Net Revenues, in an amount sufficient, after paying the principal of and interest on the 1964 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 as 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 1995 Bonds. The text of the 1995 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 1995 Subordinate Bond]

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF LOGAN
SUBORDINATE SEWERAGE SYSTEM REVENUE BOND, SERIES 1995

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 "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 passed by the Council of the City on August 11, 1987, as amended by the Amendatory and Supplemental Bond and Note Ordinance passed by said Council on July 21, 1992, all as supplemented, and as amended and supplemented by the Amendatory and Supplemental Bond Ordinance duly passed by the Council of the City on the ____ day of _____, 1995, 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 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, as hereinafter defined, and on all obligations secured by or payable from such revenues prior to or on a parity with the Bonds, including the 1964 Bonds and the Prior Subordinate 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 Prior Subordinate Bonds in any year, and the reserve accounts for any such obligations prior to or on a parity with the Bonds, including said 1964 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 JUNIOR, SUBORDINATE AND INFERIOR AS TO LIEN ON AND SOURCE OF 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 "1964 BONDS").

THIS BOND IS ON A PARITY AS TO LIEN ON AND SOURCE OF 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 \$_____ (THE "1987 SUBORDINATE BONDS"), AND THE CITY'S SUBORDINATE SEWERAGE SYSTEM REVENUE BONDS, SERIES 1993, OUTSTANDING AS OF THE DATE HEREOF IN THE AGGREGATE PRINCIPAL AMOUNT OF \$_____ (THE "1993 SUBORDINATE BONDS"; TOGETHER WITH THE 1987 SUBORDINATE BONDS, THE "PRIOR SUBORDINATE BONDS").

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

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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 ordinances, 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 _____, 1995.

[SEAL]

Mayor

ATTEST:

City Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Subordinate Sewerage System Revenue Bonds, Series 1995, 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 1995 Bonds; Execution of 1995 Authority Loan Agreement. The 1995 Bonds shall be sold to the Authority pursuant to the terms and conditions of the 1995 Authority Loan Agreement; provided, that the City must satisfy certain legal and other requirements of the Program. Execution and delivery to the Authority of the 1995 Authority Loan Agreement by the Mayor and the Clerk are hereby specifically authorized, directed, confirmed and ratified. The 1995 Authority Loan Agreement is specifically incorporated in this Amendatory Ordinance.

Section 3.08. 1995 Bonds Are Issued as Parity Bonds. The 1995 Bonds are issued as and shall constitute Parity Bonds in accordance with Section 7.08 of the Ordinance. Prior to the issuance of the 1995 Bonds, the following must occur:

A. The City must receive the written approval of the Authority for the issuance of the 1995 Bonds on a parity with the Prior Subordinate Bonds while the Prior 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 1995 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 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 1964 Bonds and any other obligations secured by or payable from the revenues prior to or on a parity with the 1995 Bonds;

(2) the Prior Subordinate Bonds then Outstanding;

(3) any other parity bonds theretofore issued pursuant to the provisions contained in the Ordinance then Outstanding; and

(4) the 1995 Bonds.

C. Unless waived in writing by the Authority, the City must enter into written contracts for the immediate acquisition or construction of the Project not later than simultaneously with the delivery of the 1995 Bonds.

D. The 1995 Bonds shall not be issued unless all the payments into the respective funds and accounts provided for in the Prior Ordinance and in the Original Ordinance, respectively, on account of the Prior 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 1995 Bonds.

Section 3.09. Certificate of Consulting Engineers. Prior to the issuance of the 1995 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 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.

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 1995 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 established by the Ordinance are hereby continued and shall apply to the 1995 Bonds with the same effect as if they had been created hereunder. The amounts to be deposited into the Sinking Fund and the Reserve Account prescribed by Section 5.03 of the Ordinance shall be increased as required to provide for payment of the 1995 Bonds as provided by the Ordinance; provided, that the 1995 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 1995 Bonds less than seven months after issuance of the 1995 Bonds or completion of construction of the 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 Prior Subordinate Bonds and 1/120th of the 1995 Reserve Account Requirement on account of the 1995 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, to the 1993 Bond Construction Trust Fund prior to the completion of the Phase II Project, to the 1995 Bond Construction Trust Fund prior to the completion of the 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 1995 BOND PROCEEDS; FUNDS AND ACCOUNTS; TRANSFERS AND EXISTING FUNDS

Section 5.01. Application of 1995 Bond Proceeds. From the monies received from the sale of any or all of the 1995 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 1995 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 Project.

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B. If required by the Supplemental Resolution, the amount of the proceeds which shall be sufficient to fund the 1995 Reserve Account Requirement on account of the 1995 Bonds shall be first credited to the 1995 Bond Construction Trust Fund and then deposited in the Reserve Account with the Commission; provided, that such amounts shall not exceed in the aggregate 10% of the proceeds in the 1995 Bonds.

C. The remaining monies derived from the sale of the 1995 Bonds shall be deposited by the City in the 1995 Bond Construction Trust Fund and applied to the cost of the 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 Note.

Section 5.02. 1995 Bond Construction Trust Fund. The 1995 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 Project, which include but are not limited to the cost of the issuance of the 1995 Bonds as well as construction of the Project, as more fully set out in Section 1.03(D), 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 1995 Bonds are purchased, be used for construction and acquisition of the remainder of the 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 to fund the 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 1995 Bonds at the first redemption date and, prior thereto, to pay a proportionate amount of principal of the 1995 Bonds by depositing in the Sinking Fund 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 1995 Bonds.

Expenditures or disbursements by the Depository Bank from the 1995 Bond Construction Trust Fund, except for legal, fiscal and engineering expenses, expenses in connection with the issuance and sale of the 1995 Bonds, any Origination Fee, repayment to the Authority of any Step 1 or Step 2 loans, and any repayment of the Note, shall be made only after such expenditures or disbursements shall have been approved in writing by the Board and the Consulting Engineers.

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 1995 Bonds. The portion of the proceeds of the 1995 Bonds, if any, designated by the Supplemental Resolution for the Origination Fee shall be first credited to the 1995 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

ADDITIONAL COVENANTS OF THE CITY

Section 6.01. 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 1995 Bonds as if they were set forth in full in this Amendatory Ordinance. The following shall also apply with respect to the 1995 Bonds.

Section 6.02. Rates. Prior to the issuance of the 1995 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 1995 Bonds to be issued as Bonds on a parity with the Prior Subordinate Bonds.

Section 6.03. Completion, Operation and Maintenance; Schedule of Cost. The City will expeditiously complete the 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 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 Project and sources of funds therefor.

Section 6.04. Sale of the System. When only the 1995 Bonds are Outstanding, in addition to the circumstances allowing sale or other disposition of the System pursuant to Section 6.06 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 6.05. Parity Bonds. With the written consent in advance of the Authority and anything to the contrary in Sections 6.07 or 6.08 of the Ordinance notwithstanding, Parity Bonds may be authorized and issued by the City pursuant to a Supplemental Resolution solely to complete the Project as described in the City's Program application to the Authority as of the date of the 1995 Authority Loan Agreement and in accordance with the plans and specifications, in the event that the 1995 Bonds should be insufficient, together with other funds lawfully available therefor, to pay all costs of acquisition and construction of the 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 Project, and the maturities of any such Parity Bonds shall be in years and amounts suggested by the Authority.

Section 6.06. 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 1995 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 1995 Authority Loan Agreement, during construction of the Project in the full insurable value thereof.

Section 6.07. Enforcement of Collections. If the City does not own the Water System referred to in Section 6.11 of the Ordinance, it shall enter into a termination agreement with the provider of water for the customers of the System.

Section 6.08. Books, Records and Reports. In addition to the requirements set forth in Section 6.13 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 1995 Authority Loan Agreement 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 1995 Authority Loan Agreement.

Commencing on the date contracts are executed for construction of the Project and for two years following completion of the Project, the City each month shall complete a monthly financial report in the form attached as Exhibit C to the 1995 Authority Loan Agreement and forward a copy of such report to the Authority by the 10th of each month.

Section 6.09. Operating Budget. The City shall include within the annual budget required by Section 6.14 of the Ordinance the estimated revenues of the System during the succeeding year and shall, within 30 days of the adoption thereof, submit a copy of the annual budget to the Authority.

Section 6.10. 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 1995 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 1995 Bonds to meet the requirements of the Authority.

Section 6.11. Public Purpose Bonds. The City shall use the 1995 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 1995 Authority Loan Agreement.

Section 6.12. 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 6.13. Filing Covenants. The City will file all statements, instruments and returns necessary to assure the tax-exempt status of the 1995 Bonds, including, without limitation, the information return required under Section 149(e) of the Code.

Section 6.14. Federal Guarantee Covenant. The 1995 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 6.15. 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 1995 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 1995 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 1995, in which the 1995 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 7.03. 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 1995 Bonds.

Section 6.16. 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 or on the Authority's water development 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 VII

INVESTMENT OF FUNDS

Section 7.01. Investments Particular to the 1995 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 1995 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, 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 1993 Bond Construction Trust Fund, and, thereafter, to the 1995 Bond Construction Trust Fund and, thereafter, to the Prior Revenue Fund or the Revenue Fund, as the case may be.

Section 7.02. 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 1995 Bonds which would cause the 1995 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 1995 Bonds) so that the interest on the 1995 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 1995 Subordinate Bonds.

Section 7.03. 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 1995 Bonds. In addition, the City covenants to comply with all regulations from time to time in effect and applicable to the 1995 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 1995 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 qualify for an exception to Section 148 of the Code or the City is otherwise subject to rebate in connection with the 1995 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 7.03. The City shall keep and retain, or cause to be kept and retained, records of the determinations made pursuant to this Section 7.03 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 1995 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 1995 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 7.04. 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 VIII

DEFAULTS AND REMEDIES

Section 8.01. 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 Project.

ARTICLE IX

MISCELLANEOUS

Section 9.01. 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.

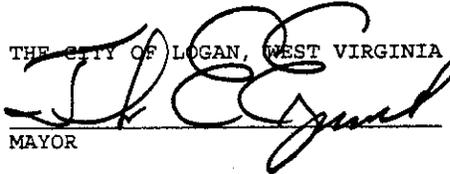
Section 9.02. Repeal of Conflicting Ordinances. All ordinances, orders or resolutions, or parts thereof, in conflict with the Ordinance are, to the extent of such conflict, repealed; provided, that no provision of the Prior Ordinance shall be repealed hereby so long as the 1964 Bonds are outstanding. So long as any of the 1964 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 9.03. 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 9.04. Effective Date. This Amendatory Ordinance shall take effect after notice and public hearing hereon and otherwise in accordance with the Act.

First Reading: _____, 1995
Second Reading and Passage _____, 1995
Public Hearing and Effective Date _____, 1995

THE CITY OF LOGAN, WEST VIRGINIA


MAYOR

ATTEST: [SEAL]


CITY CLERK

This Ordinance approved as to form:


CITY ATTORNEY

ABB06F4F

Exhibit A

PHASE III PROJECT DESCRIPTION

Pipe, a flap gate and headwall modifications, manholes, division structures, cleanouts, pavement repair and other miscellaneous items necessary for a completed project with work at three locations within the City.

Exhibit B

1995 LOAN AGREEMENT

WDA-5
(May 1993)

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

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

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

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

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

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

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

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

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

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

ARTICLE II

The Project and the System

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

consistent with the applicable comprehensive plan of water management approved by the Director of the West Virginia Division of Natural Resources' (or in the process of preparation by such Director), has been approved by the West Virginia Bureau of Public Health and is consistent with the standards set by the West Virginia Water Resources Board for the waters of the State affected thereby.

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

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

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

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

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

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

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

Now administered by the West Virginia Division of Environmental Protection.

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 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.

[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 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 Agreement, (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:

<u>Year</u>	<u>Installment</u>	<u>Interest Rate</u>
-------------	--------------------	----------------------

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: _____

<u>ITEM</u>	<u>CURRENT</u> <u>MONTH</u>	<u>YEAR TO</u> <u>DATE</u>	<u>BUDGET YEAR</u> <u>- TO DATE</u>	<u>DIFFERENCE</u>
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__.

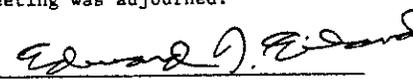
[Name of Governmental Agency]

By: _____
Authorized Officer

ABB0017F

There being no further business, the meeting was adjourned.


Presiding Officer


City Attorney

MINUTES

A special meeting of the City of Logan, West Virginia, was held on April 18, 1995, at 7:30 p.m. in the Council Chambers of the City Building in said City pursuant to the following notice given and posted in accordance with law:

"NOTICE OF SPECIAL COUNCIL MEETING"

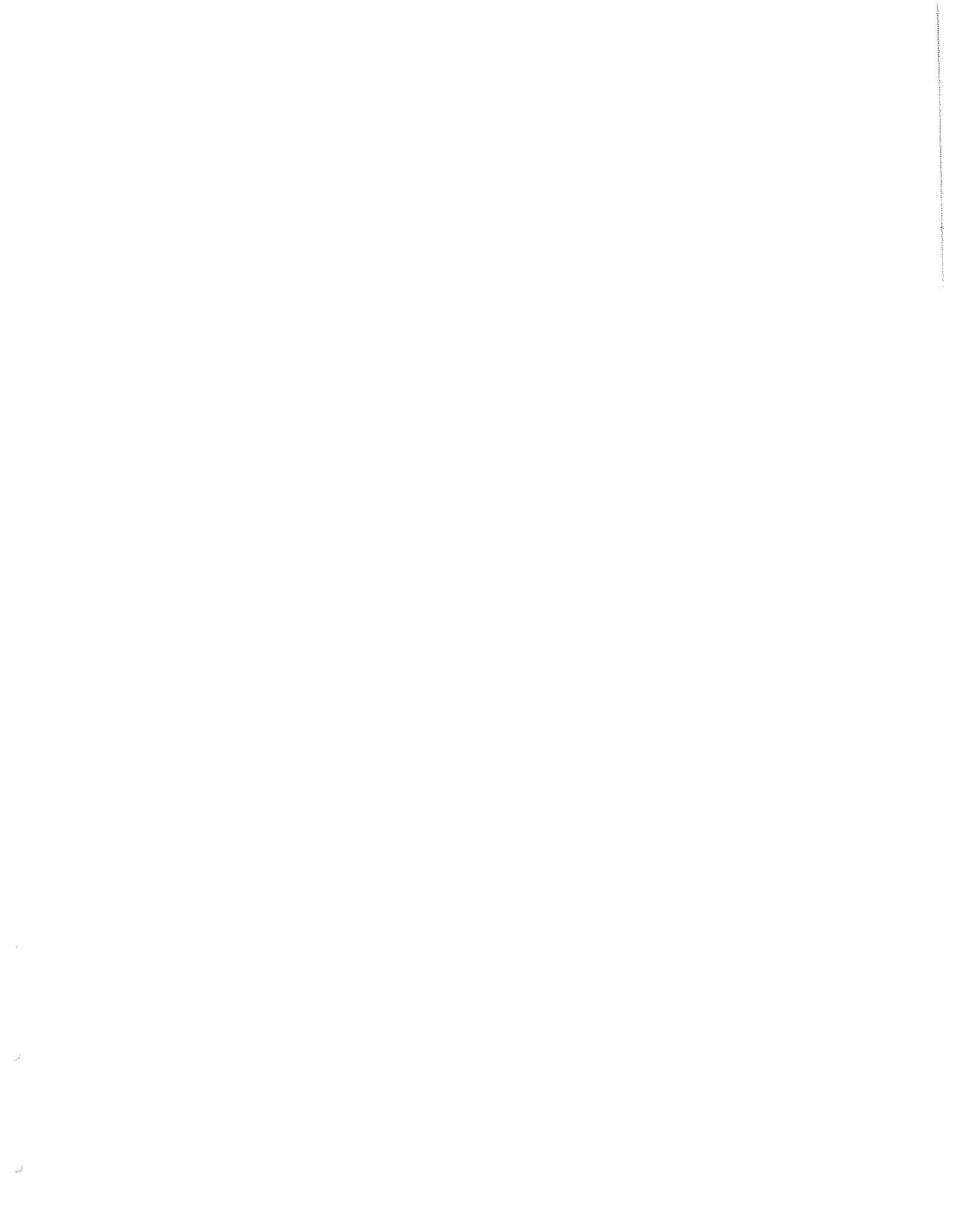
TO: Levi Caudill, Council Member
Lilly Lowe, Council Member
Stan Morgan, Council Member
Bea Orr, Council Member
Ruth Ware, Council Member
Vickie Luke, City Clerk
Editor, THE LOGAN BANNER
WLOG News
WLOW News
All members of the Public

I hereby call a special meeting of the Council of the City of Logan, West Virginia, on Tuesday, April 18, 1995, at 7:30 p.m., in the Council Chambers of the City Building in said City, to consider and transact the following business:

1. To hear and consider any objections made orally or in writing by the Prosecuting Attorney of Logan County, West Virginia, by the State Tax Commissioner or his representative, or by any taxpayer of the City of the levy estimate made by the Council on March 28, 1995, and the levy thereby proposed or to any item thereof.
2. To enter of record any objections so made and the reasons and grounds therefor.
3. After hearing objections, to reconsider the proposed original estimate and proposed rates of levy and, if any objections are well taken, correct the estimate and levy and, when the estimate and proposed rates have been approved in writing by the Tax Commissioner, approve said estimate and proposed rates of levy.

All members of the public have the right to attend the meeting and be heard in connection with the aforementioned matter.

/s/ Thomas E. Esposito
Thomas E. Esposito, Mayor¹¹



MINUTES

The City Council of the City of Logan, West Virginia, met for its monthly meeting on Tuesday, May 9, 1995, 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 "Duke" Caudill, Council Member
Lilly Lowe, Council Member
Stan Morgan, Council Member
Bea N. Orr, Council Member
Ruth "Sis" Ware, Council Member
Edward I. Eiland, City Attorney
Taunja Willis Miller, Special Council to the City
Vickie Luke, City Clerk
Timothy Wiley, Chief of Police
C. J. Vallet, C.P.A.
Tommy Shadd, Wastewater Treatment Plant Superintendent
Harry Ruloff, Chairman of the Parking Commission
Bill France, WVOW News
T. D. Kiger, THE LOGAN BANNER

The meeting was called to order by the Mayor, who presided and asked the City Attorney to take the minutes.

Bea N. Orr, who was elected as a Council Member at the City General Election on April 4, 1995, took and subscribed the oath required by the City Charter and by the laws of West Virginia. It is hereby ordered that said oath be filed by the City Clerk and be recorded as required by law.

Thereupon the Council proceeded to consider for final adoption the following ordinance which was filed with the Clerk on October 24, 1994, and was refiled with the Clerk on April 5, 1995, and was approved on first reading by the Council at its regular monthly meeting on April 11, 1995:

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 October 4, 1994, 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, (4) the payment of the sums required by an ordinance finally enacted on July 21, 1992, to be paid into the State Sinking Fund for the retirement and security of the City's Subordinate Sewerage System Revenue bonds dated the 29th day of March, 1993, and (5) the financing of certain improvements and betterments to said system, consisting of modifications to the stormwater overflow structures in keeping with Department of Environmental Protection requirements, all in accordance with 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	3.64 per 1,000 gallons
Next 100,000 gallons used per month	3.48 per 1,000 gallons
All over 200,000 gallons used per month	3.33 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 City Attorney presented and filed a certificate of the Classified Manager of THE LOGAN BANNER certifying that a notice that on Tuesday, May 9, 1995, at 7:30 p.m., the City Council of the City of Logan would consider and vote on the adoption of said ordinance, which notice set forth said ordinance in full and stated that interested parties may appear and be heard with respect to said ordinance, was published in said newspaper on April 20 and April 27, 1995. It is hereby ordered that said notice be filed by the City Clerk and preserved as part of the permanent records of the City.

The Mayor announced that persons desiring to be heard with respect to said ordinance would be heard. No persons asked to be heard with respect to said ordinance.

Thereupon said ordinance was read by title and, upon motion by Mrs. Orr, seconded by Mr. Caudill and after a full discussion was finally adopted, the vote on the final adoption being as follows:

Aye: Council Members Caudill, Lowe, Orr and Ware

Nay: Council Member Morgan.

Mrs. Orr asked that the record show that the City, in the circumstances, had no alternative to the adoption of said ordinance, but was required to adopt it.

Upon motion by Mrs. Ware, seconded by Mr. Caudill,

AN ORDINANCE AMENDING AND SUPPLEMENTING THE BOND AND NOTE ORDINANCE PASSED BY THE COUNCIL OF THE CITY OF LOGAN, WEST VIRGINIA, ON AUGUST 11, 1987, AS AMENDED BY THE AMENDATORY AND SUPPLEMENTAL BOND AND NOTE ORDINANCE PASSED BY SAID COUNCIL ON JULY 21, 1992, ALL AS SUPPLEMENTED PRIOR TO THE DATE OF INTRODUCTION HEREOF; 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 \$600,000 IN AGGREGATE PRINCIPAL AMOUNT OF SUBORDINATE SEWERAGE SYSTEM REVENUE BONDS, SERIES 1995, 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; AND ENACTING OTHER PROVISIONS RELATING THERETO,

which was filed with the Clerk on April 5, 1995, and was read by title and adopted on first reading by the Council at its regular monthly meeting on April 11, 1995, and was again read by title and discussed, was adopted, the vote upon said motion being:

Aye: Council Members Caudill, Lowe, Orr and Ware

Nay: Council Member Morgan

Upon motion by Mrs. Orr, seconded by Mrs. Lowe, the following resolution was adopted:

RESOLUTION

Introduced in Council:

Adopted by Council:

May 9, 1995

Introduced by:

A Resolution finding that an Amendatory and Supplemental Bond Ordinance was adopted by the Council of the City of Logan on May 9, 1995, amending and supplementing the Bond and Note Ordinance passed by the Council on August 11, 1987, amended by the Amendatory and Supplemental Bond and Note Ordinance passed by the Council on July 21, 1992, 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 \$600,000 in aggregate principal amount of Subordinate Sewerage System Revenue Bonds, Series 1995; providing for the sale of such bonds to the West Virginia Water Development Authority; providing for the rights and remedies of, and security for, the registered owners of such Bonds; and adopting other provisions related thereto; finding that an abstract of said Amendatory and Supplemental Bond Ordinance, together with a Notice that said Ordinance has been adopted, that the City contemplates the issuance of the Bonds 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 May 9, 1995, adopted an Amendatory and Supplemental Bond Ordinance (the "Amendatory Ordinance") amending and supplementing the Bond and Note Ordinance passed by the Council on August 11, 1987, as amended by the Amendatory and Supplemental Bond and Note Ordinance passed by the Council on July 21, 1992 (together, as supplemented, 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 \$600,000 in aggregate principal amount of Subordinate Sewerage System Revenue Bonds, Series 1995 (the "1995 Subordinate Bonds"); providing for the sale of the 1995 Subordinate Bonds to the West Virginia Water Development Authority; providing for the rights and remedies of, and security for, the registered owners of the 1995 Subordinate 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"); and

WHEREAS, Chapter 16, Article 13, Section 6 of the Code of West Virginia, 1931, as amended (the "Act"), requires an abstract of the Ordinance, together with a notice that the Ordinance has been adopted, that the City contemplates the issuance of the 1995 Subordinate Bonds all as described in the Ordinance and that any person interested may appear before the Council upon a certain date and present protests to 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 meeting duly called on May 9, 1995, 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 substantially the 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 June 13, 1995, at 7:30 p.m., prevailing time, in Council Chambers in the City Hall for the purpose of hearing all objections and suggestions 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. The first publication of the Abstract and Notice shall not be less than ten (10) 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

City Clerk

(SEAL)

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 May 9, 1995, 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, as amended by the Amendatory and Supplemental Bond and Note Ordinance passed by the Council on July 21, 1992 (together, as supplemented, the "Original Ordinance"), which supplemented a Bond Ordinance adopted by the Council on February 11, 1964 (the "prior Ordinance") and provided that the Bonds 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 the Phase III project described below, certain additional construction required by the West Virginia Division of Environmental Protection (the "DEP") and payment of certain costs remaining unpaid from the City's Phase II sewerage system project (together, the "Project") (the existing sewerage facilities, together with the Project and any further extensions, improvements or betterments thereto, are referred to as the "System") in accordance with the plans and specifications prepared by the consulting engineers. The Phase III Project consists primarily of pipe, a flap gate and headwall modifications, manholes, diversion structures, cleanouts, pavement repair and other miscellaneous items necessary for a completed project, with work at three locations in the City. The estimated maximum cost of the construction of the Project is \$741,144, all of which will be permanently obtained from the proceeds of the 1995 Bonds described below. The cost of the Project may be revised to reflect conditions imposed by the DEP, but in no event may the costs require an increase in the rates set forth in the Rule 42 Exhibit filed with the West Virginia Public Service Commission in connection with the Phase III Project.

3. Upon petition of the Sanitary Board of the City, the City authorized the acquisition and construction of the Project and the financing of the costs not otherwise provided for the Project through the issuance of not more than \$600,000 in aggregate principal amount of Subordinate Sewerage System Revenue Bonds, Series 1995 (the "1995 Subordinate Bonds").

4. Pledged to the payment of the 1995 Subordinate Bonds the net revenues of the System.

5. Provided for the sale of the 1995 Subordinate Bonds to the West Virginia Water Development Authority ("Authority") pursuant to the terms and conditions of the respective agreement to be entered into between the City and the Authority.

6. Continued the funds and accounts established or continued under the Original Ordinance and provided for increased deposits on account of the 1995 Subordinate Bonds.

7. Provided for the disbursement of the 1995 Subordinate Bond Proceeds; created the 1995 Subordinate Bond Construction Trust Fund to hold the 1995 Subordinate Bond Proceeds pending their use for Project costs; and provided for the disposition of excess 1995 Subordinate Bond proceeds.

8. Provided that the 1995 Subordinate Bonds and the Note 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.

9. Provided that the 1995 Subordinate Bonds shall have a lien on the net revenues of the System which is on a parity with the Subordinate Bonds issued under the Original Ordinance and is junior and inferior to the bonds issued under the Prior Ordinance.

10. 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 one hundred fifteen percent (115%) of the maximum principal and interest due on the 1995 Subordinate Bonds, the subordinate bonds issued under the Prior Ordinance, the bonds issued under the original Ordinance and any other bonds prior to, or in a parity with, each series of 1995 Bonds in any year.

11. Provided that the 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.

12. Reaffirmed the covenants and agreements made under the Original Ordinance.

13. Provided for the investment of the 1995 Subordinate Bond proceeds and limitations thereon intended to prevent the 1995 Subordinate 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.

14. Provided covenants against making the 1995 Subordinate 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 1995 Subordinate 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 June 13, 1995, 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 May 9, 1995, is on file in the office of the City Clerk for review by interested persons during the regular office hours, to-wit: 8:00 a.m. to 4:30 p.m., Monday through Friday.

Wickie Luke
 City Clerk
 The City of Logan, West Virginia

The vote upon said motion was:

Aye: Council Members Caudill, Lowe, Orr and Ware

Nay: Council Member Morgan.

The City Attorney presented and explained a Multiple Representation Agreement between The Honorable Thomas E. Esposito, Mayor of the City of Logan, William Saunders, Chief of the Fire Department of the City of Logan, the City of Logan, and the law firm of Steptoe & Johnson concerning that law firm's representation of those parties in the case of Steve Vinson versus The Honorable Thomas E. Esposito et al., Civil Action No. 94-C-432 in the Circuit Court of Logan County, West Virginia.

Upon motion by Mr. Morgan, seconded by Mr. Caudill, the Mayor was authorized and directed to sign it for and on behalf of the City of Logan.

The City Attorney informed the Council concerning his recent efforts to collect delinquent fees, charges and taxes. He announced that his policy will be to vigorously enforce the City's ordinances and collect its revenues.

Upon motion by Mr. Morgan, seconded by Mr. Caudill, the following job description for full-time firemen presented by the fire chief was unanimously adopted:

**"City of Logan
 Job Description**

TITLE: Fireman

Immediate Supervisor: Chief of the City of Logan Fire Department

Firemen are responsible to the Chief of the Logan Fire Department. Applicants are required to have firefighter experience. Applicant must live within a three mile radius of the city of Logan or the Fire Department and be available when needed 24 hours a day.

QUALIFICATIONS:

- * High School Diploma or equivalency/or college degree.
- * Valid West Virginia Drivers' License with driving experience.
- * Minimum of 2 years firefighter experience.
- * Good physical and mental health with no apparent physical injuries.
- * Submit to random drug testing.
- * Good communication and public relations skills.
- * Free of any arrest or convictions of a felony or misdemeanor.
- * Must complete a physical agility test.

Job Responsibilities:

1. Must maintain good work habits and good working relationship with co-workers, general public and the City of Logan officials.
2. Ability to maintain vehicles, equipment and facility.
3. Ability to understand and implement instructions.
4. Ability to maintain good health, stamina, and to function under emotional stress.
5. Ability to act decisively in emergency situations.
6. Knowledge of basic life support procedures and first aid techniques.
7. Knowledge of the geography and topography of the Logan area serviced by the Logan Fire Department.
8. Knowledge of radio and phone communication procedures.

All other responsibilities assigned by the Chief of the Logan Fire Department and/or the Mayor of the City of Logan.

TERMS OF EMPLOYMENT

Salary and work year as determined by the City of Logan."

The Mayor announced that he had been informed by John Myers, Superintendent of Schools, that the Board of Education of the County of Logan will repair the walkbridge from Central City to Midelburg Island (the Joe Fish Bridge).

Upon motion by Mrs. Ware, seconded by Mrs. Orr, Linda Blevins was granted permission to construct a driveway to her property in Central City next to the Walter and Judy Shelton property and to mark off the first parking space.

The request of Marty Allen that upper Stratton Street be limited to one-way traffic heading west was discussed, to be further considered at the Council's regular meeting on June 13, 1995.

Upon motion by Mr. Caudill, seconded by Mrs. Ware, and upon the recommendation of the Mayor and City Attorney, the Mayor was authorized to pay Five Thousand Dollars (\$5,000.00) in the settlement of the suit of Roosevelt Allen versus the City of Logan in the Circuit Court of Logan County, West Virginia. It was explained that the State Board of Risk Management has denied liability insurance coverage for the suit but has agreed to contribute Five Thousand Dollars (\$5,000.00) to the settlement. It was further explained that liability in the suit is disputed and that, if the suit were tried, a verdict for damages substantially in excess of Ten Thousand Dollars (\$10,000.00) might be returned.

Mr. Harry Ruloff, Chairman of the Parking Commission recommended that rates at the Main Street Parking Building (Parking Building No. 1) be increased effective June 1, 1995, as follows:

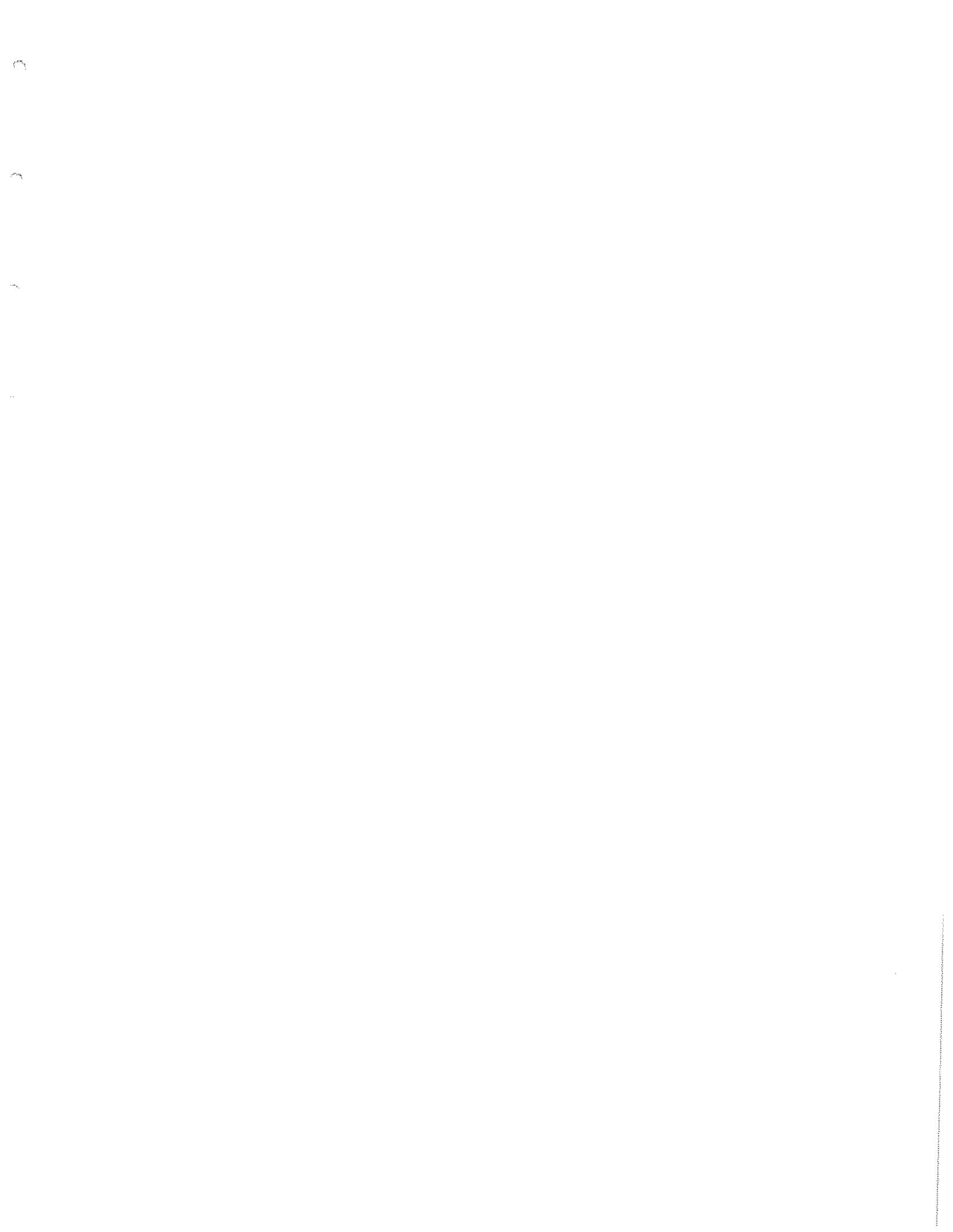
Monthly Parking, generally	\$60.00
Monthly Parking, Albert Klele	30.00
Hourly parking, first hour	.50c
Hourly Parking, second hour	.40c
Each hour in excess of two hours	.25c
All Day	\$ 2.50

Upon motion by Mrs. Ware, seconded by Mrs. Orr, those rates for that building were approved, effective June 1, 1995.

Upon motion by Mrs. Ware, seconded by Mr. Caudill, the meeting adjourned.


Mayor


City Attorney



System Revenue Bonds, Series 1995 (the "1995 Subordinate Bonds"); providing for the sale of the 1995 Subordinate Bonds to the West Virginia Water Development Authority; providing for the rights and remedies of, and security for, the registered owners of the 1995 Subordinate 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"); and

WHEREAS, Chapter 16, Article 13, Section 6 of the Code of West Virginia, 1931, as amended (the "Act"), requires an abstract of the Ordinance, together with a notice that the Ordinance has been adopted, that the City contemplates the issuance of the 1995 Subordinate Bonds all as described in the Ordinance and that any person interested may appear before the Council upon a certain date and present protests to 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 meeting duly called on May 9, 1995, 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 substantially the 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 June 13, 1995, at 7:30 p.m., prevailing time, in Council Chambers in the City Hall for the purpose of hearing all

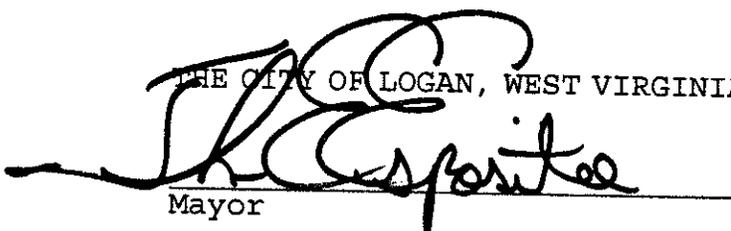
objections and suggestions regarding whether the Ordinance shall be put into effect.

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. The first publication of the Abstract and Notice shall not be less than ten (10) 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.

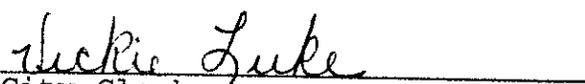
6. At such hearing, all objections and suggestions shall be heard and the Council of the City shall take such action as it shall deem proper in the premises; provided, however, that if at such hearing written protest is filed by thirty percent (30%) or more of the owners of real estate situate in the 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



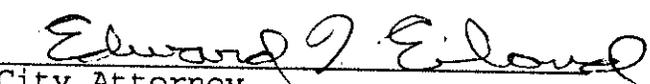
Mayor



City Clerk

(SEAL)

Approved as to Form:



City Attorney

ABB08CCF

EXHIBIT A

ABSTRACT OF ORDINANCE
AND NOTICE OF PUBLIC HEARING

Notice is hereby given to any person interested that on May 9, 1995, 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, as amended by the Amendatory and Supplemental Bond and Note Ordinance passed by the Council on July 21, 1992 (together, as supplemented, the "Original Ordinance"), which supplemented a Bond Ordinance adopted by the Council on February 11, 1964 (the "Prior Ordinance") and provided that the Bonds 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 the Phase III project described below, certain additional construction required by the West Virginia Division of Environmental Protection (the "DEP") and payment of certain costs remaining unpaid from the City's Phase II sewerage system project (together, the "Project") (the existing sewerage facilities, together with the Project and any further extensions, improvements or betterments thereto, are referred to as the "System") in accordance with the plans and specifications prepared by the consulting engineers. The Phase III Project consists primarily of pipe, a flap gate and headwall modifications, manholes, division structures, cleanouts, pavement repair and other miscellaneous items necessary for a completed project, with work at three locations in the City. The estimated maximum cost of the construction of the Project is \$741,144, all of which will be permanently obtained from the proceeds of the 1995 Bonds described below. The cost of the Project may be revised to reflect conditions imposed by the DEP, but in no event may the costs require an increase in the rates set forth in the Rule 42 Exhibit filed with the West Virginia Public Service Commission in connection with the Phase III Project.

3. Upon petition of the Sanitary Board of the City, the City authorized the acquisition and construction of the Project and the financing of the costs not otherwise provided for the Project through the issuance of not more than \$600,000 in aggregate principal amount of Subordinate Sewerage System Revenue Bonds, Series 1995 (the "1995 Subordinate Bonds").

4. Pledged to the payment of the 1995 Subordinate Bonds the net revenues of the System.
5. Provided for the sale of the 1995 Subordinate Bonds to the West Virginia Water Development Authority ("Authority") pursuant to the terms and conditions of the respective agreement to be entered into between the City and the Authority.
6. Continued the funds and accounts established or continued under the Original Ordinance and provided for increased deposits on account of the 1995 Subordinate Bonds.
7. Provided for the disbursement of the 1995 Subordinate Bond Proceeds; created the 1995 Subordinate Bond Construction Trust Fund to hold the 1995 Subordinate Bond Proceeds pending their use for Project costs; and provided for the disposition of excess 1995 Subordinate Bond proceeds.
8. Provided that the 1995 Subordinate Bonds and the Note 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.
9. Provided that the 1995 Subordinate Bonds shall have a lien on the net revenues of the System which is on a parity with the subordinate bonds issued under the Original Ordinance and is junior and inferior to the bonds issued under the Prior Ordinance.
10. 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 one hundred fifteen percent (115%) of the maximum principal and interest due on the 1995 Subordinate Bonds, the subordinate bonds issued under the Prior Ordinance, the bonds issued under the Original Ordinance and any other bonds prior to, or in a parity with, each series of 1995 Bonds in any year.
11. Provided that the 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.

12. Reaffirmed the covenants and agreements made under the Original Ordinance.

13. Provided for the investment of the 1995 Subordinate Bond proceeds and limitations thereon intended to prevent the 1995 Subordinate 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.

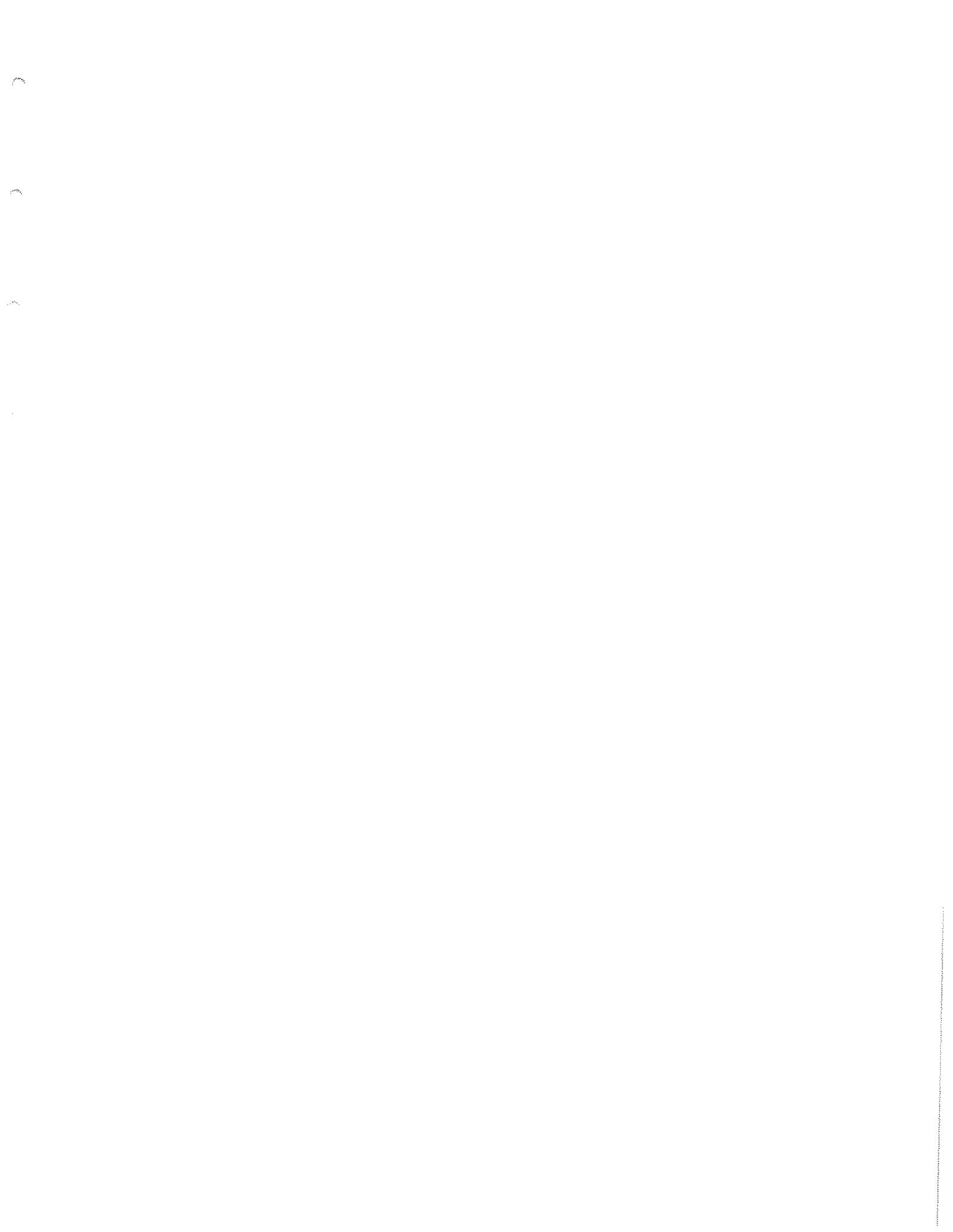
14. Provided covenants against making the 1995 Subordinate Bonds "arbitrage bonds" and directed that the City deliver a Certificate of Arbitrage, a tax certificate or similar certificate relating to the payment of arbitrage rebate.

The City contemplates the issuance of the 1995 Subordinate 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 June 13, 1995, 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 May 9, 1995, is on file in the office of the City Clerk for review by interested persons during the regular office hours, to-wit: 8:00 a.m. to 4:30 p.m., Monday through Friday.

City Clerk
The City of Logan, West Virginia

ABB08CCF



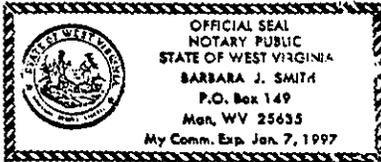
I, Deanna C. Eplin, Classified Manager Of THE LOGAN BANNER, a newspaper published in Logan County, West Virginia, do hereby certify that the annexed notice was published in said paper for 2 successive times on the following dates: May 15, and May 22, 1995

Given under my hand this 6th day of June, 1995.

Deanna C. Eplin
CLASSIFIED MANAGER

State of West Virginia
County of Logan, to-wit

Subscribed and sworn before me this 6th day of June, 1995.



Barbara J. Smith
NOTARY PUBLIC

Cost Of Publication: \$ 171.10

COPY OF PUBLICATION

ABSTRACT OF ORDINANCE AND NOTICE OF PUBLIC HEARING

Notice is hereby given to any person interested that on May 9, 1995, 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, as amended by the Amending and Supplemental Bond and Note Ordinance passed by the Council on July 21, 1992 (together, as supplemented, the "Original Ordinance"), which supplemented a Bond Ordinance adopted by the Council on February 11, 1984 (the "Prior Ordinance") and provided that the Bonds 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 the Phase III project described below, certain additional construction required by the West Virginia Division of Environmental Protection (the "DEP") and payment of certain costs remaining unpaid from the City's Phase II sewerage system project (together, the "Project") (the existing sewerage facilities, together with the Project and any further extensions, improvements or betterments thereto, are referred to as the "System") in accordance with the plans and specifications prepared by

the consulting engineers. The Phase III Project consists primarily of pipe, a flap gate and headwall modifications, manholes, diversion structures, cleanouts, pavement repair and other miscellaneous items necessary for a completed project with work at three locations in the City. The estimated maximum cost of the construction of the Project is \$741,144, all of which will be permanently obtained from the proceeds of the 1995 Bonds described below. The cost of the Project may be revised to reflect conditions imposed by the DEP, but in no event may the costs require an increase in the rates set forth in the Rule 42 Exhibit filed with the West Virginia Public Service Commission in connection with the Phase III Project.

3. Upon petition of the Sanitary Board of the City, the City authorized the acquisition and construction of the Project and the financing of the costs not otherwise provided for the Project through the issuance of not more than \$600,000 in aggregate principal amount of Subordinate Sewerage System Revenue Bonds, Series 1995 (the "1995 Subordinate Bonds").

4. Pledged to the payment of the 1995 Subordinate Bonds the net revenues of the System.

5. Provided for the sale of the 1995 Subordinate Bonds to the West Virginia Water Development Authority (the "Authority") pursuant to the terms and conditions of the respective agreement to be entered into between the City and the Authority.

6. Continued the funds and accounts established or continued under the Original Ordinance and provided for increased deposits on account of the 1995 Subordinate Bonds.

7. Provided for the disbursement of the 1995 Subordinate Bond Proceeds created by the 1995 Subordinate Bond Construction Trust Fund to hold the 1995 Subordinate Bond Proceeds pending their use for Project costs; and provided for the disposition of excess 1995 Subordinate Bond proceeds.

8. Provided that the 1995 Subordinate Bonds and the Note 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.

9. Provided that the 1995 Subordinate Bonds shall have a lien on the net revenues of the System which is on a parity with the subordinate bonds issued under the Original Ordinance and is junior and inferior to the bonds issued under the Prior Ordinance.

10. 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

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 one hundred fifteen percent (115%) of the maximum principal and interest due on the 1995 Subordinate Bonds, the subordinate bonds issued under the Prior Ordinance, the bonds issued under the Original Ordinance and any other bonds prior to, or in parity with, each series of 1995 Bonds in any year.

11. Provided that the 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.

12. Reaffirmed the covenants and agreements made under the Original Ordinance.

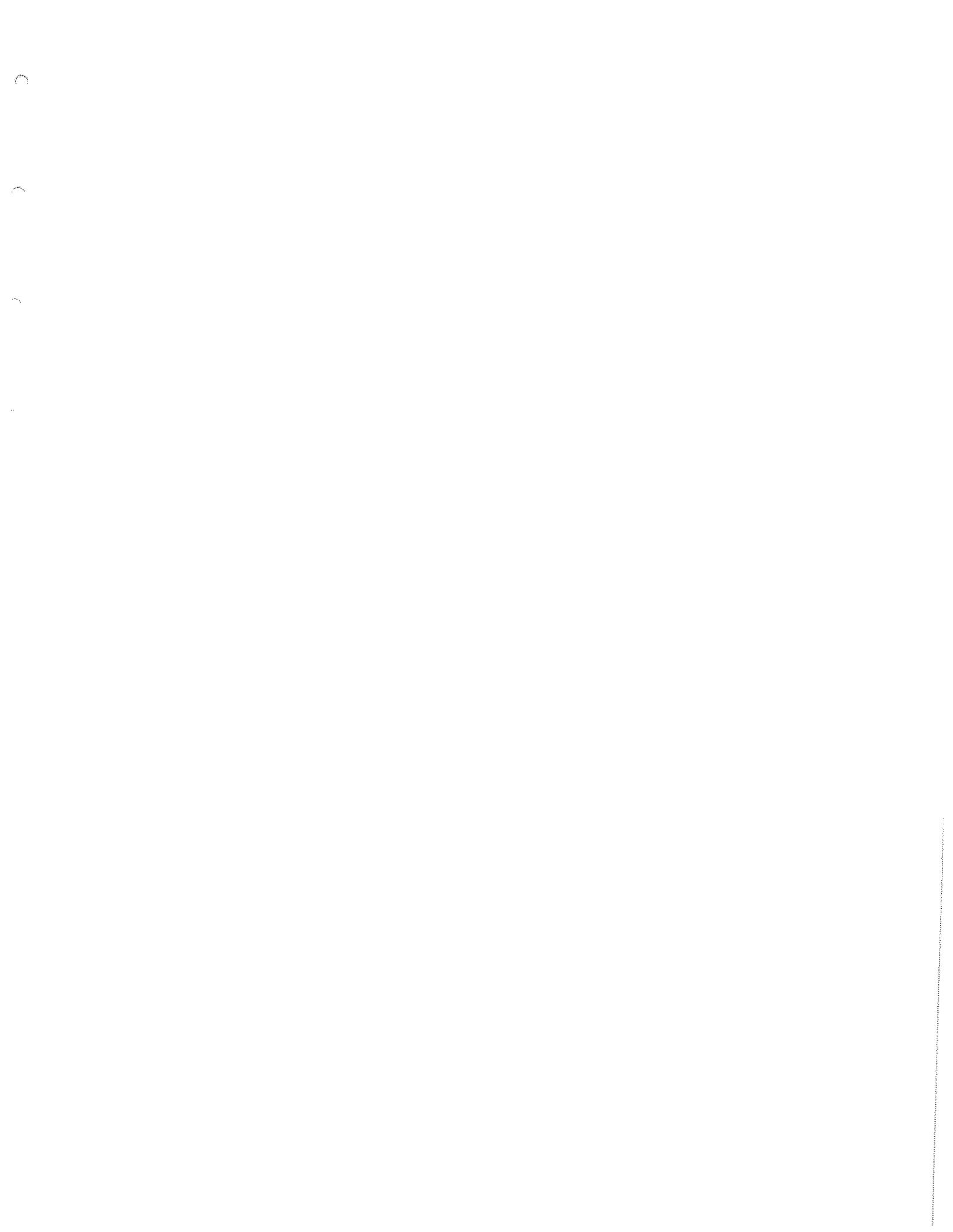
13. Provided for the investment of the 1995 Subordinate Bond proceeds and limitations thereon intended to prevent the 1995 Subordinate Bonds from being "private" activity bonds and provided for the filing of statements and returns necessary to assure the exclusions of interest from gross income for federal income tax purposes.

14. Provided covenants against making the 1995 Subordinate 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.

15. The City contemplates the issuance of the 1995 Subordinate 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 June 13, 1995, 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 May 9, 1995, is on file in the office of the City Clerk for review by interested persons during the regular office hours, to-wit: 8:00 a.m. to 4:30 p.m., Monday through Friday.

VICKIE LUKE
City Clerk
The City of Logan,
West Virginia



MINUTES

The City Council of the City of Logan, West Virginia, met for its regular monthly meeting on Tuesday, June 13, 1995, 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, City Clerk
 Timothy Wiley, Police Chief
 Bill Saunders, Fire Chief
 Kevin Hutchinson, Assistant Fire Chief
 Lindsey Collier, Street Commissioner
 Taunja Willis Miller, Special Counsel to the City
 C. J. Vallet, Accountant for the City
 James Porter, Chief of Logan County Volunteer
 Fire Dept. No. 2
 Jeanuel Browning
 Marty Allen
 Melvin Darby
 Bobby Joe Harrison
 T. D. Kiger, Reporter for The Logan Banner
 Bill France, WVOW News

The meeting was called to order by the Mayor, who asked the City Attorney to take the minutes.

Upon motion by Mrs. Lowe, seconded by Mr. Morgan, the Mayor was unanimously authorized to file an application for designation of the City of Logan as a Homecoming 96 Community.

The Council agreed that the City should promote a public campaign to raise funds for the fireworks display on July 4, 1995.

The Mayor announced that any protests to the Amendatory And Supplemental Bond Ordinance which the Council had adopted on May 9, 1995, would now be heard. The City Attorney presented an affidavit of publication in The Logan Banner on May 15 and May 22, 1995, of an abstract of said ordinance and a notice that any person interested may appear at this meeting and present protests and be heard as to whether said ordinance shall be put into effect, which affidavit is hereby ordered to be preserved as part of the permanent records of the City.

No persons presented protests to the putting of said ordinance into effect.

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 May 9, 1995, adopted an Amendatory and Supplemental Bond 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 the Council met and heard no objections regarding the proposed Ordinance; and ordering that said Ordinance be put into effect and that the bonds be issued as provided therein.

WHEREAS, the Council (the "Council") of the City of Logan, West Virginia (the "City"), on May 9, 1995, adopted an Amendatory and Supplemental Bond Ordinance (the "Ordinance") amending and supplementing the Bond and Note Ordinance passed by the Council on August 11, 1987, as amended by the Amendatory and Supplemental Bond and Note Ordinance passed by the Council on July 21, 1992 (together, as supplemented, the "Original Ordinance"), 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 \$600,000 in aggregate principal amount of Subordinate Sewerage System Revenue Bonds, Series 1995 (the "1995 Subordinate Bonds"); providing for the sale of the 1995 Subordinate Bonds to the West Virginia Water Development Authority; providing for the rights and remedies of, and security for, the registered owners of the 1995 Subordinate Bonds; and adopting other provisions related thereto, all as more fully set out therein; and

WHEREAS, the Council on May 9, 1995, 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 1995 Subordinate Bonds as described in the Original Ordinance as supplemented and amended by 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 June 13, 1995;

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 May 15, 1995, which was not less than ten (10) days before the date set for the public hearing, and with the last publication thereof being on May 22, 1995, 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 June 13, 1995, 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 no 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 1995 Subordinate Bonds shall be issued as provided in the Original Ordinance as supplemented and amended by the Ordinance.

(3) This Resolution shall be effective immediately upon its adoption.

Mr. James Porter, Chief of Logan County Fire Department No. 2, explained that his department bills fire insurance companies for its services in fighting fires at properties which they insured, and he advocated that the City of Logan adopt and follow that practice.

The City Attorney informed the Council that he did not believe that the City has the right to invoice owners of property inside the City, or their fire insurance companies, for fire service. He further stated that he did not believe that the City has the right to invoice owners of property outside the City, or their fire insurance companies, for fire service. He further stated he would reconsider this matter and further advise the Council.

Marty Allen, a resident of Stratton Street, proposed that traffic on that street be made one-way from east to west from the first alley below (west of) the old Logan East School property which is owned by PRIDE. It was decided to further consider that proposal, and also a proposal to reduce the speed limit on all streets except Logan Boulevard to fifteen (15) miles per hour, at the July Council meeting, and that notice of the meeting be published.

Jeanuel Browning, the proprietor of Logan Exxon at the corner of Dingess and Water Streets, proposed that when school is not in session on Middelburg Island, the traffic light at the junction of Water Street and Wildcat Avenue be adjusted so that it is a caution light. The Council decided to investigate this proposal.

Upon motion by Mr. Morgan, seconded by Mrs. Ware, the time for future car shows was established as from 6:00 p.m. to 9:00 p.m.

Melvin Darby complained about speeding on High Street and misconduct of police officers. The Mayor announced that the complaint will be investigated.

Upon motion by Mr. Morgan, seconded by Mrs. Orr, the following resolutions were unanimously adopted:

R E S O L U T I O N

WHEREAS, On July 1, 1993, The City of Logan, a municipal corporation, borrowed Sixty-three Thousand Six Hundred Dollars (\$63,600.00), with interest thereon from date at the rate of six percent (6%) per annum, from The National Bank of Logan, a national banking association, Logan, West Virginia, (now Bank One, West Virginia, Logan, N. A.), and executed and delivered to said bank its promissory note in that amount, bearing that date, payable in monthly installments; and,

WHEREAS, Said note is payable in sixty (60) consecutive monthly installments if the said The City of Logan is not in default and if the Council, prior to the first day of each succeeding fiscal year during the term of the note, adopts an appropriate resolution for the payment of such installments during such year;

NOW, THEREFORE, BE IT RESOLVED, That The City of Logan hereby elects to pay during the fiscal year beginning July 1, 1995, the unpaid principal and interest of that note in twelve (12) consecutive monthly installments, the first eleven (11) of which are in the amount of \$1,229.56 each and the last installment is the remaining unpaid balance of said note, the first installment being payable on the 31st day of July, 1995, and the last installment being payable on the 30th day of June, 1996.

BE IT FURTHER RESOLVED, That the Mayor and/or Clerk of this City be, and they are, hereby authorized and directed to deliver a certified copy of this resolution to said bank as evidence of this City's election to tend the payment of said note.

R E S O L U T I O N

WHEREAS, On July 1, 1993, The City of Logan, a municipal corporation, borrowed Twenty-three Thousand Dollars (\$23,000.00), with interest thereon from date at the rate of 4.75% per annum, from Logan Bank & Trust Company, a West Virginia banking corporation, Logan, West Virginia, and executed and delivered to said bank its promissory note in that amount, bearing that date, payable in monthly installments; and,

WHEREAS, Said note is payable in sixty (60) consecutive monthly installments if the said The City of Logan is not in default and if the Council, prior to the first day of each succeeding fiscal year during the term of the note, adopts an appropriate resolution for the payment of such installments during such year;

NOW, THEREFORE, BE IT RESOLVED, That The City of Logan hereby elects to pay during the fiscal year beginning July 1, 1995, the unpaid principal and interest of that note in twelve (12) consecutive monthly installments, the first eleven (11) of which are in the amount of \$431.41 each and the last installment is the remaining unpaid balance of said note, the first installment being payable on the 31st day of July, 1995, and the last installment being payable on the 30th day of June, 1996.

BE IT FURTHER RESOLVED, That the Mayor and/or Clerk of this City be, and they are, hereby authorized and directed to deliver a certified copy of this resolution to said bank as evidence of this City's election to extend the payment of said note.

RESOLUTION

WHEREAS, On April 21, 1995, The City of Logan, a municipal corporation, borrowed Thirteen Thousand Dollars (\$13,000.00), with interest thereon from date at the rate of 6.65% per annum, from Matewan National Bank of Logan, a national banking association, Logan, West Virginia, and executed and delivered to said bank its promissory note in that amount, bearing that date, payable in monthly installments; and,

WHEREAS, Said note is payable in thirty-six (36) consecutive monthly installments if the said The City of Logan is not in default and if the Council, prior to the first day of each succeeding fiscal year during the term of the note, adopts an appropriate resolution for the payment of such installments during such year;

NOW, THEREFORE, BE IT RESOLVED, That The City of Logan hereby elects to pay during the fiscal year beginning July 1, 1995, the unpaid principal and interest of that note in twelve (12) consecutive monthly installments, the first eleven (11) of which are in the amount of \$399.41 each and the last installment is the remaining unpaid balance of said note, the first installment being payable on the 31st day of July, 1995, and the last installment being payable on the 30th day of June, 1996.

BE IT FURTHER RESOLVED, That the Mayor and/or Clerk of this City be, and they are, hereby authorized and directed to deliver a certified copy of this resolution to said bank as evidence of this City's election to extend the payment of said note.

The City Attorney reported concerning efforts to increase the City's cash flow by collecting fees, business and occupation taxes, and overtime parking fines.

Upon motion by Mrs. Orr, seconded by Mrs. Ware, the following order dated June 13, 1995, designating and qualifying Bank One, West Virginia, NA, as a City depository for the fiscal year commencing July 1, 1995, was unanimously approved and entered:

IN RE: DESIGNATION AND QUALIFICATION OF BANK ONE, WEST VIRGINIA, NA AS DEPOSITORY OF PUBLIC MONIES

It is considered and ordered that Bank One, West Virginia, NA, a national banking association of Logan, West Virginia, be and it is designated as a depository of public monies of The City of Logan for fiscal year commencing July 1, 1995, and is required to furnish security in the amount of Two Million Four Hundred Ten Thousand Dollars (\$2,410,000.00), for the receipt, safekeeping and payment over of all monies which may be deposited with or come under its custody and control.

In lieu of Bank One, West Virginia, NA, furnishing bond as such City Depository, the council does accept the deposit by Bank One, West Virginia, NA of the following securities:

- \$570,000.00 Forest Hills School Dist., PA
due 10/01/2002, 6.00%
Cusip No. 345802AL6
- \$535,000.00 Colchester, Conn.
due 04/01/2003, 6.20%
Cusip No. 192792HU6
- \$690,000.00 Ringgold School Dist., PA
due 08/01/2005, 5.75%
Cusip No.766809HL4
- \$615,000.00 Wood County, Bd of Ed., WV
due 12/01/2001, 6.125%
Cusip No. 978335D27

now held by Chemical Bank, New York, NY. and Bank One, West Virginia, NA, secures the performance of its obligations as such City Depository, under the terms of an agreement hypothecating such securities, which bears date as of June 13, 1995, which has been executed in duplicate by Bank One, West Virginia, NA, and it is ordered that the hypothecation of securities by Bank One, West Virginia, NA, 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.

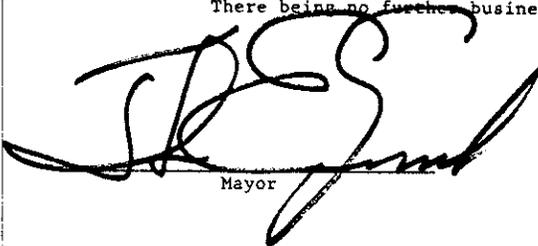
It is further ordered that Bank One, West Virginia, NA has qualified as a City Depository for the deposit of public monies to the extent that the maximum of public monies deposited with such depository at any one time shall not exceed the amount of Two Million Four Hundred Ten Thousand Dollars (\$2,410,000.00) being the face value of the securities pledged as aforesaid.

It is further ordered that public monies in excess of Two Million Four Hundred Ten Thousand Dollars (\$2,410,000.00) may be deposited with Bank One, West Virginia, NA, 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 Two Million Four Hundred Ten Thousand Dollars (\$2,410,000.00) hereafter deposited by Bank One, West Virginia, NA, with Chemical Bank 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.

Mrs. Ware expressed a concern that the leash law should be enforced.

Mrs. Orr presented a proposed requisition form which should be submitted when it is desired to purchase equipment or supplies for the City.

There being no further business, the meeting was adjourned.



Mayor


City Attorney

RESOLUTION

Introduced in Council:

June 13, 1995

Adopted by Council:

June 13, 1995

Introduced by:

A Resolution finding that the Council of The City of Logan, West Virginia, on May 9, 1995, adopted an Amendatory and Supplemental Bond 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 the Council met and heard no objections regarding the proposed Ordinance; and ordering that said Ordinance be put into effect and that the bonds be issued as provided therein.

WHEREAS, the Council (the "Council") of the City of Logan, West Virginia (the "City"), on May 9, 1995, adopted an Amendatory and Supplemental Bond Ordinance (the "Ordinance") amending and supplementing the Bond and Note Ordinance passed by the Council on August 11, 1987, as amended by the Amendatory and Supplemental Bond and Note Ordinance passed by the Council on July 21, 1992 (together, as supplemented, the "Original Ordinance"), 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 \$600,000 in aggregate principal amount of Subordinate Sewerage System Revenue Bonds, Series 1995 (the "1995 Subordinate Bonds"); providing for the sale of the 1995 Subordinate Bonds to the West Virginia Water Development Authority;

providing for the rights and remedies of, and security for, the registered owners of the 1995 Subordinate Bonds; and adopting other provisions related thereto, all as more fully set out therein; and

WHEREAS, the Council on May 9, 1995, 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 1995 Subordinate Bonds as described in the Original Ordinance as supplemented and amended by 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 June 13, 1995;

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 May 15, 1995, which was not less than ten (10) days before the date set for the public hearing, and with the last publication thereof being on May 22, 1995, 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 June 13, 1995, 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 no 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 1995 Subordinate Bonds shall be issued as provided in the Original Ordinance as supplemented and amended by the Ordinance.

(3) This Resolution shall be effective immediately upon its adoption.

(SEAL)

THE CITY OF LOGAN, WEST VIRGINIA
By *[Signature]*
Mayor

[Signature]
City Clerk

Approved as to Form:

[Signature]
City Attorney

ABB09284

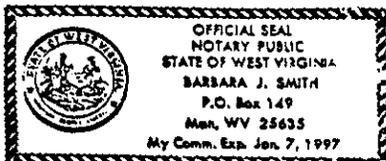
I, Deanna C. Eplin, Classified Manager Of THE LOGAN BANNER, a newspaper published in Logan County, West Virginia, do hereby certify that the annexed notice was published in said paper for 2 successive times on the following dates: May 15, and May 22, 1995

Given under my hand this 6th day of June, 1995.

Deanna C. Eplin
CLASSIFIED MANAGER

State of West Virginia
County of Logan, to-wit

Subscribed and sworn before me this 6th day of June, 1995.



Barbara J. Smith
NOTARY PUBLIC

Cost Of Publication: \$ 171.10

COPY OF PUBLICATION

ABSTRACT OF ORDINANCE AND NOTICE OF PUBLIC HEARING

Notice is hereby given to any person interested that on May 9, 1995, 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, as amended by the Amending and Supplemental Bond and Note Ordinance passed by the Council on July 21, 1992 (together, as supplemented, the "Original Ordinance"), which supplemented a Bond Ordinance adopted by the Council on February 11, 1964 (the "Prior Ordinance") and provided that the Bonds 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 the Phase III project described below, certain additional construction required by the West Virginia Division of Environmental Protection (the "DEP") and payment of certain costs remaining unpaid from the City's Phase II sewerage system project (together, the "Project") (the existing sewerage facilities, together with the Project and any further extensions, improvements or betterments thereto, are referred to as the "System"). In accordance with the plans and specifications prepared by

the consulting engineers, the Phase III Project consists primarily of pipe, flap gate and headwall modifications, manholes, diversion structures, cleanouts, pavement repair and other miscellaneous items necessary for a completed project with work at three locations in the City. The estimated maximum cost of the construction of the Project is \$741,144, all of which will be permanently obtained from the proceeds of the 1995 Bonds described below. The cost of the Project may be revised to reflect conditions imposed by the DEP, but in no event may the costs require an increase in the rates set forth in the Rule 42 Exhibit filed with the West Virginia Public Service Commission in connection with the Phase III Project.

3. Upon petition of the Sanitary Board of the City, the City authorized the acquisition and construction of the Project and the financing of the costs not otherwise provided for the Project through the issuance of not more than \$600,000 in aggregate principal amount of Subordinate Revenue Bonds, Series 1995 (the "1995 Subordinate Bonds").

4. Pledged to the payment of the 1995 Subordinate Bonds the net revenues of the System.

5. Provided for the sale of the 1995 Subordinate Bonds to the West Virginia Water Development Authority ("Authority") pursuant to the terms and conditions of the respective agreement to be entered into between the City and the Authority.

6. Continued the funds and accounts established or continued under the Original Ordinance and provided for increased deposits on account of the 1995 Subordinate Bonds.

7. Provided for the disbursement of the 1995 Subordinate Bond Proceeds created by the 1995 Subordinate Bond Construction Trust Fund to hold the 1995 Subordinate Bond Proceeds pending their use for Project costs; and provided for the disposition of excess 1995 Subordinate Bond proceeds.

8. Provided that the 1995 Subordinate Bonds and the Note 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.

9. Provided that the 1995 Subordinate Bonds shall have a lien on the net revenues of the System which is on a parity with the subordinate bonds issued under the Original Ordinance and is junior and inferior to the bonds issued under the Prior Ordinance.

10. 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 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 one hundred fifteen percent (115%) of the maximum principal and interest due on the 1995 Subordinate Bonds issued under the Prior Ordinance, the bonds issued under the Original Ordinance, and any other bonds prior to, or in parity with, each series of 1995 Bonds in any year.

11. Provided that the 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.

12. Reaffirmed the covenants and agreements made under the Original Ordinance.

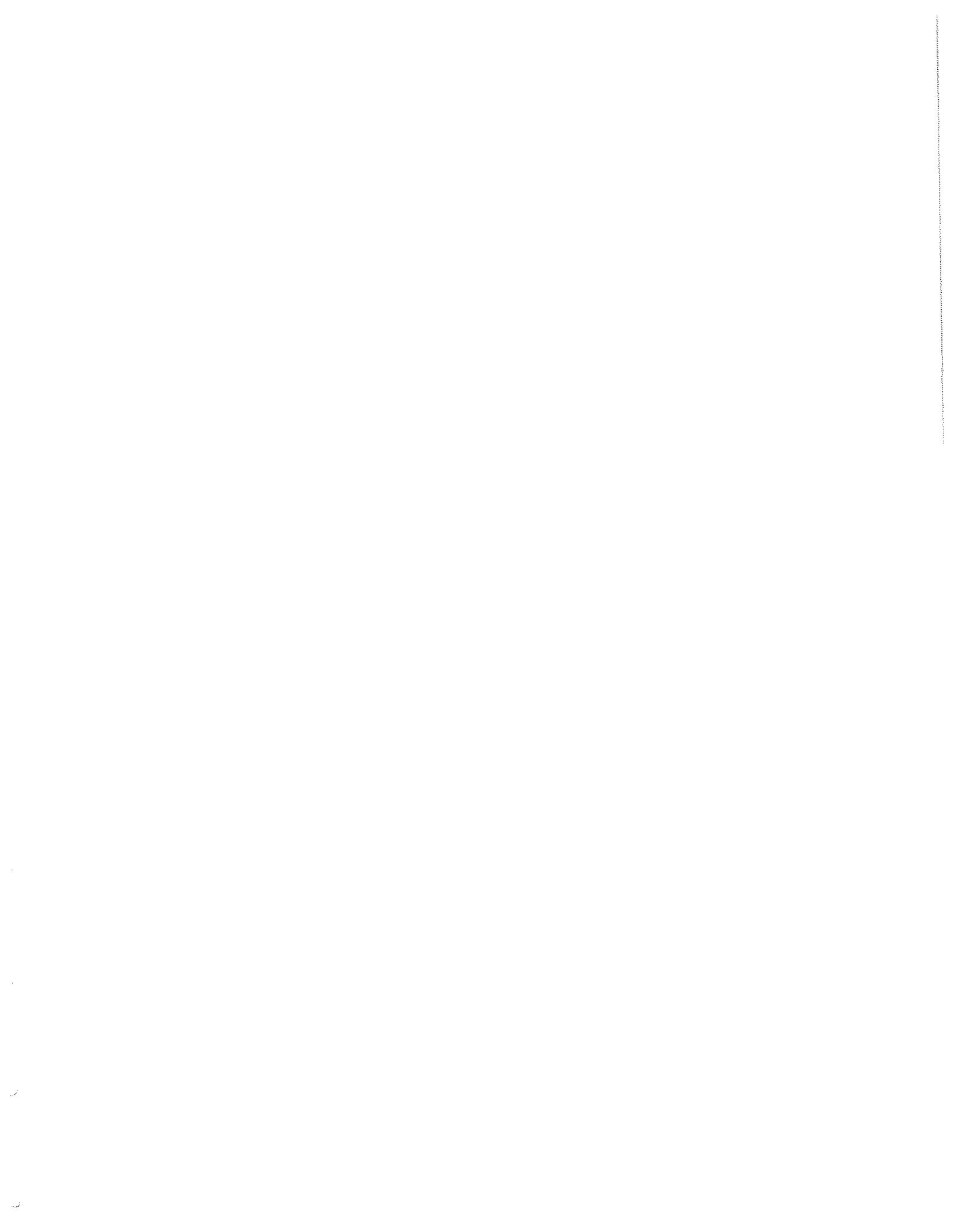
13. Provided for the investment of the 1995 Subordinate Bond proceeds and limitations thereon intended to prevent the 1995 Subordinate Bonds from being "private" activity bonds and provided for the filing of statements and returns necessary to assure the exclusions of interest from gross income for federal income tax purposes.

14. Provided covenants against making the 1995 Subordinate 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.

15. The City contemplates the issuance of the 1995 Subordinate 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 June 13, 1995, 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 May 9, 1995, is on file in the office of the City Clerk for review by interested persons during the regular office hours, to-wit: 8:00 a.m. to 4:30 p.m., Monday through Friday.

VICKIE LUKE
City Clerk
The City of Logan,
West Virginia



A RESOLUTION SUPPLEMENTING THE BOND ORDINANCE ADOPTED BY THE COUNCIL OF THE CITY OF LOGAN ON MAY 9, 1995, PROVIDING AS TO DATE, SERIES, INTEREST RATE, MATURITIES, SALE PRICE, REDEMPTION PROVISIONS AND OTHER TERMS OF THE SUBORDINATE SEWERAGE SYSTEM REVENUE BONDS, SERIES 1995, OF THE CITY OF LOGAN; APPROVING AND RATIFYING A LOAN AGREEMENT RELATING TO SUCH BONDS; DESIGNATING THE DEPOSITORY BANK, BOND REGISTRAR AND PAYING AGENT IN CONNECTION WITH SAID BONDS; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

WHEREAS, the Council of The City of Logan (the "Council"), West Virginia (the "City"), has duly and effectively adopted on May 9, 1995, effective June 13, 1995, an Ordinance entitled:

AN ORDINANCE AMENDING AND SUPPLEMENTING THE BOND AND NOTE ORDINANCE PASSED BY THE COUNCIL OF THE CITY OF LOGAN, WEST VIRGINIA, ON AUGUST 11, 1987, AS AMENDED BY THE AMENDATORY AND SUPPLEMENTAL BOND AND NOTE ORDINANCE PASSED BY SAID COUNCIL ON JULY 21, 1992, ALL AS SUPPLEMENTED PRIOR TO THE DATE OF INTRODUCTION HEREOF; 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 \$600,000 IN AGGREGATE PRINCIPAL AMOUNT OF SUBORDINATE SEWERAGE SYSTEM REVENUE BONDS, SERIES 1995, 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; AND ENACTING OTHER PROVISIONS RELATING THERETO.

WHEREAS, the capitalized terms used and not otherwise defined in this Supplemental Resolution have the respective meanings given them in the Bond Ordinance described above (the "Ordinance"); and

WHEREAS, the Ordinance provides for the issuance of Subordinate Sewerage System Revenue Bonds, Series 1995 (the "Bonds"), in the aggregate principal amount not to exceed \$600,000 of the City, all in accordance with the Act, and the terms of the Loan Agreement to be entered into between the City and the West Virginia Water Development Authority (the "Authority"), and in the Ordinance it is provided that the dates, series, interest rates,

maturities, principal amounts, 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, the Bonds are proposed to be purchased by the Authority pursuant to the Loan Agreement; and

WHEREAS, the Council of the City 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 Project, funding capitalized interest, and of paying certain costs of issuance and related costs; and

WHEREAS, the Council of the City further deems it essential and desirable that this resolution (the "Supplemental Resolution") be adopted and that the date, series, interest rate, maturities, sale price and other terms of the Bonds be fixed hereby in the manner stated herein, that the 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 the acquisition and construction of the Project in accordance with the plans and specifications prepared by the Consulting Engineers and the provisions of the Ordinance.

(2) 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 1995, in the aggregate principal amount of \$273,980 (the "Bonds"), all in the form set forth below and in the Ordinance:

(a) The Bonds of the City shall be originally issued in the form of a single bond, numbered R-1 and designated Series 1995, in the principal amount of \$273,980. The Bonds shall be dated the date of delivery thereof, shall bear interest at the rate of six and three fourths percent (6.75%) per annum, payable semiannually on April 1 and October 1 of each year, first interest payable October 1, 1995, shall be subject to redemption upon 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 Bonds, and shall be payable in installments of principal on October 1 of each of the years from 1996 through 2033, inclusive, and in the amounts as set forth in "Schedule X," attached to the Loan Agreement and incorporated therein and herein by reference.

(3) 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.

(4) The City does hereby ratify, approve and accept the Loan Agreement, including the "Schedule X", a copy of which is incorporated herein by reference, and the execution and delivery by the Mayor of the Loan Agreement, and the performance of the obligations contained therein, on behalf of the City have been and are hereby authorized, approved and directed. The price of the Bonds shall be 100% of par value.

(5) The City hereby appoints and designates Bank One West Virginia, Logan, N.A., as the Depository Bank for the Bonds.

(6) The City hereby appoints and designates One Valley Bank, National Association, as Registrar for the Bonds.

(7) The City hereby appoints and designates the West Virginia Municipal Bond Commission (the "Commission"), Charleston, West Virginia, as Paying Agent for the Bonds.

(8) The City hereby directs that \$11,200 of the proceeds of the Bonds, representing capitalized interest, be placed in the Sinking Fund at the Commission.

(9) The City hereby directs that none of the proceeds of the Bonds be placed in the Reserve Account.

(10) The undersigned Thomas E. Esposito, duly elected Mayor of the City and the undersigned Vickie Luke, duly elected 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, required or desirable in connection with the Bonds hereby and by the Ordinance approved and provided for, to the end that the Bonds may be delivered to the Authority pursuant to the Loan Agreement on or about August 22, 1995.

(11) 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 Internal Revenue Code of 1986, as amended, and any regulations promulgated thereunder (the "Code"), by reason of the classification of the Bonds as "private activity bonds" within the meaning of the Code. It will take all actions necessary to comply with the Code and the Regulations promulgated thereunder.

(12) 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 1995, and the City believes that it is excepted from the rebate requirement of Section 148(f) of the Code.

(13) The City does hereby authorize the investment and reinvestment of all moneys held as part of the funds and accounts created by the Ordinance, by the Commission or the Depository Bank, as the case may be, 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.

(14) The financing of the 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.

(15) This Supplemental Resolution shall be effective immediately upon adoption.

Resolution adopted August 18, 1995.

THE CITY OF LOGAN, WEST VIRGINIA

By Tom Esposito
Mayor

ATTEST:

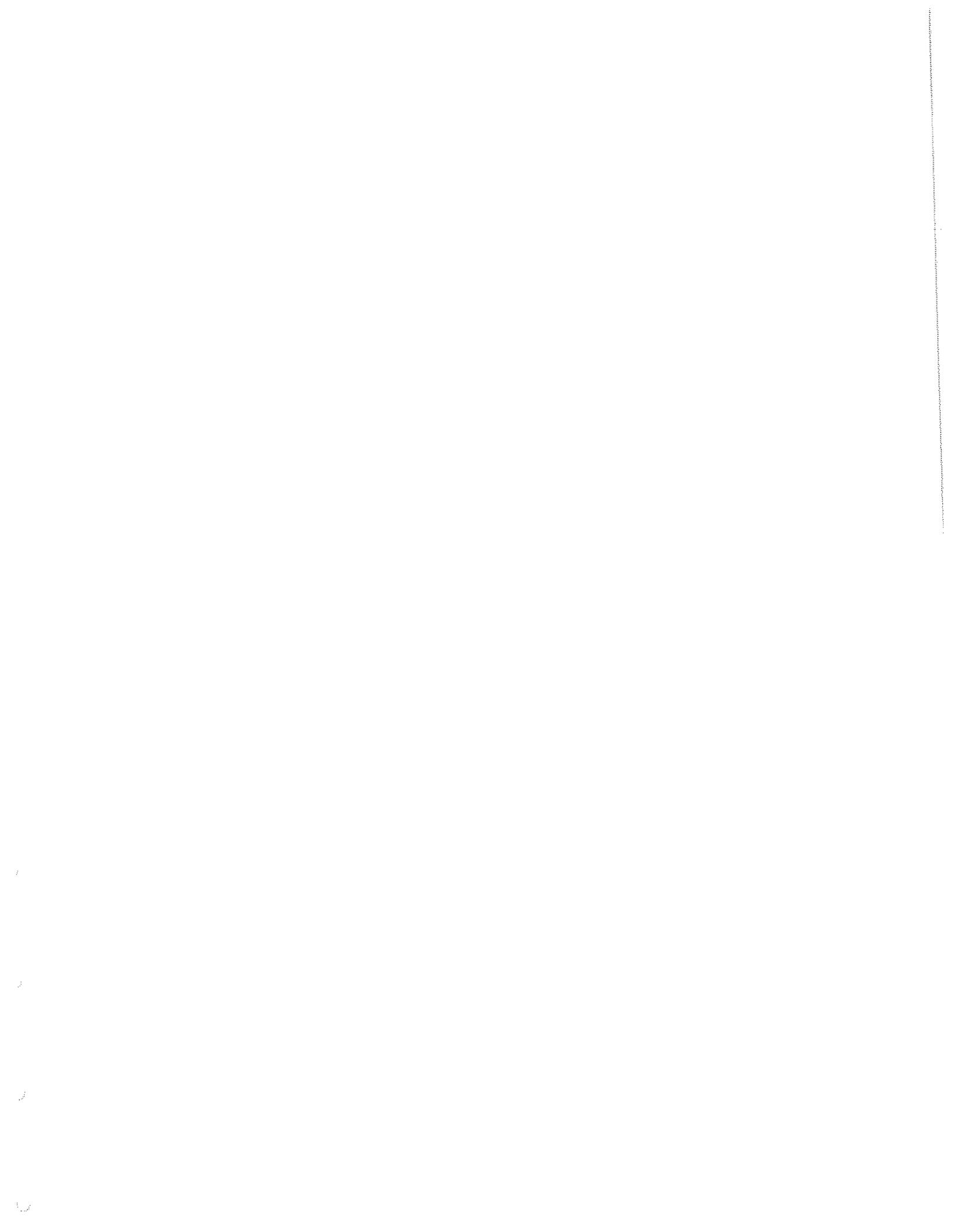
Dickie Luke
City Clerk

[SEAL]

ABB09C18

EXHIBIT

LOAN AGREEMENT - See Document No. 1.17



MINUTES

A special meeting of the City Council of the City of Logan, West Virginia, was held on Friday, August 18, 1995, at 12:00 noon in the Council Chambers of the City Building in said City pursuant to the following 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
WLOG News Editor
WVOW News Editor
Editor, THE LOGAN BANNER
All Members of the Public

I hereby call a special meeting of the Council of the City of Logan, West Virginia, for Friday, August 18, 1995, at 12:00 noon in the Council Chambers of the City Building in said City to consider and transact all business which could be considered and transacted during a regular meeting of the Council.

All members of the public are hereby invited to the meeting.

/s/ Thomas E. Esposito
Thomas E. Esposito, Mayor"

The following persons were present:

Thomas E. Esposito, Mayor
Levie Caudill, Council Member
Stan Morgan, Council Member
Bea N. Orr, Council Member
Ruth Ware, Council Member
Edward I. Eiland, City Attorney
Vickie Luke, City Clerk
Taunja Willis Miller, Special Counsel
to the City
Bill Saunders, Fire Chief
Lindsey Collier, Street Commissioner
Robert Smith
James Jeffrey
Rick Roberts
W. D. Kiger, Reporter for THE LOGAN BANNER"

The meeting was called to order by the Mayor, who asked the City Attorney to take the minutes.

Taunja Willis Miller, Special Counsel to the City, presented for consideration the following resolution, which was adopted on motion by Mr. Caudill, seconded by Mrs. Ware:

"A RESOLUTION SUPPLEMENTING THE BOND ORDINANCE ADOPTED BY THE COUNCIL OF THE CITY OF LOGAN ON MAY 9, 1995, PROVIDING AS TO DATE, SERIES, INTEREST RATE, MATURITIES, SALE PRICE, REDEMPTION PROVISIONS AND OTHER TERMS OF THE SUBORDINATE SEWERAGE SYSTEM REVENUE BONDS, SERIES 1995, OF THE CITY OF LOGAN; APPROVING AND RATIFYING A LOAN AGREEMENT RELATING TO SUCH BONDS; DESIGNATING THE DEPOSITORY BANK, BOND REGISTRAR AND PAYING AGENT IN CONNECTION WITH SAID BONDS; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

WHEREAS, the Council of The City of Logan (the 'Council'), West Virginia (the 'City'), has duly and effectively adopted on May 9, 1995, effective June 13, 1995, an Ordinance entitled:

AN ORDINANCE AMENDING AND SUPPLEMENTING THE BOND AND NOTE ORDINANCE PASSED BY THE COUNCIL OF THE CITY OF LOGAN, WEST VIRGINIA, ON AUGUST 11, 1987, AS AMENDED BY THE AMENDATORY AND SUPPLEMENTAL BOND AND NOTE ORDINANCE PASSED BY SAID COUNCIL ON JULY 21, 1992, ALL AS SUPPLEMENTED PRIOR TO THE DATE OF INTRODUCTION HEREOF; 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 \$600,000 IN AGGREGATE PRINCIPAL AMOUNT OF SUBORDINATE SEWERAGE SYSTEM REVENUE BONDS, SERIES 1995, 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; AND ENACTING OTHER PROVISIONS RELATING THERETO.

WHEREAS, the capitalized terms used and not otherwise defined in this Supplemental Resolution have the respective meanings given them in the Bond Ordinance described above (the 'Ordinance'); and

WHEREAS, the Ordinance provides for the issuance of Subordinate Sewerage System Revenue Bonds, Series 1995 (the 'Bonds'), in the aggregate principal amount not to exceed \$600,000 of the City, all in accordance with the Act, and the terms of the Loan Agreement to be entered into between the City and the West Virginia Water Development Authority (the 'Authority'), and in the Ordinance it is provided that the dates, series, interest rates, maturities, principal amounts, 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, the Bonds are proposed to be purchased by the Authority pursuant to the Loan Agreement; and

WHEREAS, the Council of the City 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 Project, funding capitalized interest, and of paying certain costs of issuance and related costs; and

WHEREAS, the Council of the City further deems it essential and desirable that this resolution (the 'Supplemental Resolution') be adopted and that the date, series, interest rate, maturities, sale price and other terms of the Bonds be fixed hereby in the manner stated herein, that the 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 the acquisition and construction of the Project in accordance with the plans and specifications prepared by the Consulting Engineers and the provisions of the Ordinance.

(2) 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 1995, in the aggregate principal amount of \$273,980 (the 'Bonds'), all in the form set forth below and in the Ordinance:

(a) The Bonds of the City shall be originally issued in the form of a single bond, numbered R-1 and designated Series 1995, in the principal amount of \$273,980. The Bonds shall be dated the date of delivery thereof, shall bear interest at the rate of six and three fourths percent (6.75%) per annum, payable semiannually on April 1 and October 1 of each year, first interest payable October 1, 1995, shall be subject to redemption upon 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 Bonds, and shall be payable in installments of principal on October 1 of each of the years from 1996 through 2033, inclusive, and in the amounts as set forth in 'Schedule X,' attached to the Loan Agreement and incorporated therein and herein by reference.

(3) 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.

(4) The City does hereby ratify, approve and accept the Loan Agreement, including the 'Schedule X', a copy of which is incorporated herein by reference, and the execution and delivery by the Mayor of the Loan Agreement, and the performance of the obligations contained therein, on behalf of the City have been and are hereby authorized, approved and directed. The price of the Bonds shall be 100% of par value.

(5) The City hereby appoints and designates Bank One West Virginia, Logan, N.A., as the Depository Bank for the Bonds.

(6) The City hereby appoints and designates One Valley Bank, National Association, as Registrar for the Bonds.

(7) The City hereby appoints and designates the West Virginia Municipal Bond Commission (the 'Commission'), Charleston, West Virginia, as Paying Agent for the Bonds.

(8) The City hereby directs that \$11,200 of the proceeds of the Bonds, representing capitalized interest, be placed in the Sinking Fund at the Commission.

(9) The City hereby directs that none of the proceeds of the Bonds be placed in the Reserve Account.

(10) The undersigned Thomas E. Esposito, duly elected Mayor of the City and the undersigned Vickie Luke, duly elected 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, required or desirable in connection with the bonds hereby and by the Ordinance approved and provided for, to the end that the Bonds may be delivered to the Authority pursuant to the Loan Agreement on or about August 22, 1995.

(11) 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 Internal Revenue Code of 1986, as amended, and any regulations promulgated thereunder (the 'Code'), by reason of the classification of the Bonds as 'private activity bonds' within the meaning of the Code. It will take all actions necessary to comply with the Code and the Regulations promulgated thereunder.

(12) 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 1995, and the City believes that it is excepted from the rebate requirement of Section 148(f) of the Code.

(13) The City does hereby authorize the investment and reinvestment of all moneys held as part of the funds and accounts created by the Ordinance, by the Commission or the Depository Bank, as the case may be, 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.

(14) The financing of the 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.

(15) This Supplemental Resolution shall be effective immediately upon adoption.

Resolution adopted August 18, 1995.

THE CITY OF LOGAN, WEST VIRGINIA

By _____
Mayor

ATTEST:

City Clerk

[SEAL]"

The vote upon the adoption of said resolution was as follows:

For adoption: Mr. Caudill
Mrs. Orr
Mrs. Ware

Against adoption: Mr. Morgan

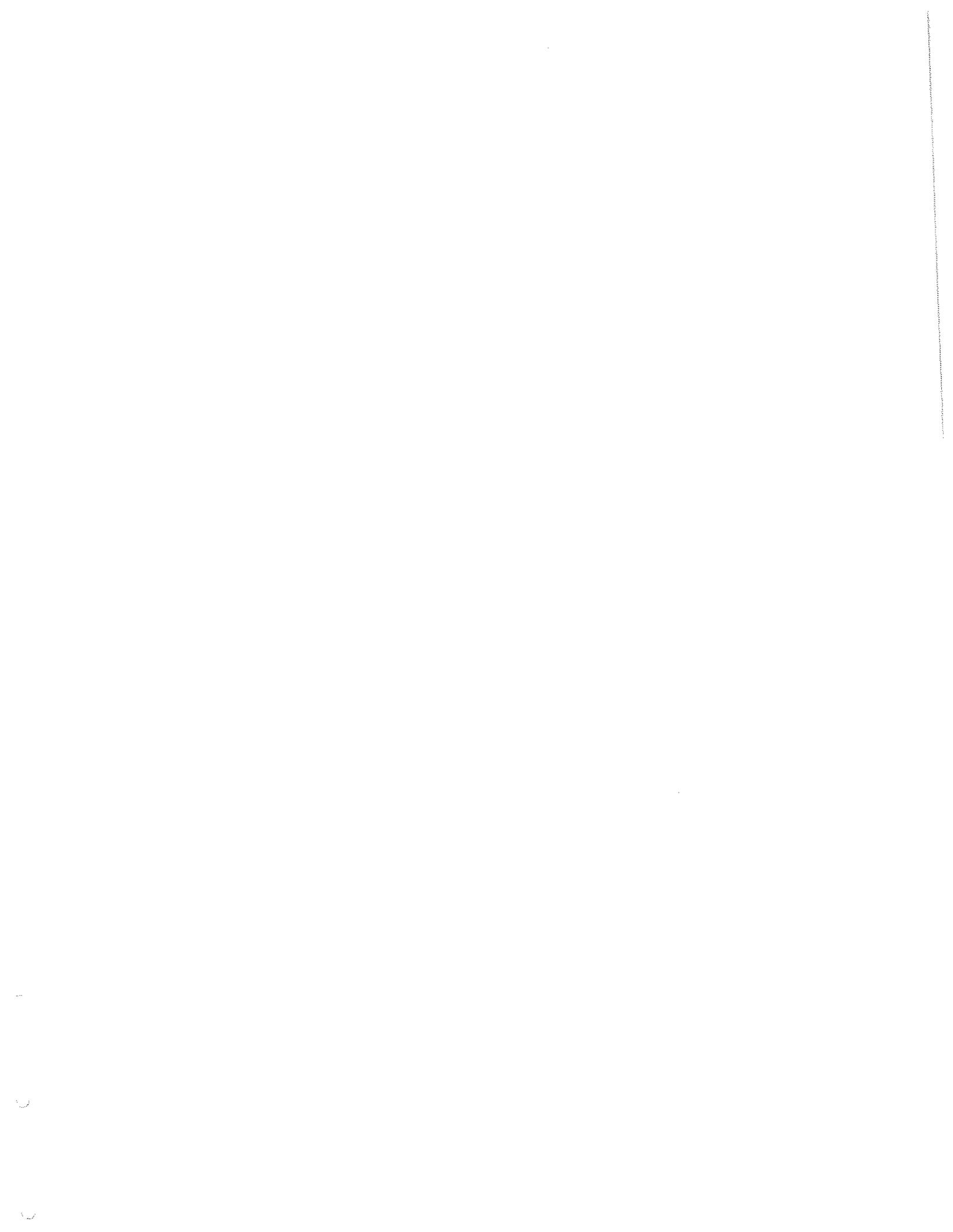
Mr. James Jeffrey, a member of the Board of Logan County Public Service District, and Mr. Rick Roberts, General Manager of said District, presented a proposal to terminate the purchase of water from the Water Board of the City of Logan and to purchase water therefrom to provide service to Whitman Creek and the Regional Jail. They represented that this would not increase the burden on the City's water system because the consumption on Whitman Creek and at the Regional Jail would not exceed the consumption at Rum Creek. It was pointed out by the Mayor that the Water Board of the City of Logan must be involved in the consideration of the proposal, but the Council indicated that it would favorably consider it.

The Council went into executive session to consider personnel matters. Thereafter the Council returned and the Mayor announced that no decision has been made.

Thereupon the meeting adjourned.

City Attorney

Mayor



A RESOLUTION AMENDING THE RESOLUTION ADOPTED BY THE COUNCIL OF THE CITY OF LOGAN ON AUGUST 18, 1995, SUPPLEMENTING THE BOND ORDINANCE ADOPTED BY THE COUNCIL OF THE CITY OF LOGAN ON MAY 9, 1995, PROVIDING AS TO DATE, SERIES, INTEREST RATE, MATURITIES, SALE PRICE, REDEMPTION PROVISIONS AND OTHER TERMS OF THE SUBORDINATE SEWERAGE SYSTEM REVENUE BONDS, SERIES 1995, OF THE CITY OF LOGAN; APPROVING AND RATIFYING A LOAN AGREEMENT RELATING TO SUCH BONDS; DESIGNATING THE DEPOSITORY BANK, BOND REGISTRAR AND PAYING AGENT IN CONNECTION WITH SAID BONDS; AND MAKING OTHER PROVISION AS TO THE BONDS.

WHEREAS, the Council of The City of Logan (the "Council"), West Virginia (the "City"), on August 18, 1995, adopted a Resolution entitled "A Resolution Supplementing the Bond Ordinance Adopted by the Council of The City of Logan On May 9, 1995, Providing as to Date, Series, Interest Rate, Maturities, Sale Price, Redemption Provisions and Other Terms of the Subordinate Sewerage System Revenue Bonds, Series 1995, of The City of Logan; Approving and Ratifying a Loan Agreement Relating to Such Bonds; Designating the Depository Bank, Bond Registrar and Paying Agent in Connection with Said Bonds; and Making Other Provision as to the Bonds" (the "Supplemental Resolution"); and

WHEREAS, capitalized terms used and not otherwise defined in this Amendatory Resolution have the respective meanings given them in the Supplemental Resolution and in the Bond Ordinance described therein; and

WHEREAS, the Bond Ordinance authorized Phase III of certain extensions, improvements and betterments to the existing public sewerage facilities of the City, as described in and financed in part pursuant to an agreement with the United States

Environmental Protection Agency for Grant No. C-540292-02, originally awarded on October 7, 1985 (the "Project"), and the payment of certain remaining costs of Phase II of the Project; and

WHEREAS, the Bond Ordinance supplemented the Ordinance adopted by the Council on August 11, 1987, authorizing the 1987 Subordinate Bonds and the 1987 Supplemental Bonds to finance a portion of the cost of acquisition and construction of the Project, and the Bonds are part of the over-all financing of the Project; and

WHEREAS, the City expended \$104,000 of revenues derived from the System after the costs for Phase II of the Project, which were to be paid in part with the proceeds of the 1993 Subordinate Bonds and the 1993 Supplemental Bonds, had been finalized, to pay for vehicles, equipment and tools and to make other capital expenditures that should have been included as part of the Project, and the City may reimburse itself therefor from the proceeds of the Bonds; and

WHEREAS, the Authority is willing to purchase Bonds in the aggregate principal amount of \$377,980, increased from \$273,980, to finance such reimbursement; and

WHEREAS, the rates for the System were established assuming Bonds in an aggregate principal amount exceeding \$400,000 with interest in excess of 7% per annum; and

WHEREAS, it is in the best interests of the City, the Sanitary Board, the System, the residents of the City and the customers of the System to increase the aggregate principal amount

of the Bonds to \$377,980 and to reimburse the City for said capital expenditures;

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF LOGAN, WEST VIRGINIA, AS FOLLOWS:

1. Section 1 of the Supplemental Resolution is hereby amended and re-enacted to read as follows:

(1) The City does hereby authorize the acquisition and construction of the Project in accordance with the plans and specifications prepared by the Consulting Engineers and the provisions of the Ordinance, and the reimbursement of the City for certain capital expenditures previously made from the revenues of the System that could have been financed with the proceeds of the Prior Subordinate Bonds and the Prior Supplemental Bonds, including but not limited to vehicles, equipment and tools.

2. Section 2 of the Supplemental Resolution is hereby amended and re-enacted to read as follows:

(2) 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 1995, in the aggregate principal amount of \$377,980 (the "Bonds"), all in the form set forth below and in the Ordinance:

(a) The Bonds of the City shall be originally issued in the form of a single bond, numbered R-1 and designated Series 1995, in the principal amount of \$377,980. The Bonds shall be dated the date of delivery thereof, shall bear interest at the rate of six and three fourths percent (6.75%) per annum, payable semiannually on April 1 and October 1 of each year, first interest payable October 1, 1995, shall be subject to redemption upon 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 Bonds, and shall be payable in installments of principal on October 1 of each of the years from 1996 through 2033, inclusive, and in the amounts as set forth in "Schedule X," attached to the Loan Agreement and incorporated therein and herein by reference.

3. Schedule X attached to the Supplemental Resolution is hereby amended and re-enacted to read as Schedule X attached to this Amendatory Resolution.

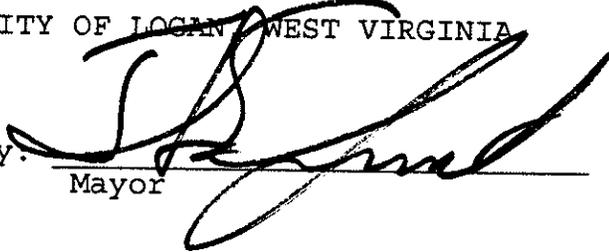
4. All the proceeds of the Bonds except the capitalized interest shall be credited to the 1995 Bond Construction Trust Fund; provided, however, that certain proceeds may, rather than being deposited in the 1995 Bond Construction Trust Fund, be paid directly by the Authority as directed by the City. Specifically, the Authority may pay Bond proceeds directly to Bank One West Virginia, Logan, N.A., for the repayment of certain interim financing, and the City may endorse to the West Virginia Municipal Bond Commission a check received from the Authority for a portion of the proceeds of the Bonds.

5. This Amendatory Resolution shall be a supplemental resolution as authorized by and within the meaning of the Bond Ordinance.

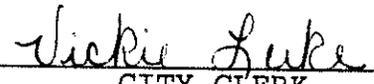
6. This Amendatory Resolution shall be effective immediately upon adoption.

Resolution adopted August 30, 1995.

CITY OF LOGAN, WEST VIRGINIA

By: 
Mayor

ATTEST:


CITY CLERK

(SEAL)

ABB0A1FB

BOND DEBT SERVICE

SCHEDULE X

West Virginia Water Development Authority
City of Logan

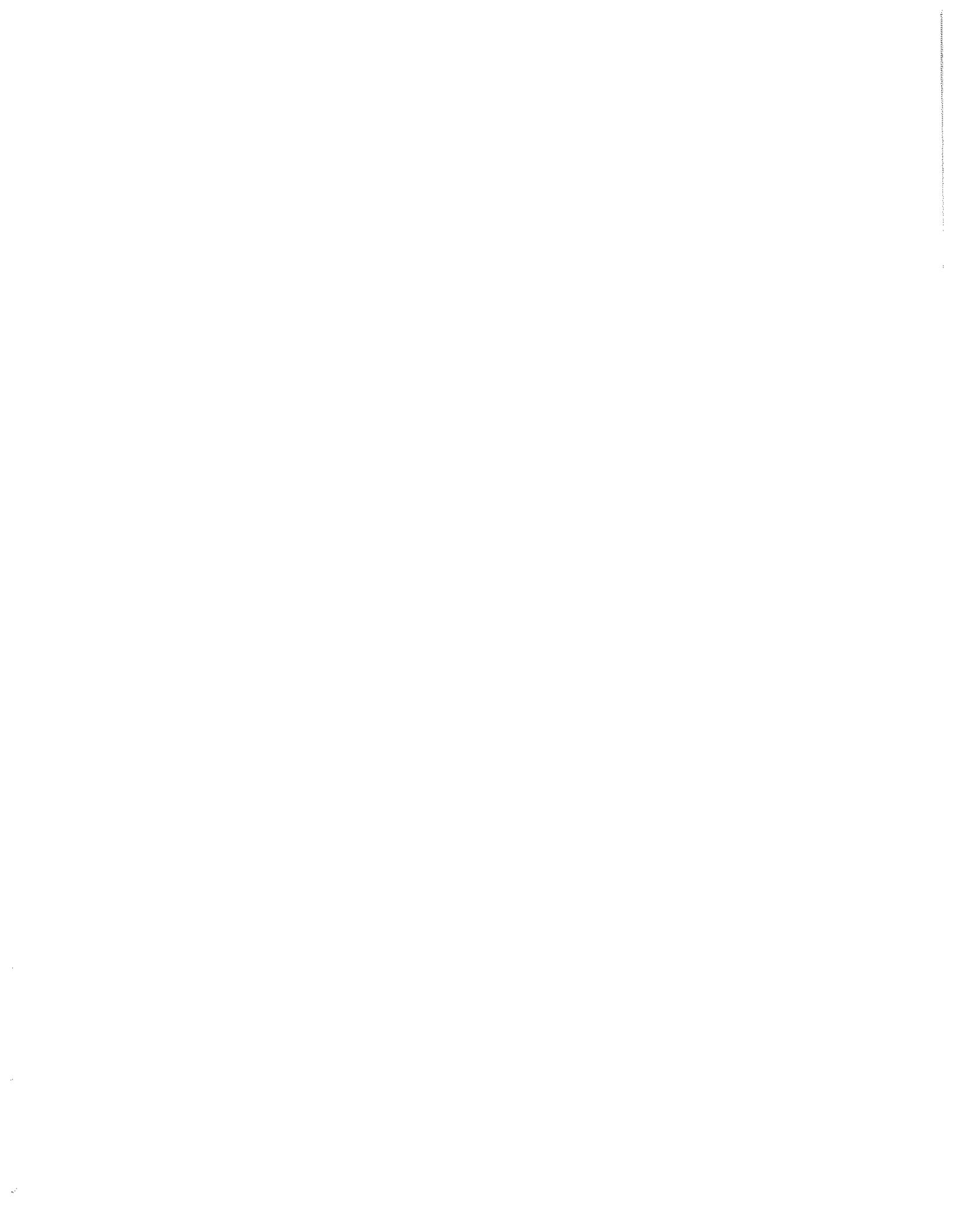
Dated Date 8/31/1995
Delivery Date 8/31/1995

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
Aug 31, 1995	-	-	-	-	-
Oct 1, 1995	-	-	-	-	-
Apr 1, 1996	-	-	2,197.01	2,197.01	2,197.01
Oct 1, 1996	-	-	12,756.83	12,756.83	-
Apr 1, 1997	2,326.00	6.750%	12,756.83	15,082.83	27,839.66
Oct 1, 1997	-	-	12,678.32	12,678.32	-
Apr 1, 1998	2,484.00	6.750%	12,678.32	15,182.32	27,840.64
Oct 1, 1998	-	-	12,594.49	12,594.49	-
Apr 1, 1999	2,651.00	6.750%	12,594.49	15,245.49	27,839.98
Oct 1, 1999	-	-	12,505.02	12,505.02	-
Apr 1, 2000	2,830.00	6.750%	12,505.02	15,335.02	27,840.04
Oct 1, 2000	-	-	12,409.50	12,409.50	-
Apr 1, 2001	3,021.00	6.750%	12,409.50	15,430.60	27,840.00
Oct 1, 2001	-	-	12,307.55	12,307.55	-
Apr 1, 2002	3,225.00	6.750%	12,307.55	15,532.55	27,840.10
Oct 1, 2002	-	-	12,198.70	12,198.70	-
Apr 1, 2003	3,443.00	6.750%	12,198.70	15,641.70	27,840.40
Oct 1, 2003	-	-	12,082.50	12,082.50	-
Apr 1, 2004	3,675.00	6.750%	12,082.50	15,757.50	27,840.00
Oct 1, 2004	-	-	11,958.47	11,958.47	-
Apr 1, 2005	3,923.00	6.750%	11,958.47	15,881.47	27,839.94
Oct 1, 2005	-	-	11,826.07	11,826.07	-
Apr 1, 2006	4,188.00	6.750%	11,826.07	16,014.07	27,840.14
Oct 1, 2006	-	-	11,684.72	11,684.72	-
Apr 1, 2007	4,471.00	6.750%	11,684.72	16,155.72	27,840.44
Oct 1, 2007	-	-	11,533.83	11,533.83	-
Apr 1, 2008	4,772.00	6.750%	11,533.83	16,305.83	27,839.66
Oct 1, 2008	-	-	11,372.77	11,372.77	-
Apr 1, 2009	5,095.00	6.750%	11,372.77	16,467.77	27,840.54
Oct 1, 2009	-	-	11,200.82	11,200.82	-
Apr 1, 2010	5,439.00	6.750%	11,200.82	16,639.82	27,840.84
Oct 1, 2010	-	-	11,017.25	11,017.25	-
Apr 1, 2011	5,806.00	6.750%	11,017.25	16,823.25	27,840.50
Oct 1, 2011	-	-	10,821.30	10,821.30	-
Apr 1, 2012	6,197.00	6.750%	10,821.30	17,018.30	27,839.60
Oct 1, 2012	-	-	10,612.15	10,612.15	-
Apr 1, 2013	6,618.00	6.750%	10,612.15	17,229.15	27,840.30
Oct 1, 2013	-	-	10,388.88	10,388.88	-
Apr 1, 2014	7,062.00	6.750%	10,388.88	17,450.88	27,839.72
Oct 1, 2014	-	-	10,150.52	10,150.52	-
Apr 1, 2015	7,539.00	6.750%	10,150.52	17,689.52	27,840.04
Oct 1, 2015	-	-	9,898.07	9,898.07	-
Apr 1, 2016	8,048.00	6.750%	9,898.07	17,844.07	27,840.14
Oct 1, 2016	-	-	9,624.45	9,624.45	-
Apr 1, 2017	8,591.00	6.750%	9,624.45	18,215.45	27,839.90
Oct 1, 2017	-	-	9,334.51	9,334.51	-
Apr 1, 2018	9,171.00	6.750%	9,334.51	18,505.51	27,840.02
Oct 1, 2018	-	-	9,024.99	9,024.99	-
Apr 1, 2019	9,790.00	6.750%	9,024.99	18,814.99	27,839.98
Oct 1, 2019	-	-	8,694.57	8,694.57	-
Apr 1, 2020	10,451.00	6.750%	8,694.57	19,146.57	27,840.14
Oct 1, 2020	-	-	8,341.85	8,341.85	-
Oct 1, 2020	11,156.00	6.750%	8,341.85	19,487.85	27,839.70

BOND DEBT SERVICE

West Virginia Water Development Authority
City of Logan

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
Apr 1, 2021	-	-	7,985.34	7,985.34	-
Oct 1, 2021	11,809.00	6.750%	7,985.34	19,874.34	27,839.88
Apr 1, 2022	-	-	7,563.41	7,563.41	-
Oct 1, 2022	12,713.00	6.760%	7,563.41	20,276.41	27,839.82
Apr 1, 2023	-	-	7,134.35	7,134.35	-
Oct 1, 2023	13,571.00	6.750%	7,134.35	20,705.35	27,839.70
Apr 1, 2024	-	-	6,878.32	6,878.32	-
Oct 1, 2024	14,487.00	6.750%	6,878.32	21,663.32	27,839.64
Apr 1, 2025	-	-	6,187.39	-6,187.39	-
Oct 1, 2025	15,465.00	6.750%	6,187.39	21,652.39	27,839.78
Apr 1, 2026	-	-	5,885.44	5,885.44	-
Oct 1, 2026	16,509.00	6.750%	5,885.44	22,174.44	27,839.88
Apr 1, 2027	-	-	5,108.27	5,108.27	-
Oct 1, 2027	17,624.00	6.750%	5,108.27	22,732.27	27,840.54
Apr 1, 2028	-	-	4,513.46	4,513.46	-
Oct 1, 2028	18,813.00	6.750%	4,513.46	23,326.46	27,839.92
Apr 1, 2029	-	-	3,878.52	3,878.52	-
Oct 1, 2029	20,083.00	6.750%	3,878.52	23,981.52	27,840.04
Apr 1, 2030	-	-	3,200.72	3,200.72	-
Oct 1, 2030	21,439.00	6.750%	3,200.72	24,639.72	27,840.44
Apr 1, 2031	-	-	2,477.15	2,477.15	-
Oct 1, 2031	22,888.00	6.750%	2,477.15	25,383.15	27,840.30
Apr 1, 2032	-	-	1,704.75	1,704.75	-
Oct 1, 2032	24,431.00	6.750%	1,704.75	26,136.75	27,840.50
Apr 1, 2033	-	-	880.20	880.20	-
Oct 1, 2033	26,080.00	6.750%	880.20	26,960.20	27,840.40
	377,980.00		662,139.87	1,060,119.87	1,050,119.87



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

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

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

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

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

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

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

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

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

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

ARTICLE II

The Project and the System

2.1 The Project shall generally consist of the construction and acquisition of the facilities described in the Application, to be, being or having been constructed in accordance with plans, specifications and designs prepared for the Governmental Agency by the Consulting Engineers, the Authority having found, to the extent applicable, that the Project is consistent with the applicable comprehensive plan of water management approved by the Director of the West Virginia Division of Natural Resources* (or in the process of preparation by such

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

Director), has been approved by the West Virginia Bureau of Public Health and is consistent with the standards set by the West Virginia Water Resources Board for the waters of the State affected thereby.

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE III

Conditions to Loan; Issuance of Local Bonds

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

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

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

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

Engineers to such effect the form of which certificate is attached hereto as Exhibit A;

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

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

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

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

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

(i) Such rates and charges for the System shall be sufficient to comply with the provisions of Subsection 4.1(b)(ii) hereof, and the Authority shall have received a certificate of the

accountants for the Governmental Agency, or such other person or firm experienced in the finances of governmental agencies and satisfactory to the Authority, to such effect; and

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

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

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

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

3.5 The Governmental Agency understands and acknowledges that it is one of several governmental agencies which have applied

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

ARTICLE IV

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

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

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

(b) Covenants substantially as follows:

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

(ii) That the schedule of rates or charges for the services of the System shall be sufficient to provide funds which, along with other revenues of the System, will pay all Operating Expenses and leave a balance each year equal to at least

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

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

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

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

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

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

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

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

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

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

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

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

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

Authority, the proceeds of the Local Bonds may be used to fund all or a portion of the Reserve Account, on which the owner of the Local Bonds shall have a lien as provided herein;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE V

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

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

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

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

5.3 In the event the Governmental Agency defaults in the payment of any fees due to the Authority pursuant to Section 4.6 hereof, the amount of such default shall bear interest at the interest rate of the installment of the Loan next due, from the date of the default until the date of the payment thereof.

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

ARTICLE VI

Other Agreements of the Governmental Agency

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

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

Authority, the Governmental Agency may issue and sell to the Authority additional, subordinate bonds for such purposes as may be acceptable to the Authority.

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

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

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

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

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

6.8 The Governmental Agency hereby agrees to file with the Authority upon completion of acquisition and construction of

the Project a schedule in substantially the form of Amended Schedule A to the Application, setting forth the actual costs of the Project and sources of funds therefor.

ARTICLE VII

Miscellaneous

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

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

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

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

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

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

7.7 By execution and delivery of this Loan Agreement, notwithstanding the date hereof, the Governmental Agency specifically recognizes that it is hereby agreeing to sell its Local Bonds to the Authority and that such obligation may be

specifically enforced or subject to a similar equitable remedy by the Authority.

7.8 This Loan Agreement shall terminate upon the earlier of:

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

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

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

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

City of Logan
[Proper Name of Governmental Agency]

By: [Signature]

Its: Mayor

Date: August 31, 1995

(SEAL)

Attest:

[Signature: Vickie Luke]

Its: Recorder

WEST VIRGINIA WATER DEVELOPMENT
AUTHORITY

By: [Signature: Daniel B. Yenkosky]
Director

(SEAL)

Attest:

[Signature: Barbara B. Meadows]
Secretary-Treasurer

Date: August 31, 1995

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 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 Agreement, (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:

<u>Year</u>	<u>Installment</u>	<u>Interest Rate</u>
-------------	--------------------	----------------------

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: _____

<u>ITEM</u>	<u>CURRENT MONTH</u>	<u>YEAR TO DATE</u>	<u>BUDGET YEAR TO DATE</u>	<u>DIFFERENCE</u>
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

ABB0017F

WDA-5X
(May 1993)

SCHEDULE X
DESCRIPTION OF LOCAL BONDS

Principal Amount of Local Bonds \$ 377,980
Purchase Price of Local Bonds \$ 377,980

Interest on the Local Bonds is payable on April 1 and October 1 in each year, beginning with the first semiannual interest payment date after delivery of the Local Bonds to the Authority, until the Local Bonds are paid in full, at the rate of 6.75 % per annum. Principal of the Local Bonds is payable on October 1 in each year as set forth on Exhibit 1 attached hereto and incorporated herein by reference.

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

Water Development Authority - Subordinate Sewerage System Revenue Bonds, Series 1987, issued 9/25/87 in the original amount of \$623,087, and Series 1993, issued 3/29/93 in the original amount of \$2,284,839.

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 1994 SERIES A LOCAL LOAN PROGRAM

BOND DEBT SERVICE

West Virginia Water Development Authority
City of Logan

Dated Date 8/31/1995
Delivery Date 8/31/1995

\$377,980

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
Aug 31, 1995	-	-	-	-	-
Oct 1, 1995	-	-	2,197.01	2,197.01	2,197.01
Apr 1, 1996	-	-	12,756.83	12,756.83	-
Oct 1, 1996	2,326.00	6.750%	12,756.83	15,082.83	27,839.66
Apr 1, 1997	-	-	12,678.32	12,678.32	-
Oct 1, 1997	2,484.00	6.750%	12,678.32	15,162.32	27,840.64
Apr 1, 1998	-	-	12,594.49	12,594.49	-
Oct 1, 1998	2,651.00	6.750%	12,594.49	15,245.49	27,839.98
Apr 1, 1999	-	-	12,505.02	12,505.02	-
Oct 1, 1999	2,830.00	6.750%	12,505.02	15,335.02	27,840.04
Apr 1, 2000	-	-	12,409.50	12,409.50	-
Oct 1, 2000	3,021.00	6.750%	12,409.50	15,430.50	27,840.00
Apr 1, 2001	-	-	12,307.55	12,307.55	-
Oct 1, 2001	3,225.00	6.750%	12,307.55	15,532.55	27,840.10
Apr 1, 2002	-	-	12,198.70	12,198.70	-
Oct 1, 2002	3,443.00	6.750%	12,198.70	15,641.70	27,840.40
Apr 1, 2003	-	-	12,082.50	12,082.50	-
Oct 1, 2003	3,675.00	6.750%	12,082.50	15,757.50	27,840.00
Apr 1, 2004	-	-	11,958.47	11,958.47	-
Oct 1, 2004	3,923.00	6.750%	11,958.47	15,881.47	27,839.94
Apr 1, 2005	-	-	11,826.07	11,826.07	-
Oct 1, 2005	4,188.00	6.750%	11,826.07	16,014.07	27,840.14
Apr 1, 2006	-	-	11,684.72	11,684.72	-
Oct 1, 2006	4,471.00	6.750%	11,684.72	16,155.72	27,840.44
Apr 1, 2007	-	-	11,533.83	11,533.83	-
Oct 1, 2007	4,772.00	6.750%	11,533.83	16,305.83	27,839.66
Apr 1, 2008	-	-	11,372.77	11,372.77	-
Oct 1, 2008	5,095.00	6.750%	11,372.77	16,467.77	27,840.54
Apr 1, 2009	-	-	11,200.82	11,200.82	-
Oct 1, 2009	5,439.00	6.750%	11,200.82	16,639.82	27,840.64
Apr 1, 2010	-	-	11,017.25	11,017.25	-
Oct 1, 2010	5,806.00	6.750%	11,017.25	16,823.25	27,840.50
Apr 1, 2011	-	-	10,821.30	10,821.30	-
Oct 1, 2011	6,197.00	6.750%	10,821.30	17,018.30	27,839.60
Apr 1, 2012	-	-	10,612.15	10,612.15	-
Oct 1, 2012	6,616.00	6.750%	10,612.15	17,228.15	27,840.30
Apr 1, 2013	-	-	10,388.86	10,388.86	-
Oct 1, 2013	7,062.00	6.750%	10,388.86	17,450.86	27,839.72
Apr 1, 2014	-	-	10,150.52	10,150.52	-
Oct 1, 2014	7,539.00	6.750%	10,150.52	17,689.52	27,840.04
Apr 1, 2015	-	-	9,896.07	9,896.07	-
Oct 1, 2015	8,048.00	6.750%	9,896.07	17,944.07	27,840.14
Apr 1, 2016	-	-	9,624.45	9,624.45	-
Oct 1, 2016	8,591.00	6.750%	9,624.45	18,215.45	27,839.90
Apr 1, 2017	-	-	9,334.51	9,334.51	-
Oct 1, 2017	9,171.00	6.750%	9,334.51	18,505.51	27,840.02
Apr 1, 2018	-	-	9,024.99	9,024.99	-
Oct 1, 2018	9,790.00	6.750%	9,024.99	18,814.99	27,839.98
Apr 1, 2019	-	-	8,694.57	8,694.57	-
Oct 1, 2019	10,451.00	6.750%	8,694.57	19,145.57	27,840.14
Apr 1, 2020	-	-	8,341.85	8,341.85	-
Oct 1, 2020	11,156.00	6.750%	8,341.85	19,497.85	27,839.70

BOND DEBT SERVICE

West Virginia Water Development Authority
City of Logan

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
Apr 1, 2021	-	-	7,965.34	7,965.34	-
Oct 1, 2021	11,909.00	6.750%	7,965.34	19,874.34	27,839.68
Apr 1, 2022	-	-	7,563.41	7,563.41	-
Oct 1, 2022	12,713.00	6.750%	7,563.41	20,276.41	27,839.82
Apr 1, 2023	-	-	7,134.35	7,134.35	-
Oct 1, 2023	13,571.00	6.750%	7,134.35	20,705.35	27,839.70
Apr 1, 2024	-	-	6,676.32	6,676.32	-
Oct 1, 2024	14,487.00	6.750%	6,676.32	21,163.32	27,839.64
Apr 1, 2025	-	-	6,187.39	6,187.39	-
Oct 1, 2025	15,465.00	6.750%	6,187.39	21,652.39	27,839.78
Apr 1, 2026	-	-	5,665.44	5,665.44	-
Oct 1, 2026	16,509.00	6.750%	5,665.44	22,174.44	27,839.88
Apr 1, 2027	-	-	5,108.27	5,108.27	-
Oct 1, 2027	17,624.00	6.750%	5,108.27	22,732.27	27,840.54
Apr 1, 2028	-	-	4,513.46	4,513.46	-
Oct 1, 2028	18,813.00	6.750%	4,513.46	23,326.46	27,839.92
Apr 1, 2029	-	-	3,878.52	3,878.52	-
Oct 1, 2029	20,083.00	6.750%	3,878.52	23,961.52	27,840.04
Apr 1, 2030	-	-	3,200.72	3,200.72	-
Oct 1, 2030	21,439.00	6.750%	3,200.72	24,639.72	27,840.44
Apr 1, 2031	-	-	2,477.15	2,477.15	-
Oct 1, 2031	22,886.00	6.750%	2,477.15	25,363.15	27,840.30
Apr 1, 2032	-	-	1,704.75	1,704.75	-
Oct 1, 2032	24,431.00	6.750%	1,704.75	26,135.75	27,840.50
Apr 1, 2033	-	-	880.20	880.20	-
Oct 1, 2033	26,080.00	6.750%	880.20	26,960.20	27,840.40
	377,980.00		682,139.87	1,060,119.87	1,060,119.87

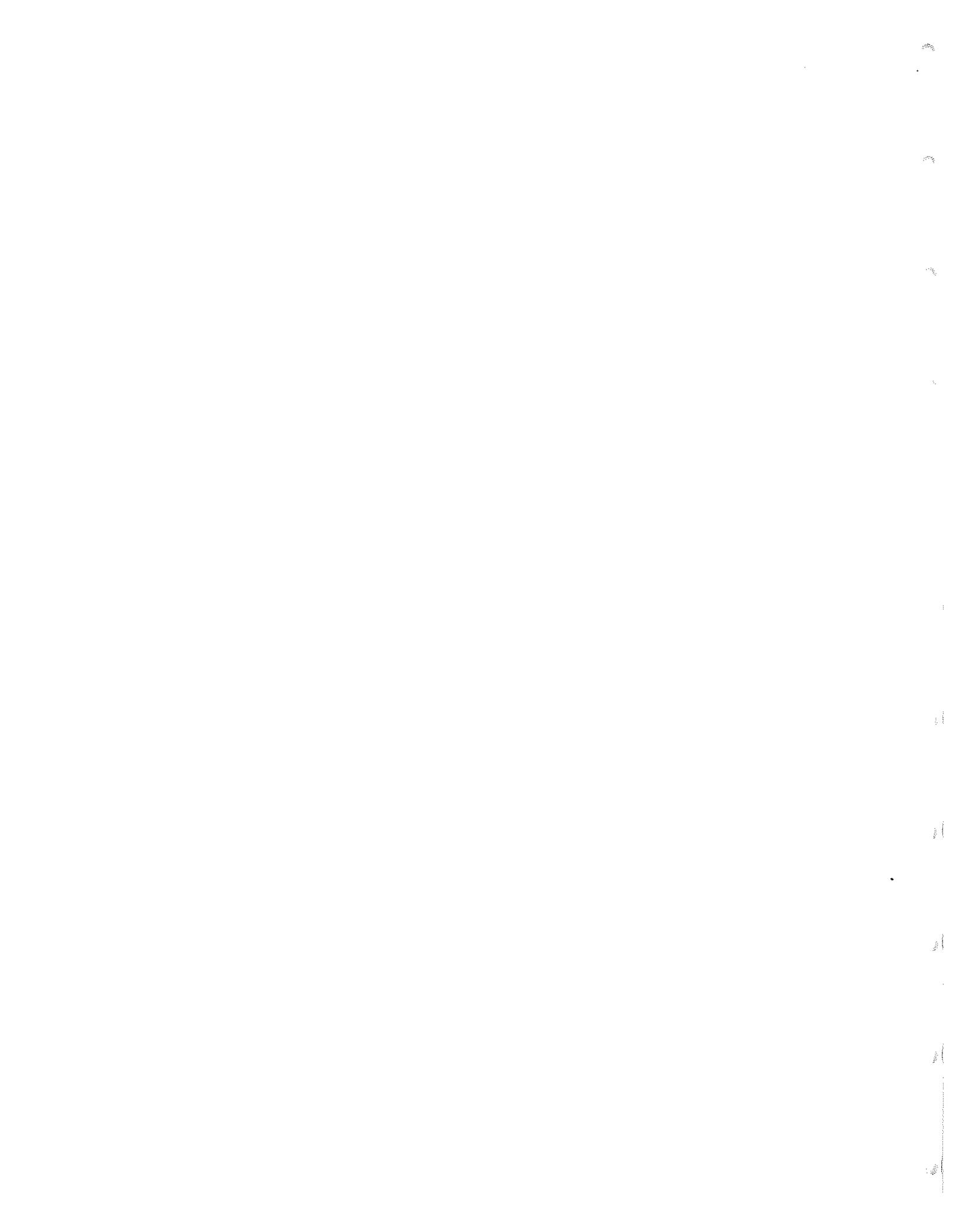
SCHEDULE Y
REVENUES

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.

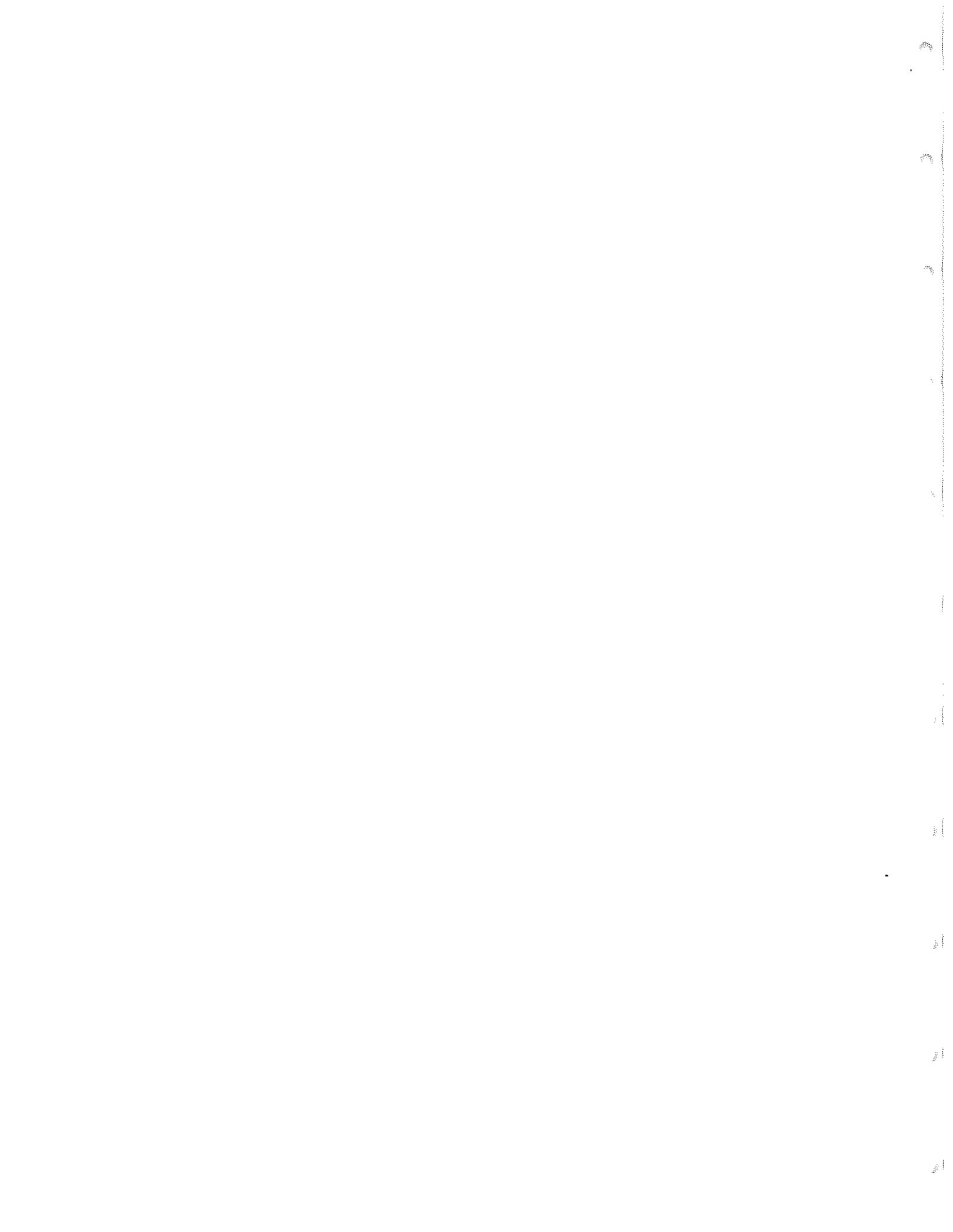
Additional Conditions and Covenants

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 Environmental Protection 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 Environmental Protection and approval of the "Part B" supplement to its EPA grant agreement.

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



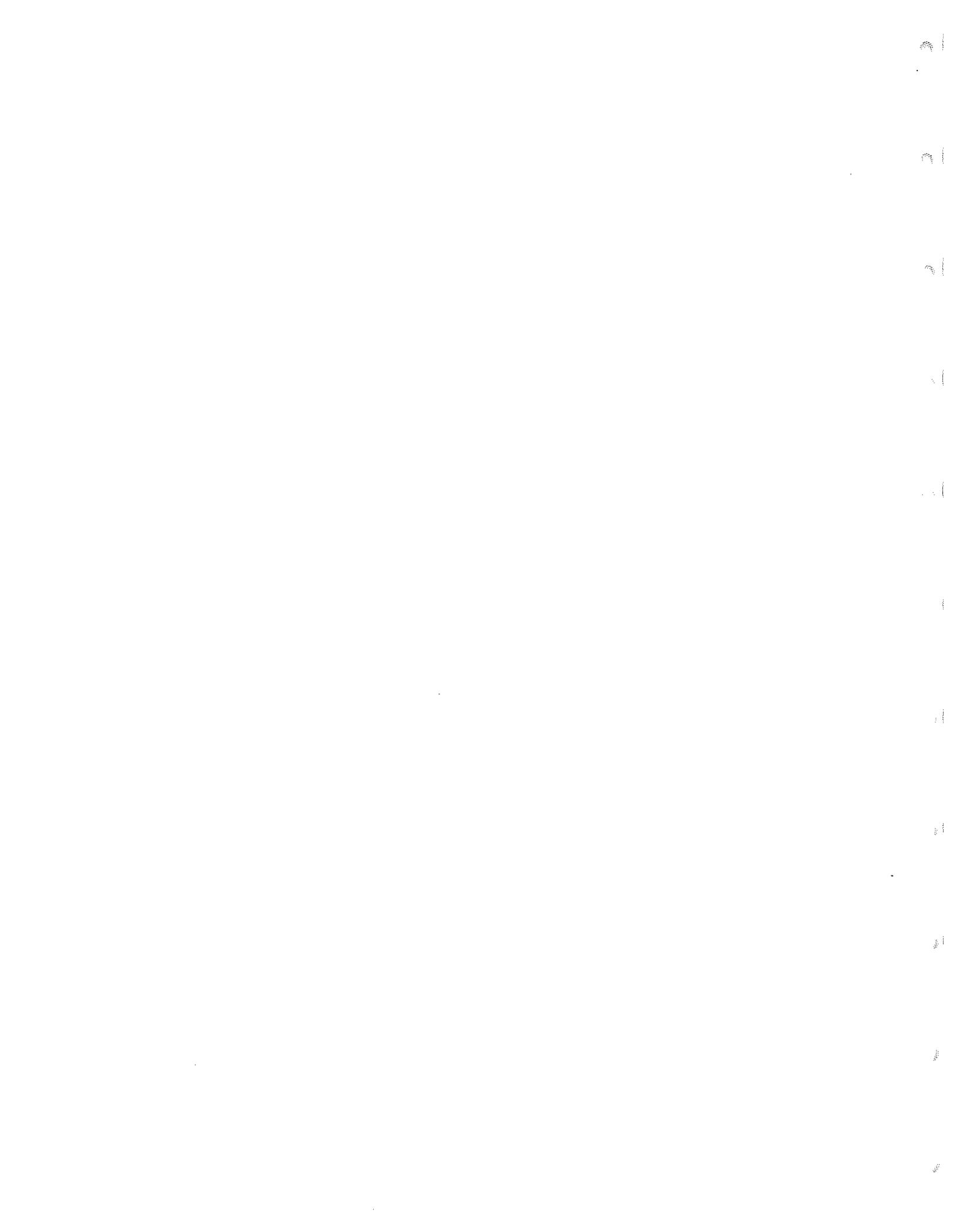
That the Governmental Agency will, to the full extent permitted by applicable law and the rules and regulations of the PSC, discontinue and shut off the services and facilities of the System and, in the event the Governmental Agency owns a water facility (the "Water System"), the Water System to all 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.

**PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON**

At a session of the PUBLIC SERVICE COMMISSION OF WEST VIRGINIA, in the City of Charleston on the 14th day of August, 1995.

CASE NO. 95-0058-S-CN

THE CITY OF LOGAN, a municipal corporation,
Logan County.

Application for a certificate of convenience
and necessity to make improvements to its
sewerage system and for approval of financing
incidental thereto.

COMMISSION ORDER

On January 25, 1995, The City of Logan, a municipal corporation, Logan County, filed with the Commission, pursuant to West Virginia Code Section 24-2-11, a duly verified application for a certificate of convenience and necessity to make improvements to its sewerage system in three downtown locations (the intersection of Stratton Street and Holland Street; the intersection of Stratton Street, Main Street and Logan Boulevard; and Dingess Street, behind City Hall and down river from Morgan Street), and for approval of financing incidental thereto.

On February 17, 1995, the Commission Referral Order was entered in this proceeding, referring this matter to the Division of Administrative Law Judges for decision on or before August 23, 1995.

By recommended decision entered August 11, 1995, Administrative Law Judge Sunya Anderson approved the application in question, as amended by certain submissions on July 14 and 26, 1995. The recommended decision in question also approved the financing for the project covered by the instant application.

Later in the day on August 11, 1995, T.D. Kauffelt, Esq., counsel for The City of Logan, filed a petition with the Commission seeking a waiver of the 15-day period for filing exceptions to the aforesaid recommended decision. Mr. Kauffelt advised the Commission that financing of the matter and acceptance of bids is ready to close immediately and the City of Logan believes it is extremely important that the recommended decision become effective at the earliest possible date. Cassius H. Toon, Esq., counsel for Commission Staff, authorized Mr. Kauffelt to indicate that Commission Staff is in agreement with the requested waiver.

West Virginia Code Section 24-1-9 provides for a time period of at least twenty (20) days from the date of a recommended order until it becomes effective. According to Section 24-1-9(c), at least fifteen (15) days must be afforded the parties within which to file exceptions. In addition, Section 24-1-9(e) provides that when no exceptions are filed within the specified time period, the Commission shall have an additional five (5) days within which to stay or postpone the order.

The Commission is therefore of the opinion and belief that said petition of waiver received by the Commission on August 11, 1995 should be granted.

IT IS, THEREFORE, ORDERED that the requested waiver be, and the same hereby is, granted.

IT IS FURTHER ORDERED that the Administrative Law Judge's Recommended Decision in Case No. 95-0058-S-CN shall become final five (5) days after the date of this order.

A True Copy, Teste:


Howard M. Cunningham
Executive Secretary

HMC/s

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

Entered: August 11, 1995

CASE NO. 95-0058-S-CN

THE CITY OF LOGAN, a municipal corporation,
Logan County.

Application for a certificate of convenience
and necessity to make improvements to its
sewerage system and for approval of financing
incidental thereto.

RECOMMENDED DECISION

On January 25, 1995, the City of Logan (City), a municipal corporation, by counsel T.D. Kauffelt, filed with the Public Service Commission (Commission), pursuant to West Virginia Code §24-2-11, a duly certified application for a certificate of convenience and necessity to make improvements to its sewerage system in three downtown locations (the intersection of Straton Street and Holland Street; the intersection of Straton Street, Main Street and Logan Boulevard; and Dingess Street, behind City Hall and down river from Morgan Street), and for approval of financing incidental thereto. The application stated that the project is necessary in order to comply with the requirements of law regarding the proper treatment of sewage and that, in order to fund the estimated total construction costs of \$741,144, the City expected to receive grants of \$272,548, and to borrow an estimated \$468,596 from the Water Development Authority (WDA) at an interest rate of 7½%.

On January 25, 1995, the Commission directed the City to publish the Notice of Filing. The Notice of Filing provided that, if no substantial protests to the application were filed within thirty (30) days after date of publication, the Commission might waive formal hearing and grant the application based upon its review of the evidence submitted with the application.

On January 31, 1995, Staff Attorney Cassius H. Toon filed the Initial Joint Staff Memorandum, with attached memorandum from Cleo C. McGraw, Chief Utilities Manager, Water and Sewer Section, Utilities Division of the Commission. Mr. McGraw, referring to Case No. 94-0612-S-CN, stated

Holland Street; the intersection of Straton Street, Main Street and Logan Boulevard; and Dingess Street, behind City Hall and down river from Morgan Street), and for approval of financing incidental thereto. The application stated that the project is necessary in order to comply with the requirements of law regarding the proper treatment of sewage and that, in order to fund the estimated total construction costs of \$741,144, the City expected to receive grants for \$272,548, and to borrow an estimated \$468,596 from the Water Development Authority (WDA) at an interest rate of 7½%. (See Application filed January 25, 1995).

2. Following notice to the public of the application, no protest was filed in response to publication. (See Affidavit of Publication filed February 17, 1995; case file generally).

3. The City Council of the City of Logan passed an ordinance raising rates for sewer service on May 9, 1995, and no protest to the passage of said rates was filed. (See Ordinance filed May 12, 1995; case file generally).

4. Commission Staff reviewed the application, the plans and specifications associated with the project, the construction estimates, and the facilities plans, and was satisfied that the project was consistent with Commission rules and regulations. (See Final Joint Staff Memorandum filed June 13, 1995; Further Joint Staff Memorandum filed August 4, 1995).

5. The estimated total projection costs were revised to be \$503,300, and the revised proposed funding was a grant of \$144,390 from EPA and a WDA loan of \$274,000, payable over 39 years at an interest rate of 6.75%, in addition to \$84,930 in interest earned by prior disbursement of EPA grant money. Commitment letters for said funding have been submitted. (See submissions of July 17 and 26, 1995, and August 10, 1995; Further Joint Staff Memorandum filed August 4, 1995).

6. The project is needed so that sewage is properly treated, and it is economically feasible. (See Final Joint Staff Memorandum filed June 13, 1995; Further Joint Staff Memorandum filed August 4, 1995).

CONCLUSION OF LAW

Because no protest has been filed to the application for a certificate of convenience and necessity filed January 25, 1995, or to the rate ordinance passed by the City of Logan on May 9, 1995; because Commission Staff recommended that the application be approved; because the project is adequately financed and economically feasible; and because the public and convenience and necessity require the proposed project, it is appropriate to grant the application, as amended by submissions of July 14 and 26, 1995, pursuant to W.Va. Code §24-2-11, and to approve the project, as amended, and the proposed funding, as amended.

ORDER

IT IS, THEREFORE, ORDERED that the application for a certificate of convenience and necessity filed by the City of Logan on January 25, 1995,

and the funding proposed thereby, as amended by the submissions of July 14 and 26, 1995, be approved.

IT IS FURTHER ORDERED that, if construction bids exceed the estimated project costs of \$503,300, or if any changes occur regarding the scope or financing of the project, the City of Logan petition the Commission for approval of any such revisions.

IT IS FURTHER ORDERED that the City of Logan file with the Commission's Tariff Office a tariff reflecting its rates and charges as adopted by its new rate ordinance.

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

IT IS FURTHER ORDERED that the Executive Secretary serve a copy of this order upon the Commission by hand delivery, and upon all parties of record by United States Certified Mail, return receipt requested.

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

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

Any party may request waiver of the right to file exceptions to an Administrative Law Judge's Order by filing an appropriate petition in writing with the Secretary. No such waiver will be effective until approved by order of the Commission, nor shall any such waiver operate to make any Administrative Law Judge's Order or Decision the order of the Commission sooner than five (5) days after approval of such waiver by the Commission.



Sunya Anderson
Administrative Law Judge

SA:mal





DIVISION OF ENVIRONMENTAL PROTECTION
617 Broad Street
Charleston, WV 25301-1251

GASTON CAPERTON
GOVERNOR

DAVID C. CALLAGHAN
DIRECTOR

August 1, 1995

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 3 have been reviewed and the Part B approved. The contract may be awarded to the low, responsive bidder, Rover Construction, as indicated by the proposal you submitted.

As there are existing funds in the grant, no action will be taken. The grant remains at \$3,020,380 based on the maximum allowable grant regulation 40 CFR 35.2205.

Certain construction activities have been assigned to our Engineering Section. You will be contacted by a representative of this section in the near future.

Should you have any questions, please contact Rosalie Brodersen at (304) 558-0637 (or TDD 558-2751).

Sincerely,

OFFICE OF WATER RESOURCES

Mike Johnson
Mike Johnson, P.E.
Assistant Chief

MJ/jtw

cc: Lee Murphy
Frank Sampson ✓
K,G,B & W

THE CITY OF LOGAN, WEST VIRGINIA

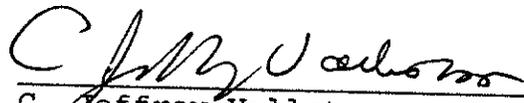
\$377,980 Subordinate Sewerage System
Revenue Bonds, Series 1995

CERTIFICATE OF ACCOUNTANT AS TO COVERAGE AND PARITY TEST

I, C. Jeffrey Vallet, Certified Public Accountant, have reviewed the sewer service rates which were adopted by Council of The City of Logan, West Virginia (the "City"), on May 9, 1995, 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 Amendatory and Supplemental Bond Ordinance and Supplemental Resolution adopted by the Council of the City (the "Council") on May 9, 1995, and August 18, 1995, respectively, as amended by the Amendatory Resolution adopted by the Council on August 30, 1995, and are sufficient to comply with the provisions of the Loan Agreement entered into among the City and the West Virginia Water Development Authority on August 31, 1995.

Further, based upon my investigation and the certification by the Consulting Engineers for the City, it is my opinion that the net revenues actually derived from the System immediately preceding the proposed date of issuance of the Bonds, adjusted to reflect the rates enacted on May 9, 1995, 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, the City's Subordinate Sewerage System Revenue Bonds, Series 1993, the City's Supplemental Subordinate Sewerage System Revenue Bonds, Series 1993, and the Bonds, as required by the parity test of Section 7.08 of the Bond and Note Ordinance adopted by the Council on August 11, 1987, authorizing issuance of said Series 1987 Bonds, and the Amendatory and Supplemental Bond and Note Ordinance adopted by the Council on July 21, 1992, authorizing the issuance of said Series 1993 Bonds.

WITNESS my signature as of this 31st day of August, 1995.



C. Jeffrey Vallet
Certified Public Accountant

ABB09C0F

08-30-1995 10:41AM
C. JEFFREY VALLET, CPA
OWNER

FROM 304+752+3254

TO 13047335900

P.03

AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
WV ASSOCIATION OF
CERTIFIED PUBLIC ACCOUNTANTS

Vallet & Associates, A.C.

210 DINGESS STREET
LOGAN, WEST VIRGINIA 25601
(304) 752-1272

August 28, 1995

Honorable Thomas E. Esposito, Mayor
Chairman Sanitary Board
City Hall - Dingess Street
Logan, WV 25601

Dear Mayor Esposito:

As you requested, I have reviewed the rate schedule now in place. The current rate for sewer service will support a new (additional) loan of \$410,000. repayable over 38 years, interest at 6.75% with no change to these current rates.

Sincerely,

Vallet Associates AC
Vallet & Associates, AC

BCZ

THE CITY OF LOGAN, WEST VIRGINIA
\$377,980 Subordinate Sewerage System Revenue Bonds,
Series 1995

CONSENT AND WAIVER

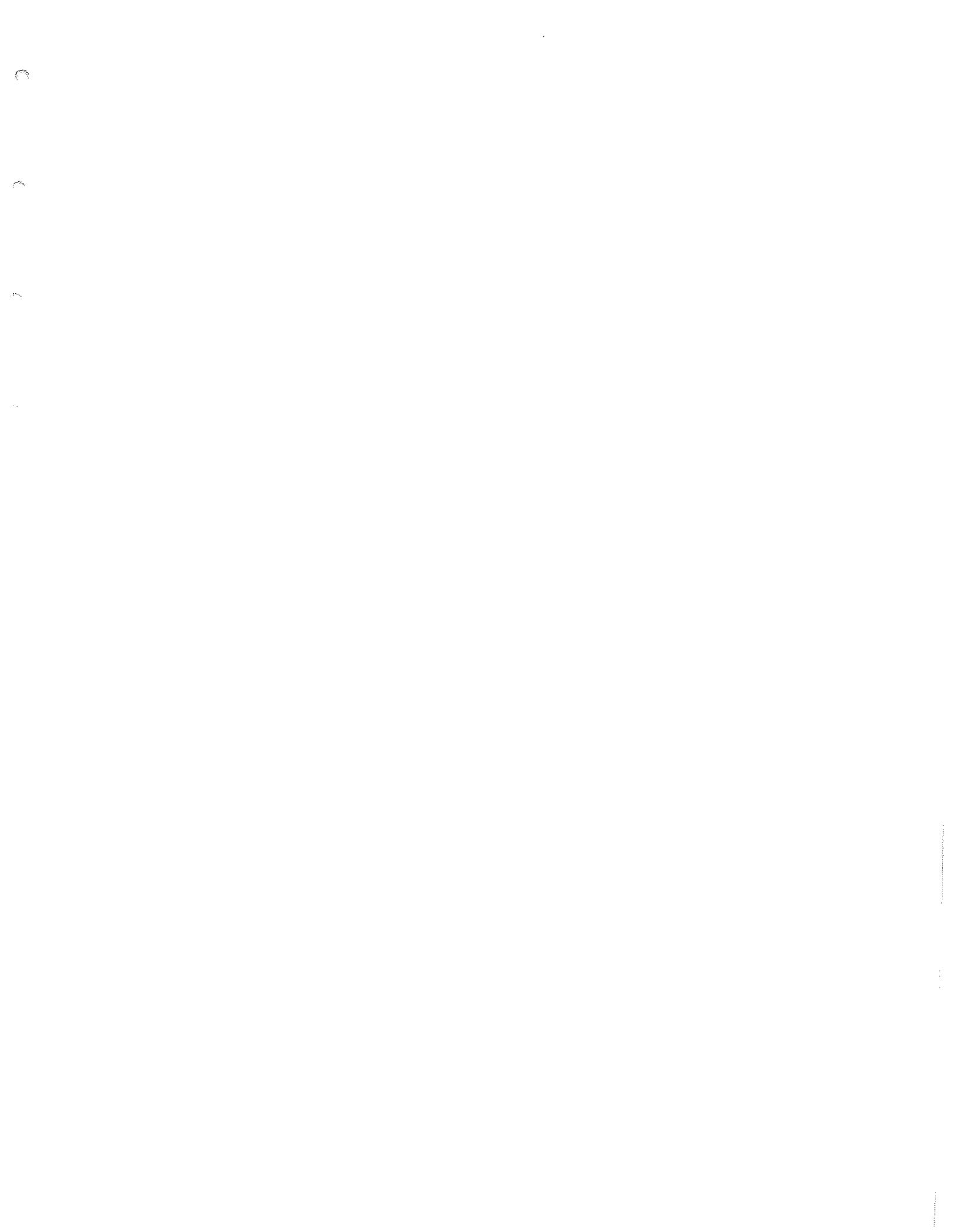
In connection with the issuance of the above-referenced bonds (the "Bonds"), the West Virginia Water Development Authority, as the purchaser of the Bonds and as the registered owner of The City of Logan, West Virginia, Subordinate Sewerage System Revenue Bonds, Series 1987, Supplemental Subordinate Sewerage System Revenue Bonds, Series 1987, Subordinate Sewerage System Revenue Bonds, Series 1993, and Supplemental Subordinate Sewerage System Revenue Bonds, Series 1993 (the "Outstanding Subordinate Bonds" and the "Outstanding Supplemental Bonds," respectively; together, the "Outstanding Bonds"), agrees as follows:

1. To the issuance of the 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 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 commingling of the proceeds of the Bonds in the 1995 Bond Construction Trust Fund, pursuant to Section 5.02 of the Ordinance authorizing the Bonds.

WITNESS my signature as of this 31st day of August, 1995.

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

By: *Daniel B. Yeakob*
Its: *Director*





STATE OF WEST VIRGINIA
WATER DEVELOPMENT AUTHORITY

1201 DUNBAR AVENUE
DUNBAR, WV 25064

Telephone (304) 558-3612
Telecopier (304) 558-0299

December 15, 1994

City of Logan
City Hall
Dingess Street
Logan WV 25601

CITY OF LOGAN - PHASE III WASTEWATER PROJECT

The West Virginia Infrastructure and Jobs Development Council (the "Council") has determined that the above-referenced project is grandfathered and/or exempt from the provisions of Section 31-15A-5 of the West Virginia Infrastructure and Jobs Development Act (the "Act") and is not required to submit a Preliminary Application for the Council's review and approval, provided there are no changes in the scope or in the funding scenario for the project.

It should be expressly understood that any changes, including a decision to seek additional grant funding from any State agency or to seek funding from the Infrastructure Fund, will subject the proposed project to the requirements of the Act.

If you have any questions, you may contact the Council through the Water Development Authority at the above address.

A handwritten signature in black ink, appearing to read "R. L. Isaacs".

RUSSELL L. ISAACS - COUNCIL CHAIRMAN

db

THE CITY OF LOGAN, WEST VIRGINIA

\$377,980 Subordinate Sewerage System
Revenue Bonds, Series 1995

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 CONFLICT OF INTEREST

We, the undersigned MAYOR and the undersigned CLERK of The City of Logan, West Virginia (herein called the "City"), and the undersigned ATTORNEY for the City, as indicated, hereby certify in connection with the single, fully registered The City of Logan, West Virginia Subordinate Sewerage System Revenue Bonds, Series 1995, numbered R-1, dated the date hereof, in the principal amount of \$377,980 and bearing interest at the rate of six and three-fourths percent (6.75%) per annum (the "Subordinate Bonds"), as follows:

1. TERMS: All capitalized words and terms used in this Certificate and not otherwise defined shall have the same meaning as in the Amendatory and Supplemental Bond Ordinance duly passed by the Council (the "Council") of the City on May 9, 1995 and the Supplemental Resolution adopted August 18, 1995, as amended by an Amendatory Resolution adopted on August 30, 1995, relating to the Subordinate Bonds (collectively, the "Ordinance"), and the Loan Agreement (the "Loan Agreement") entered into between the City and the West Virginia Water Development Authority (the "Authority"), dated August 31, 1995.

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 Subordinate Bonds or the use of the proceeds thereof; nor questioning the proceedings and authority by which the Council of the City authorized the issuance and sale of the Subordinate Bonds; nor affecting the validity of the Subordinate 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 sewer system of the City financed in part by the proceeds of sale of the Subordinate Bonds (herein called the "Project"), nor operation by the City of the Project (the Project and any further extensions, additions, improvements or betterments thereto, herein collectively called the "System") or the System, nor challenging the collection or use of the revenues of the System or the pledge of the net revenues to the Subordinate 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 Subordinate 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: The undersigned Mayor hereby certifies that there has been no adverse change in the financial condition of the City since June 26, 1995. There are no outstanding obligations of the City which will rank prior to or on a parity with the Subordinate 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 June 30, 1995, in the aggregate principal amount of \$48,000, which are prior to the Subordinate Bonds; the City's Subordinate Sewerage System Revenue Bonds, Series 1987, outstanding as of June 30, 1995, in the aggregate principal amount of \$604,021, which are on a parity with the Subordinate Bonds; and the City's Subordinate Sewerage System Revenue Bonds, Series 1993, outstanding as of June 30, 1995, in the aggregate principal amount of \$2,263,669, which are on a parity with the Subordinate Bonds. The Mayor hereby further certifies that the City is not in default under the ordinances, resolutions and other documents authorizing said outstanding bonds or under said outstanding bonds.

5. SIGNATURES: The undersigned Mayor and 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 Subordinate Bonds for the City. The seal impressed upon the Subordinate 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 or caused to be 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 11, 1995, in full force and effect. The rates were enacted by ordinance adopted May 9, 1995, and the City has complied with all requirements of the Public Service 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 Council, consisting of five members, a Mayor and a 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:

<u>Office</u>	<u>Name</u>	<u>Date Of Commencement Of Office</u>	<u>Date Of Termination Of Office</u>
Mayor and Chairman			
of Sanitary Board	Thomas E. Esposito	05/01/95	04/30/99
Clerk	Vickie Luke	05/01/95	04/30/99
Council Member	Levie "Duke" Caudill	05/01/95	04/30/99
Council Member	Lilly Lowe	05/01/95	04/30/99
Council Member	Stan Morgan	05/01/95	04/30/99
Council Member	Bea N. Orr	05/01/95	04/30/99
Council Member	Ruth "Sis" Ware	05/01/95	04/30/99

The Sanitary Board is composed of the Mayor and Don Browning and Sergei S. Summers, who were appointed on September 13, 1994. The duly appointed and acting City Attorney is Edward I. Eiland, Esquire, P.O. Box 899, Logan, West Virginia 25601, West Virginia. P.E.
V.L.
T.E.E

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, in the opinion of all the undersigned, 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 Subordinate Bonds.

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.

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 disclosed for the purpose for which it is to be used or which it is necessary to disclose therein in order to make the statements and information therein not misleading.

12. TRUTH AND ACCURACY: As of the date hereof, Thomas E. Esposito, Mayor of the City, and Vickie Luke, Clerk of the City, 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 except by documents also delivered.

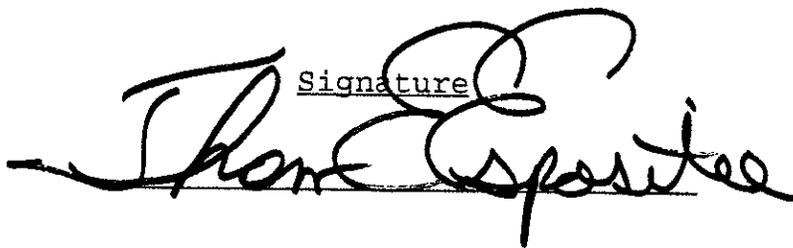
13. SPECIMEN BONDS: Attached hereto as Exhibit A is a specimen of the Subordinate Bonds which, except as to execution and authentication, is identical in all respects with such Subordinate Bonds this day delivered to the Authority and being substantially in the form prescribed in the Ordinance.

14. GRANT: The City has received a grant from the Environmental Protection Agency in the amount of \$3,020,380, which grant is in full force and effect, and of which \$144,390 is allocable to the Project.

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 Subordinate Bonds, the authorizing document and/or the Project, including without limitation, with respect to the depository bank. For purposes of this paragraph, a "substantial financial interest" shall include, without limitation, an interest amounting to more than 5% of the particular business enterprise or contract.

WITNESS our signatures and the official corporate seal of The City of Logan, West Virginia, on this 31st day of August, 1995.

[SEAL]

Signature


Official Title

Mayor and Chairman of the Sanitary Board

Lickie Luke

Clerk

Edward J. Eiland

City Attorney

ABB09C14

EXHIBIT A

SPECIMEN BOND

R-1

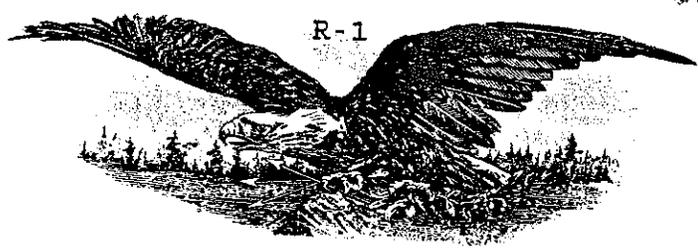


EXHIBIT A

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF LOGAN
SUBORDINATE SEWERAGE SYSTEM REVENUE BOND, SERIES 1995

"SPECIMEN"

No. R-1

\$377,980

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 THREE HUNDRED SEVENTY-SEVEN THOUSAND NINE HUNDRED EIGHTY DOLLARS (\$377,980), 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 October 1, 1995. 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 One Valley Bank, National Association, Charleston, West Virginia, 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 August 31, 1995, 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 "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 up to six months after completion of construction of the Project; and (iii) 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 August 11, 1987, as amended by the Amendatory and Supplemental Bond and Note Ordinance passed by said Council on July 21, 1992, all as supplemented, and as amended and supplemented by the Amendatory and Supplemental Bond Ordinance duly passed by the Council of the City on the 9th day of May, 1995, and supplemented by a resolution duly adopted by the Council of the City on August 18, 1995 (collectively, the "Ordinance"), as amended by a resolution adopted by the Council of the City on August 30, 1995, 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 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 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 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, as hereinafter defined, and on all obligations secured by or payable from such revenues prior to or on a parity with the Bonds, including the 1964 Bonds and the Prior Subordinate

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 Prior Subordinate Bonds in any year, and the reserve accounts for any such obligations prior to or on a parity with the Bonds, including said 1964 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 JUNIOR, SUBORDINATE AND INFERIOR AS TO LIEN ON AND SOURCE OF 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 JUNE 30, 1995, IN THE AGGREGATE PRINCIPAL AMOUNT OF \$48,000 (THE "1964 BONDS").

THIS BOND IS ON A PARITY AS TO LIEN ON AND SOURCE OF 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 \$604,021 (THE "1987 SUBORDINATE BONDS"), AND THE CITY'S SUBORDINATE SEWERAGE SYSTEM REVENUE BONDS, SERIES 1993, OUTSTANDING AS OF THE DATE HEREOF IN THE AGGREGATE PRINCIPAL AMOUNT OF \$2,263,669 (THE "1993 SUBORDINATE BONDS"; TOGETHER WITH THE 1987 SUBORDINATE BONDS, THE "PRIOR SUBORDINATE BONDS").

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 ordinances, 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 August 31, 1955.

[SEAL]

Thomas E. Sparto
Mayor

ATTEST:

Wickie Luke
City Clerk

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CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Subordinate Sewerage System Revenue Bonds, Series 1995, 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: August 31, 1995

ONE VALLEY BANK, NATIONAL
ASSOCIATION, as Registrar

By

Charles Morgan
Its Authorized Officer

EXHIBIT A

SCHEDULE OF ANNUAL DEBT SERVICE

BOND DEBT SERVICE

West Virginia Water Development Authority
City of Logan

Dated Date 8/31/1995
Delivery Date 8/31/1995

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
Aug 31, 1995	-	-	-	-	-
Oct 1, 1995	-	-	2,197.01	2,197.01	2,197.01
Apr 1, 1998	-	-	12,758.83	12,758.83	-
Oct 1, 1998	2,328.00	6.750%	12,758.83	15,082.83	27,839.66
Apr 1, 1997	-	-	12,678.32	12,678.32	-
Oct 1, 1997	2,484.00	6.750%	12,678.32	15,162.32	27,840.64
Apr 1, 1998	-	-	12,594.48	12,594.48	-
Oct 1, 1998	2,851.00	6.750%	12,594.48	15,245.48	27,839.98
Apr 1, 1999	-	-	12,505.02	12,505.02	-
Oct 1, 1999	2,830.00	6.750%	12,505.02	15,335.02	27,840.04
Apr 1, 2000	-	-	12,409.50	12,409.50	-
Oct 1, 2000	3,021.00	6.750%	12,409.50	15,430.50	27,840.00
Apr 1, 2001	-	-	12,307.55	12,307.55	-
Oct 1, 2001	3,225.00	6.750%	12,307.55	15,532.55	27,840.10
Apr 1, 2002	-	-	12,198.70	12,198.70	-
Oct 1, 2002	3,443.00	6.750%	12,198.70	15,641.70	27,840.40
Apr 1, 2003	-	-	12,082.50	12,082.50	-
Oct 1, 2003	3,675.00	6.750%	12,082.50	15,757.50	27,840.00
Apr 1, 2004	-	-	11,958.47	11,958.47	-
Oct 1, 2004	3,023.00	6.750%	11,958.47	15,881.47	27,839.94
Apr 1, 2005	-	-	11,826.07	11,826.07	-
Oct 1, 2005	4,168.00	6.750%	11,826.07	16,014.07	27,840.14
Apr 1, 2006	-	-	11,684.72	11,684.72	-
Oct 1, 2006	4,471.00	6.750%	11,684.72	16,155.72	27,840.44
Apr 1, 2007	-	-	11,533.83	11,533.83	-
Oct 1, 2007	4,772.00	6.750%	11,533.83	16,305.83	27,839.66
Apr 1, 2008	-	-	11,372.77	11,372.77	-
Oct 1, 2008	5,095.00	6.750%	11,372.77	16,487.77	27,840.54
Apr 1, 2009	-	-	11,200.82	11,200.82	-
Oct 1, 2009	5,438.00	6.750%	11,200.82	16,638.82	27,840.84
Apr 1, 2010	-	-	11,017.25	11,017.25	-
Oct 1, 2010	5,806.00	6.750%	11,017.25	16,823.25	27,840.50
Apr 1, 2011	-	-	10,821.30	10,821.30	-
Oct 1, 2011	6,197.00	6.750%	10,821.30	17,018.30	27,839.50
Apr 1, 2012	-	-	10,612.15	10,612.15	-
Oct 1, 2012	6,618.00	6.750%	10,612.15	17,228.15	27,840.30
Apr 1, 2013	-	-	10,388.88	10,388.88	-
Oct 1, 2013	7,062.00	6.750%	10,388.88	17,450.88	27,838.72
Apr 1, 2014	-	-	10,150.52	10,150.52	-
Oct 1, 2014	7,539.00	6.750%	10,150.52	17,689.52	27,840.04
Apr 1, 2015	-	-	9,898.07	9,898.07	-
Oct 1, 2015	8,048.00	6.750%	9,898.07	17,844.07	27,840.14
Apr 1, 2016	-	-	9,624.45	9,624.45	-
Oct 1, 2016	8,591.00	6.750%	9,624.45	18,215.45	27,838.50
Apr 1, 2017	-	-	9,334.51	9,334.51	-
Oct 1, 2017	9,171.00	6.750%	9,334.51	18,505.51	27,840.02

BOND DEBT SERVICE

West Virginia Water Development Authority
City of Logan

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
Apr 1, 2018	-	-	8,024.99	8,024.99	-
Oct 1, 2018	8,790.00	6.750%	8,024.99	18,814.99	27,839.98
Apr 1, 2019	-	-	8,694.57	8,694.57	-
Oct 1, 2019	10,451.00	6.750%	8,694.57	18,148.57	27,840.14
Apr 1, 2020	-	-	8,341.85	8,341.85	-
Oct 1, 2020	11,156.00	6.750%	8,341.85	19,487.85	27,839.70
Apr 1, 2021	-	-	7,965.34	7,965.34	-
Oct 1, 2021	11,909.00	6.750%	7,965.34	19,874.34	27,839.68
Apr 1, 2022	-	-	7,563.41	7,563.41	-
Oct 1, 2022	12,713.00	6.750%	7,563.41	20,278.41	27,839.82
Apr 1, 2023	-	-	7,134.35	7,134.35	-
Oct 1, 2023	13,571.00	6.750%	7,134.35	20,705.35	27,839.70
Apr 1, 2024	-	-	6,878.32	6,878.32	-
Oct 1, 2024	14,487.00	6.750%	6,878.32	21,163.32	27,839.64
Apr 1, 2025	-	-	6,187.39	6,187.39	-
Oct 1, 2025	15,485.00	6.750%	6,187.39	21,652.39	27,839.78
Apr 1, 2026	-	-	5,885.44	5,885.44	-
Oct 1, 2026	16,509.00	6.750%	5,885.44	22,174.44	27,839.88
Apr 1, 2027	-	-	5,108.27	5,108.27	-
Oct 1, 2027	17,624.00	6.750%	5,108.27	22,732.27	27,840.54
Apr 1, 2028	-	-	4,513.46	4,513.46	-
Oct 1, 2028	18,813.00	6.750%	4,513.46	23,326.46	27,839.92
Apr 1, 2029	-	-	3,878.52	3,878.52	-
Oct 1, 2029	20,083.00	6.750%	3,878.52	23,961.52	27,840.04
Apr 1, 2030	-	-	3,200.72	3,200.72	-
Oct 1, 2030	21,439.00	6.750%	3,200.72	24,639.72	27,840.44
Apr 1, 2031	-	-	2,477.15	2,477.15	-
Oct 1, 2031	22,886.00	6.750%	2,477.15	25,363.15	27,840.30
Apr 1, 2032	-	-	1,704.75	1,704.75	-
Oct 1, 2032	24,431.00	6.750%	1,704.75	26,136.75	27,840.50
Apr 1, 2033	-	-	880.20	880.20	-
Oct 1, 2033	26,080.00	6.750%	880.20	26,960.20	27,840.40
	377,980.00		662,139.87	1,060,118.87	1,060,119.87

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[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:

THE CITY OF LOGAN, WEST VIRGINIA
\$377,980 Subordinate Sewerage System
Revenue Bonds, Series 1995

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. Oaths of office of Mayor, City Clerk and Council Members.
2. Sanitary Board Resolution authorizing petition, adopted March 27, 1995.
3. Sanitary Board Petition dated March 7, 1995.
4. Minutes of Council meeting held April 11, 1995, regarding first reading of Ordinance.
5. Minutes of Council meeting held May 9, 1995, regarding second reading and passage of Ordinance, adoption of Resolution with respect to abstract and public hearing and passage of Rate Ordinance.
6. Amendatory and Supplemental Bond and Note Ordinance (the "Ordinance") adopted by the Council on May 9, 1995.
7. Resolution adopted by Council on May 9, 1995, authorizing publication of an abstract and notice of the Ordinance.
8. Rate Ordinance passed by the Council on May 9, 1995.
9. Minutes of the June 13, 1995, meeting of Council wherein the Resolution putting the Ordinance into effect was adopted.

10. Resolution adopted by Council on June 13, 1995, putting Ordinance into effect.

11. Supplemental Resolution adopted by Council on August 18, 1995, authorizing sale of the above-referenced Bonds.

12. Amendatory Resolution adopted by Council on August 30, 1995, authorizing the increase of the aggregate principal amount of the Bonds.

13. EPA letter dated August 1, 1995.

14. NPDES Permit (Modification No. 4).

I further hereby certify that the copies of the following documents delivered to the West Virginia Water Development Authority on March 29, 1993, are, as of the date hereof, in full force and effect 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 or is listed above:

1. Copy of the Charter of the City.

2. Copy of Rules and Order of Business of the Council of the City.

3. Ordinance creating the Sanitary Board of the City, enacted by the Council on April 12, 1948.

4. 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.

5. 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.

6. Amendatory and Supplemental Bond and Note Ordinance adopted by the Council on July 21, 1992.

7. Minutes of March 23, 1993, special meeting of Council, including the Supplemental Resolution authorizing sale of the City's 1993 bonds to the West Virginia Water Development Authority.

8. EPA Grant Agreement with Part B Approval.

WITNESS my signature and the official seal of The City of Logan, West Virginia, as of the 31st day of August, 1995.

Lickie Luke
City Clerk
The City of Logan

(SEAL)

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THE CITY OF LOGAN, WEST VIRGINIA

\$377,980 Subordinate Sewerage System
Revenue Bonds, Series 1995

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 \$377,980 aggregate principal amount of Subordinate Sewerage System Revenue Bonds, Series 1995, of the City, dated August 31, 1995 (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.
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 August 31, 1995, 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 Ordinance, as supplemented and amended (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 were sold on August 31, 1995, to the West Virginia Water Development Authority (the "Authority") for an aggregate purchase price of \$377,980 (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 sewage system of the City (the "Project"), (ii) paying capitalized interest on the Bonds during construction, 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 \$100,000 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 30, 1996. Construction of the Project is expected to be completed by March 31, 1996.

9. The total cost of the Project is estimated at \$607,300. Sources and uses of funds for the Project are as follows:

SOURCES

Bond Proceeds	
EPA	\$ 377,980
Earned Interest	\$ 144,390
	<u>\$ 84,930</u>
Total Sources	<u>\$ 607,300</u>

USES

Acquisition and Construction of Project	\$ 586,800
Capitalized Interest	\$ 11,200
Closing Costs	<u>\$ 27,300</u>
Total Uses	<u>\$ 607,300</u>

The amount of Project costs not expected to be reimbursed by the grant from the Environmental Protection Agency (the "EPA") is estimated to be at least equal to the gross proceeds of the Bonds. Except for the proceeds of the Bonds, the EPA, interest previously earned in connection with the overall project of which the Project is a part, 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 continued or created with and shall be held by, the Depository Bank:

- (1) Revenue Fund;
- (2) Renewal and Replacement Fund; and
- (3) 1995 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.

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

(1) Bond proceeds in the amount of \$11,200 will be deposited with the Municipal Bond Commission in the Sinking Fund to pay interest on the Bonds during the construction of the Project, as set forth in the Supplemental Resolution.

(2) The balance of the proceeds of the Bonds will be credited to the 1995 Bond Construction Trust Fund and applied solely to payment of Costs of the Project, including but not limited to payment of cost of issuance, repayment of interim financing and the reimbursement of the City for certain capital expenditures made with System revenues that should have been paid from Bond proceeds.

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 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. The amounts deposited in the Reserve Account from time to time by the City will not exceed the maximum annual of 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 10 days 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 September 27, 1994.

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 one (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 September 27, 1994.

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 City and all subordinate entities reasonably expect to issue less than \$5,000,000 of tax-exempt obligations during calendar year 1995 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 shall 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 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 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 continued or 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.

38. Capitalized terms used and not otherwise defined in this Certificate have the respective meanings given them in the Ordinance.

IN WITNESS WHEREOF, I have set my hand this 31st day of August, 1995.

THE CITY OF LOGAN

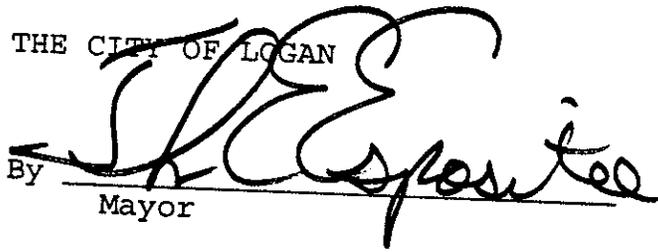
By 
Mayor

ABB09C15

Information Return for Tax-Exempt Governmental Obligations

(Rev. May 1995)

Department of the Treasury Internal Revenue Service

Under Internal Revenue Code section 149(e)

See separate instructions.

OMB No. 1545-0720

(Note: Use Form 8038-GC if the issue price is under \$100,000.)

Part I Reporting Authority

If Amended Return, check here

1 Issuer's name: The City of Logan, West Virginia
2 Issuer's employer identification number: 5516000199
3 Number and street: 219 Dingess Street
4 Report number: G1995-1
5 City, town, or post office, state, and ZIP code: Logan, West Virginia 25601
6 Date of issue: August 31, 1995
7 Name of issue: Subordinate Sewerage System Revenue Bonds, Series 1995
8 CUSIP number: None

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

9 Education
10 Health and hospital
11 Transportation
12 Public safety
13 Environment (including sewage bonds)
14 Housing
15 Utilities
16 Other. Describe (see instructions)
17 If obligations are tax or other revenue anticipation bonds, check box
18 If obligations are in the form of a lease or installment sale, check box

Part III Description of Obligations

Table with 7 columns: (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. Row 19: Final maturity 10/1/2033, Interest rate 6.750%, Issue price \$26,080, Stated redemption price \$26,080, Weighted average maturity 26.736 years, Yield 6.75068%, Net interest cost 6.75000%.

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

Table with 2 columns: Description, Amount. Rows 21-29 detailing proceeds used for accrued interest, bond issuance costs, credit enhancement, reserve or replacement fund, refund prior issues, and nonrefunding proceeds.

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

30 Enter the remaining weighted average maturity of the bonds to be currently refunded: N/A
31 Enter the remaining weighted average maturity of the bonds to be advance refunded: years
32 Enter the last date on which the refunded bonds will be called: years
33 Enter the date(s) the refunded bonds were issued: years

Part VI Miscellaneous

34 Enter the amount of the state volume cap allocated to the issue under section 141(b)(5): N/A-0
35 Enter the amount of the bonds designated by the issuer under section 265(b)(3)(B)(i)(II) (small issuer exception): N/A-0
36a Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (see instructions): N/A-0
37 Pooled financings: a Proceeds of this issue that are to be used to make loans to other governmental units: N/A
b If this issue is a loan made from the proceeds of another tax-exempt issue, check box and enter the name of the issuer: West Virginia Water Development Authority and the date of the issue: 9/27/94
38 If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box
39 If the issuer has identified a hedge, check box

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete.

Please Sign Here

Signature of issuer's authorized representative

August 31, 1995 Thomas E. Esposito, Mayor

For Paperwork Reduction Act Notice, see page 1 of the instructions.

RE: City of Logan

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, and 4a & b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

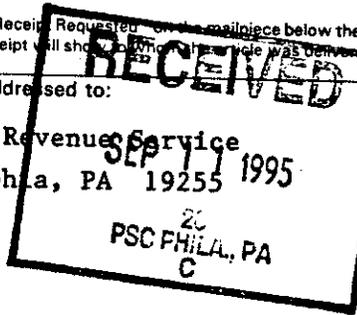
I also wish to receive the following services (for an extra fee):

- Addressee's Address
- Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Internal Revenue Service
Philadelphia, PA 19255



4a. Article Number

P 059 536 193

4b. Service Type

- Registered Insured
- Certified COD
- Express Mail Return Receipt for Merchandise

7. Date of Delivery

5. Signature (Addressee)

6. Signature (Agent)

8. Addressee's Address (Only if requested and fee is paid)

Thank you for using Return Receipt Service.

PS Form 3811, December 1991

★U.S. GPO: 1992-323-402

DOMESTIC RETURN RECEIPT

P 059 536 193



Receipt for Certified Mail

No Insurance Coverage Provided
Do not use for International Mail
(See Reverse)

Internal Revenue Service	
Street and No.	
Philadelphia, PA 19255	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	9-8-95

PS Form 3800, June 1991





(304) 345-0470
1325 VIRGINIA STREET, E.
P. O. BOX 2986
CHARLESTON, WEST VIRGINIA 25330

CONSULTING ENGINEERS

THE CITY OF LOGAN, WEST VIRGINIA

~~\$377,980~~ *[Handwritten signature]*
~~\$273,980~~ Subordinate Sewerage System
Revenue Bonds, Series 1995

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 construction management of certain extensions, improvements and betterments to the existing sewerage system (herein called the "Project") of The City of Logan, West Virginia (the "City"), to be constructed in Logan County, which construction and acquisition are being permanently financed in part by the above-captioned bonds (the "Bonds") of the City. Capitalized words not defined herein shall have the meanings set forth in the Amendatory and Supplemental Bond Ordinance passed by the Council of the City on May 9, 1995, and the Loan Agreement by and between the City and the West Virginia Water Development Authority (the "Authority") dated August 31, 1995.

1. The Bonds are being issued for the purpose of permanently financing the costs of acquisition and construction of certain extensions, improvements and betterments to the system, and paying the costs not otherwise provided of acquisition and construction of the Project. The City has received a grant from the Environmental Protection Agency grant in the amount of \$3,020,380, of which \$144,390 is allocable to the Project.

2. The undersigned hereby certifies that (i) the Project will be constructed in accordance with the approved plans and specifications 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 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 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, (vi) attached hereto as Exhibit A is the final amended "Schedule A - Total Cost of Project and Sources of Funds" for the Project, and (vii) 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.

3. No new customers or increased use of the System are anticipated on account of the Project.

WITNESS my signature on this 31st day of August, 1995.

KELLEY, GIDLEY, BLAIR & WOLFE, INC.

[Seal]



Gene R. Weekley, Jr.
Gene R. Weekley, Jr.
License No. 5021

DATE: August 28, 1995

SCHEDULE A

NAME OF GOVERNMENTAL AGENCY: CITY OF LOGAN, LOGAN CO., WV
ESTIMATED TOTAL COST OF PROJECT, SOURCES OF FUNDS AND COST OF FINANCING

A. Cost of Project

1.	Construction	\$ 228,271.
2.	Technical Services	\$ 112,000.
3.	Legal and Fiscal	\$ 13,300.
4.	Administrative	\$ 60,000.
5.	Site and Other Lands	\$ _____
6.	Step I and/or Step II (Design)	\$ _____
	or Other Loan Repayment	
	(Specify Type)	
6a.	WWTP STARTUP, TOOLS, ETC.	\$ 104,000
7.	Interim Financing Costs	\$ 47,000.
8.	Contingency	\$ 19,529
9.	Total of Lines 1 through 8	\$ 584,100.

B. Sources of Funds:

10.	Federal Grants: ¹	EPA	\$ 144,390.
	(Specify Source)	_____	\$ _____
11.	State Grants:	_____	\$ _____
	(Specify Source)	_____	\$ _____
		_____	\$ _____
		_____	\$ _____
12.	Other Grants:	LOCAL	\$ 84,930.
	(Specify Source)	(EARNED INTEREST)	\$ _____
13.	Any Other Source ²	_____	\$ _____
	(Specify)	_____	\$ _____
14.	Total of Lines 10 through 13		\$ 229,320.
15.	Net Proceeds Required from Bond Issue (Line 9 less Line 14)		\$ 354,780.

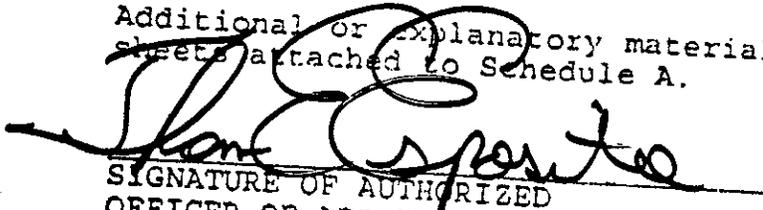
¹ Attach supporting documentation not previously submitted. If not yet available, state such and expectations as to availability.

² For example, interest earnings during construction, if applicable. Include the proceeds of any parity or subordinate bond issue to be used for such purpose and attach supporting documentation if available (if not yet available, state such and expectations as to availability).

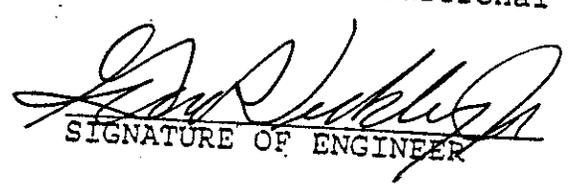
C. Cost of Financing

16. Capitalized Interest (Construction period plus six months)	\$ <u>11,200.</u>	
17. Funded Reserve Account ³	\$ _____	
18. Other Costs ⁴	\$ <u>12,000.</u>	
19. Total Cost of Financing (Lines 16 through 18)		\$ <u>23,200.</u>
20. Size of Bond Issue (Line 15 plus Line 19)		\$ <u>377,980.</u>

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


SIGNATURE OF AUTHORIZED
OFFICER OF APPLICANT

THOMAS E. ESPOSITO, MAYOR


SIGNATURE OF ENGINEER

GENE R. WEEKLEY, JR., P.E.

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

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

ATTACHMENT WDA SCHEDULE A ... AUG 28, 1995

Item 6a. WWTP startup, tools, etc.

Special services by plumbing contractor to refit certain connections. Work not included in Phase 2 contract.

\$ 2,700.

Equipment, vehicles. One heavy duty truck for hauling, blading, and line work. Three utility pickup trucks suitable for maintenance tools and equipment for use by each of three on-call operators.

78,400.

Tools: Hand tools for field and shop operation and maintenance ...

5,600.

Shop and bench equipment ...

9,000.

Office operation equipment ...

3,000.

17,600.

Payments to Mr. Campbell

5,300

TOTAL PROJECTED COSTS

\$104,000



THE CITY OF LOGAN, WEST VIRGINIA
\$377,980 Subordinate Sewerage System Revenue Bonds,
Series 1995

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, Supplemental Subordinate Sewerage System Revenue Bonds, Series 1987, Subordinate Sewerage System Revenue Bonds, Series 1993 and Supplemental Subordinate Sewerage System Revenue Bonds, Series 1993 (the "Outstanding Bonds"), respectively, as follows:

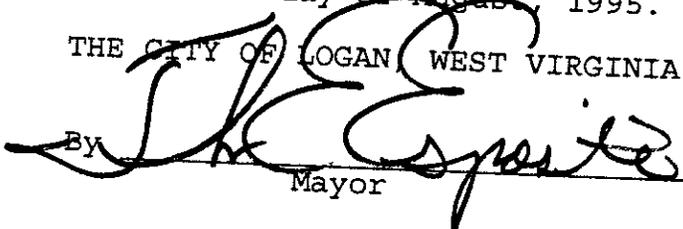
1. The City has received the written certificate from an Independent Accountant required by Section 7.08 of the Ordinance pursuant to which the Outstanding Bonds were issued (as said Ordinance has been supplemented and amended, the "Outstanding Ordinance").

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 31st day of August, 1995.

THE CITY OF LOGAN WEST VIRGINIA

By  Mayor



THE CITY OF LOGAN, WEST VIRGINIA

2.6

\$377,980 Subordinate Sewerage System
Revenue Bonds, Series 1995

REGISTRAR'S AGREEMENT

THIS REGISTRAR'S AGREEMENT, dated as of the 31st day of August, 1995, by and between THE CITY OF LOGAN, WEST VIRGINIA, a municipal corporation (the "Governmental Agency"), and One Valley Bank, National Association (the "Registrar").

WHEREAS, the Governmental Agency has, contemporaneously with the execution hereof, issued and sold its \$377,980 Subordinate Sewerage System Revenue Bonds, Series 1995, in the form of one bond numbered R-1 in fully registered form (the "Bonds"), pursuant to an Amendatory and Supplemental Bond Ordinance duly passed May 9, 1995, and Supplemental Resolution adopted August 18, 1995, as amended by an Amendatory Resolution adopted August 30, 1995 (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 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:

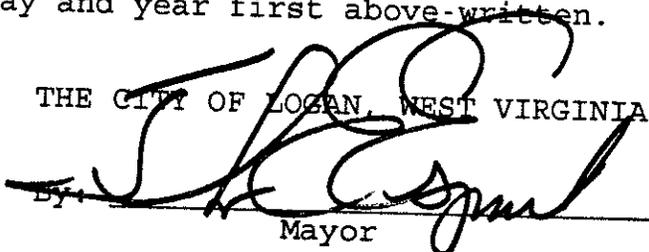
One Valley Bank, National Association
P.O. Box 1793
Charleston, West Virginia 25326
Attention: Corporate Trust Department

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.

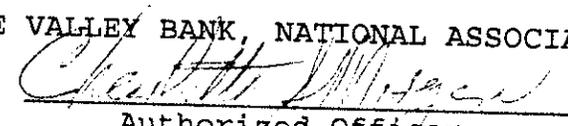
IN WITNESS WHEREOF, The City of Logan and One Valley Bank, National Association, have respectively caused this Registrar's Agreement to be signed in their names and on their behalf, all as of the day and year first above-written.

THE CITY OF LOGAN, WEST VIRGINIA

By: 

Mayor

ONE VALLEY BANK, NATIONAL ASSOCIATION

By: 

Authorized Officer

ABB09C17

EXHIBIT A

See Bond Ordinance (Document No. 1.7)



THE CITY OF LOGAN, WEST VIRGINIA

2.7

\$377,980 Subordinate Sewerage System
Revenue Bonds, Series 1995

ACCEPTANCE OF DUTIES OF DEPOSITORY BANK

Bank One West Virginia, Logan, N.A., with its principal office in Logan, West Virginia, hereby accepts appointment as Depository Bank in connection with a Bond Ordinance of The City of Logan, West Virginia, duly passed on May 9, 1995, the Supplemental Resolution adopted August 18, 1995, and the Amendatory Resolution adopted August 30, 1995 (collectively, the "Ordinance"), authorizing issuance of The City of Logan, West Virginia Subordinate Sewerage System Revenue Bonds, Series 1995, dated August 31, 1995, in the aggregate principal amount of \$377,980, and agrees to perform all duties of Depository Bank, all as set forth in said Ordinance.

Witness my signature as of the 31st day of August, 1995.

BANK ONE WEST VIRGINIA, LOGAN, N.A.

By 
Edward L. Brewster
Senior Vice President



THE CITY OF LOGAN, WEST VIRGINIA

2.8

\$377,980 Subordinate Sewerage System
Revenue Bonds, Series 1995

REQUEST AND AUTHORIZATION AS TO AUTHENTICATION
AND DELIVERY OF THE BONDS

August 31, 1995

One Valley Bank, National Association
P.O. Box 1793
Charleston, West Virginia 25326
Attention: Corporate Trust Department

Ladies and Gentlemen:

We herewith hand to you, duly executed, \$377,980 Subordinate Sewerage System Revenue Bonds, Series 1995, in the form of one bond numbered R-1 (the "Bonds") of The City of Logan, West Virginia (the "City"), authorized to be issued under and pursuant to the Amendatory and Supplemental Bond Ordinance, duly passed by the Council of the City on May 9, 1995, Supplemental Resolution adopted by the Council on August 18, 1995, and an Amendatory Resolution adopted by the Council on August 30, 1995 (collectively, the "Ordinance").

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, WEST VIRGINIA

Thom Espinal
BY _____
Mayor

(SEAL)

Attest:

Lickie Luke

City Clerk

1

2

3

4

THE CITY OF LOGAN, WEST VIRGINIA

\$377,980 Subordinate Sewerage System
Revenue Bonds, Series 1995

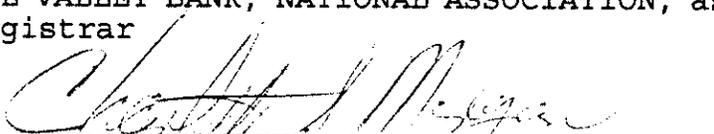
CERTIFICATE OF REGISTRATION OF BONDS

I, Charlotte S. Morgan, Assistant Vice President of One Valley Bank, National Association, Charleston, West Virginia, as Registrar (the "Registrar"), hereby certify that on the 31st day of August, 1995, the bonds of The City of Logan, West Virginia in the principal amount of \$377,980 designated "The City of Logan, West Virginia Subordinate Sewerage System Revenue Bonds, Series 1995" (the "Sewer Revenue Bonds"), and numbered R-1, dated as of the date hereof, were registered as to principal and 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, as Registrar.

WITNESS my signature as of the 31st day of August, 1995.

ONE VALLEY BANK, NATIONAL ASSOCIATION, as
Registrar

By



Authorized Officer

THE CITY OF LOGAN, WEST VIRGINIA

\$377,980 Subordinate Sewerage System
Revenue Bonds, Series 1995

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 31st day of August, 1995, in Dunbar, West Virginia, the Authority received the entire original issue of \$377,980 in aggregate principal amount of The City of Logan, West Virginia Subordinate Sewerage System Revenue Bonds, Series 1995 (the "Bonds"), said Bonds being dated the 31st day of August, 1995; and issued in the form of one bond, fully registered to the Authority, and numbered R-1.

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 Clerk of The City of Logan, by manual signature, and the seal of said City had been impressed upon the Bonds.

IN WITNESS WHEREOF, Barbara B. Meadows duly signed and delivered this receipt on behalf of the West Virginia Water Development Authority on the 31st day of August, 1995.

WEST VIRGINIA WATER DEVELOPMENT
AUTHORITY

BY Barbara B Meadows
Secretary-Treasurer

THE CITY OF LOGAN, WEST VIRGINIA

2.11

\$377,980 Subordinate Sewerage System
Revenue Bonds, Series 1995

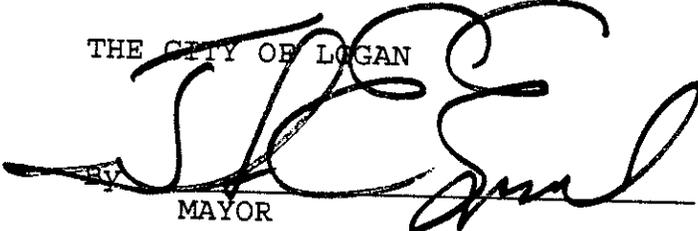
RECEIPT FOR BOND PROCEEDS

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 \$377,980 Subordinate Sewerage System Revenue Bond, Series 1995, of the proceeds of said bond in the amount of \$377,980.

IN WITNESS WHEREOF, The City of Logan has caused this receipt to be executed by the acting Mayor of The City of Logan on this 31st day of August, 1995.

THE CITY OF LOGAN


MAYOR

One Valley Bank, National Association
One Valley Square, P.O. Box 1793
Charleston, WV 25326 Member FDIC

ONE VALLEY
BANK

69-35
519

No. 350873

PAYMENT PER REQUISITION
8/31/95. REIMBURSE PRIOR SANT. BD. PROJ. CAP. EXPENDITURES.

"SPECIMEN"

#103673 - WDA 1994 LF LOAN ACCT.

LS/85

CHECK DATE

AMOUNT

AUGUST 31, 1995

\$104,000.00****

X
P

PAY
TO THE
ORDER
OF

CITY OF LOGAN

ONE FINANCIAL PLACE

Financial & Trust Services

Charlene Morgan
AUTHORIZED OFFICER

⑈ 350873 ⑈ ⑆ 051900353 ⑆

⑈ 900 ⑈ 051 4 ⑈

by *[Signature]*
AUTHORIZED OFFICER
PAY TO THE ORDER OF THE MUNICIPAL
BOND COMMISSION
CITY OF LOGAN

ENDORSEMENTS
NOTICE: ENDORSEMENT OF THIS CHECK
WILL BE ACKNOWLEDGEMENT OF PAYMENT
IN FULL OF ITEM(S) SHOWN ON FACE.
RETURN IF NOT ACCEPTABLE AS ISSUED

One Valley Bank, National Association
One Valley Square, P.O. Box 1793
Charleston, WV 25326 Member FDIC

ONE VALLEY
BANK

69-3
519

No. 350872

PAYMENT PER REQUISITION
DTD 8/31/95. CAP INT-CITY LOGAN SUB SWG BOND 1995 SERIES

1120000000

"SPECIMEN"

#103673 - WDA 1994 LF-LOAN ACCT.

LS/85

CHECK DATE

AMOUNT

AUGUST 31, 1995

\$11,200.00****

X
P
I
H

PAY
TO THE
ORDER
OF

WVA MUNICIPAL BOND COMMISSION

ONE FINANCIAL PLACE

Financial & Trust Services

Charlotta L. Meyer
AUTHORIZED OFFICER

⑈ 350872⑈ ⑆ 051900353⑆

⑈ 900⑈ 051 4⑈



DIVISION OF ENVIRONMENTAL PROTECTION
1201 Greenbrier Street
Charleston, WV 25311-1088

GASTON CAPERTON
GOVERNOR

10/18/95
Proj.
Est.
Chmn.
T. Shadd
LAIDLEY ELI McCOY, Ph.D.
DIRECTOR

July 20, 1995

Honorable Thomas Esposito
Mayor, City of Logan
Sanitary Board
City Hall
Logan, WV 25601

CERTIFIED RETURN RECEIPT REQUESTED

Re: WV/NPDES Permit No. WV0033821
Modification No. 4

Dear Mayor Esposito:

This letter serves as Modification No. 4 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-E, dated the 3rd day of May 1995, additional information, received the 12th day of July 1995, and other relevant information, the subject Permit is hereby modified to acquire, construct, install, operate and maintain improvements to the combined wastewater collection system, to be comprised of five(5) diversion manholes, the deletion of Outlet No. 006, and the relocation of Outlet No. 002. The renovations and rehabilitation are being performed in order to provide for more control of the combined sewer overflow events.

These proposed wastewater collection facilities improvements shall be constructed in accordance with the plans and specifications, approved the 2nd day of February 1994, and approved addendums, thereto, prepared by Kelley Gidley Blair & Wolfe; 1325 Virginia Street, East; P. O. Box 2986; Charleston, WV 25302, and entitled "City of Logan; Combined Sewer Overflow; Contract 3; EPA Project No. C-540292."

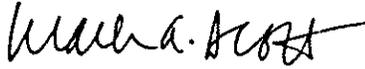
Honorable Thomas Esposito
Page 2
July 20, 1995

Enclosed are revised page 2A of 9, and incorporated page 2B of 9. These documents shall supersede the ones currently in your possession and should be incorporated into your existing Permit.

All other terms and conditions of the subject Permit shall remain in effect and unchanged.

Sincerely,

OFFICE OF WATER RESOURCES



Mark A. Scott
Chief

MAS:jdm

Enclosures

A.2. COMBINED SEWER SYSTEM OVERFLOWS

a) Outlet Numbers 002, 003, 004, 005, 006, 007, 008, 009, 010, 011, and 012, listed below, serve as combined sewer relief points. Combined Sewer Overflows (CSOs) are allowed only when flows in combined sewers exceed conveyance capacities during wet weather periods. CSOs are point source discharges which must be provided technology based control measures in accordance with the Clean Water Act. Additional control measures may also have to be provided if determined necessary to comply with water quality standards. At a minimum, technology based control measures must include best management practices or other noncapital intensive measures to minimize discharges and water quality impacts.

<u>Outlet Number</u>	<u>Location</u>	<u>Receiving Stream</u>
002	Latitude 37°51'24"N Longitude 81°59'42"W (Equipped with Diversion Manhole)	Guyandotte River
003	Latitude 37°51'04"N Longitude 81°59'37"W (Equipped with Diversion Manhole)	Guyandotte River
004	Latitude 37°50'58"N Longitude 81°59'39"W (Equipped with Diversion Manhole)	Guyandotte River
005	Latitude 37°50'45"N Longitude 81°59'29"W	Guyandotte River
006	Latitude 37°50'44"N Longitude 81°59'24"W (Will be Deleted Upon Completion of CSO Renovation Project)	Guyandotte River
007	Latitude 37°50'44"N Longitude 81°59'22"W (Equipped with Diversion Manhole)	Guyandotte River
008	Latitude 37°50'43"N Longitude 81°59'19"W	Guyandotte River
009	Latitude 37°50'39"N Longitude 81°59'10"W	Guyandotte River
010	Latitude 37°50'37"N Longitude 81°59'05"W	Guyandotte River

A.2. COMBINED SEWER SYSTEM OVERFLOWS (CONTINUED)

a) (Continued)

<u>Outlet Number</u>	<u>Location</u>	<u>Receiving Stream</u>
011	Latitude 37°50'27"N Longitude 81°58'52"W	Guyandotte River
012	Latitude 37°50'34"N Longitude 81°58'33"W	Guyandotte River

b) The permittee shall provide and implement a Plan of Action for minimization of discharges and evaluation of water quality impacts and, if water quality impacts exist, provide and implement a Long-Term Control Plan (LTCP) in accordance with the following schedule:

<u>DESCRIPTION OF ACTIVITY</u>	<u>DUE DATE</u>
Completion of minimization of discharges	May 15, 1996
Completion of planned evaluation of water quality impacts	May 15, 1997
Completion of Long Term Control Plan	May 15, 1998

c) Evaluation of Water Quality Impacts

- (1) Analysis of water quality upstream and downstream from CSO discharges to assess their impacts.
- (2) Monitoring of the rates and durations of representative discharges during varying rainfall conditions.
- (3) Analysis of the quality of representative discharges.

d) Development of Long-Term Control Plan

The permittee shall develop a Long-Term Control Plan (LTCP) if any water quality impacts are demonstrated and documented during an evaluation phase as outlined in Section A.2.b) or if this Office determines that water quality impacts exist.

e) Reporting Requirements

The permittee shall submit written quarterly progress reports detailing actions taken to meet the above schedule.

WV MUNICIPAL BOND COMMISSION
 Suite 300 - L & S Building
 812 Quarrier Street
 Charleston, WV 25301
 (304) 348-3971

NEW ISSUE REPORT FORM

Date of Report: August 31, 1995

(See Reverse for Instructions)

ISSUE: \$377,980 The City of Logan, West Virginia, Subordinate Sewerage System Revenue
Bonds, Series 1995

ADDRESS: City Building, Dingess St., Logan, WV 25601 COUNTY: Logan

PURPOSE OF ISSUE: New Money Refunding Refunds Issue(s) dated: _____

ISSUE DATE: August 31, 1995 CLOSING DATE: August 31, 1995

ISSUE AMOUNT: \$ 377,980 RATE: 6.75%

1st DEBT SERVICE DUE: October 1, 1995 1st PRINCIPAL DUE: October 1, 1996

1st DEBT SERVICE AMOUNT: \$2,197.01 PAYING AGENT: Municipal Bond Commission

ISSUERS
 BOND COUNSEL: Jackson & Kelly
 Contact Person: Taunja Willis-Miller
 Phone: 304-340-1357

UNDERWRITERS
 BOND COUNSEL: N/A
 Contact Person: _____
 Phone: _____

CLOSING BANK: One Valley Bank, N.A.
 Contact Person: Charlotte Morgan
 Phone: 304-348-7239

ESCROW TRUSTEE:
 Contact Person: _____
 Phone: _____

KNOWLEDGEABLE ISSUER CONTACT
 Contact Person: Vickie Luke
 Position: City Clerk
 Phone: 304-752-4044

OTHER: West Virginia Water Development Authority
 Contact Person: Doug Olds
 Function: Administrative Assistant
 Phone: 304-558-3612

DEPOSITS TO MBC AT CLOSE:

By <input type="checkbox"/> Wire	<input type="checkbox"/> Accrued Interest:	\$ _____
<input checked="" type="checkbox"/> Check	<input checked="" type="checkbox"/> Capitalized Interest:	\$ <u>11,200</u>
	<input type="checkbox"/> Reserve Account:	\$ _____
	<input type="checkbox"/> Other:	\$ _____

REFUNDS & TRANSFERS BY MBC AT CLOSE:

By <input type="checkbox"/> Wire	<input type="checkbox"/> To Escrow Trustee:	\$ _____
<input type="checkbox"/> Check	<input type="checkbox"/> To Issuer:	\$ _____
<input type="checkbox"/> IGT	<input type="checkbox"/> To Cons. Invest. Fund:	\$ _____
	<input type="checkbox"/> To Other:	\$ _____

NOTES: See attached.

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

THE CITY OF LOGAN, WEST VIRGINIA
\$377,980 SUBORDINATE SEWERAGE SYSTEM REVENUE BONDS, SERIES 1995

PROCEEDS AND OTHER DISBURSEMENT SCHEDULE

AUGUST 31, 1995

Proceeds: \$377,980

Check from the Authority to the West Virginia Municipal Bond Commission for capitalized interest on the Bonds: \$11,200

Check from the Authority to the City of Logan for reimbursement to the Sanitary Board for prior capital expenditures for the Project: \$104,000

Wire from the Authority (OVV, as Trustee) to the 1995 Bond Construction Trust Fund at Bank One, West Virginia, Logan, N.A. (Charlotte Morgan has wiring instructions): \$262,780

Payments from the City:

To the West Virginia Municipal Bond Commission: \$150,890

By deposit of the check for capitalized interest described above: \$11,200

By endorsing to the West Virginia Municipal Bond Commission and depositing the check for reimbursement of capital expenditures described above: \$104,000

By depositing a check of the City (Sanitary Board) to the West Virginia Municipal Bond Commission, to be brought to the closing: \$35,690

To Bank One, West Virginia, Logan, N.A., for repayment of interim financing, by authorizing the transfer from the 1995 Bond Construction Trust Fund of the amount deposited therein: \$262,780

Attached: 1. Instructions to the Municipal Bond Commission
2. Instructions to Bank One

INSTRUCTIONS

TO: West Virginia Municipal Bond Commission

Included with these Instructions are three checks, either made or endorsed to the account of the West Virginia Municipal Bond Commission, totalling \$150,890. Please credit such amount as follows:

1. To the Sinking Fund (Revenue Fund) for the City's Subordinate Sewerage System Revenue Bonds, Series 1995 (the "1995 Bonds"), to pay interest on the 1995 Bonds: \$11,200.
2. To the Sinking Fund (Revenue Fund) for the City's Sewer Revenue Bonds dated March 1, 1964 (the "1964 Bonds"): \$5,700.
3. To the Reserve Account for the 1964 Bonds: \$9,994.
4. To the Sinking Fund (Revenue Fund) for the City's Subordinate Sewerage System Revenue Bonds, Series 1987 (the "1987-A Bonds"): \$15,727.
5. To the Reserve Account for the 1987-A Bonds: \$9,391.
6. To the Sinking Fund (Revenue Fund) for the City's Supplemental Subordinate Sewerage System Revenue Bonds, Series 1987 (the "1987-B Bonds"): \$1,458.
7. To the Sinking Fund (Revenue Fund) for the City's Subordinate Sewerage System Revenue Bonds, Series 1993 (the "1993-A Bonds"): \$52,713.
8. To the Reserve Account for the 1993-A Bonds: \$43,332.
9. To the Sinking Fund (Revenue Fund) for the City's Supplemental Subordinate Sewerage System Revenue Bonds, Series 1993

(the "1993-B Bonds"): \$1,200.

10. To the Reserve Account for the 1993-B Bonds: \$175.

In addition to the above, please transfer the excess funds in the Reserve Account for the 1987-B Bonds, in the amount of \$811, to the Sinking Fund (Revenue Fund) for the 1987-B Bonds.

Dated this 31st day of August, 1995.

The City of Logan, West Virginia

By: _____

Mayor

INSTRUCTIONS

TO: Bank One, West Virginia, Logan, National Association

You have received by wire transfer today, for deposit in the City of Logan's Wastewater Project Construction Account, the sum of \$262,780. Immediately upon such deposit, please debit such account in the amount of \$262,780, and apply such amount to payment of the interim indebtedness incurred by the City in connection with said project with Bank One, Logan.

Dated this 31st day of August 1995.

The City of Logan, West Virginia

By: _____

Mayor and Chairman of Sanitary
Board

ABB0A2BF

DISBURSEMENT REQUEST FORM

Bank One West Virginia, Logan, N.A.
 P.O. Box 420
 Logan, West Virginia 25601

Re: The City of Logan, West Virginia
 \$377,980 Subordinate Sewerage System
 Revenue Bonds, Series 1995

Ladies and Gentlemen:

You are authorized, on behalf of The City of Logan, West Virginia, to make the following disbursements from the Bond Construction Trust Fund:

The expenses listed above* have been incurred as Costs of the Phase III Project that have not been the basis of any previous disbursement. Each item listed above for which payment is now due and owing is or was necessary in connection with the Phase III Project and has been otherwise properly incurred. A copy of the Resolution of Council of The City of Logan, West Virginia, authorizing the disbursements is attached hereto.

Very truly yours,

THE CITY OF LOGAN, WEST VIRGINIA

By: _____
 Mayor

KELLY, GIDLEY, BLAIR & WOLFE, INC.

By: _____
 Gene R. Weekley, Jr.

Date: _____

*Invoices attached

LOAN PROGRAM
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: \$377,980
- 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 August 31, 1995, 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, 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: August 31, 1995

ABB006CFA

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, \$377,980 Subordinate Sewerage System Revenue Bond, Series 1995, numbered R-1, and standing in the name of the West Virginia Water Development Authority on the books of said Governmental Agency.

Dated: August 31, 1995

WEST VIRGINIA WATER DEVELOPMENT
AUTHORITY

Barbara B Meadows
Authorized Representative

JACKSON & KELLY

ATTORNEYS AT LAW

1600 LAIDLEY TOWER

P. O. BOX 553

CHARLESTON, WEST VIRGINIA 25322

TELEPHONE 304-340-1000 TELECOPIER 304-340-1130

WRITER'S DIRECT DIAL NO.

August 31, 1995

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

203 WEST MAIN STREET
CLARKSBURG, WEST VIRGINIA 26301
TELEPHONE 304-623-3002

2401 PENNSYLVANIA AVENUE N.W.
WASHINGTON, D.C. 20037
TELEPHONE 202-973-0200

1660 LINCOLN STREET
DENVER, COLORADO 80264
TELEPHONE 303-837-0003

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 under the laws 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 August 31, 1995, 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 August 31, 1995 (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 \$377,980, 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, 1995, at the respective rate and with principal payable in installments on October 1 in each of the years 1996 through 2033, 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 for the Governmental Agency, to capitalize interest on the Governmental Agency Bonds during construction, 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 Ordinance (the "Ordinance") duly passed by the Governmental Agency on May 9, 1995, a Supplemental Resolution adopted on August 18, 1995, and a Amendatory Resolution adopted on August 30, 1995 (the "Local Act"), which, together with the ordinances supplemented and amended by the Ordinance, 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 June 30, 1995, in the aggregate principal amount of \$48,000, and are on a parity with that created for the City's Subordinate Sewerage System Revenue Bonds, Series 1987, outstanding

as of June 30, 1995, in the aggregate principal amount of \$604,021, and the City's Subordinate Sewerage System Revenue Bonds, Series 1993, outstanding as of June 30, 1995, in the aggregate principal amount of \$2,263,669.

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.

Further, assuming compliance with the certifications, representations, warranties and covenants contained in the Supplemental Resolution adopted by the Governmental Agency on August 18, 1995, and the Certificate as to Non-Arbitrage delivered contemporaneously herewith, we are of the opinion that, under existing statutes, regulations, rulings and court decisions, the proceeds from the sale of the Bonds deposited in the 1995 Bond Construction Trust Fund described in such Certificate as to Non-Arbitrage will not be subject to rebate to the United States under Section 148(f) of the Code.

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.

West Virginia Water Development
Authority
August 31, 1995
Page 4

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,

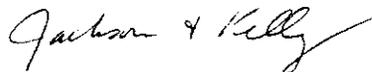


ABB09C0C



EILAND & BENNETT

ATTORNEYS AT LAW

200 BANK ONE BUILDING

POST OFFICE BOX 899

LOGAN, WEST VIRGINIA 25601

EDWARD I. EILAND
JOHN W. BENNETT

TELEPHONE (304) 752-2275
TELECOPIER (304) 752-2281

August 31, 1995

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

Jackson & Kelly
P.O. Box 553
Charleston, WV 25322

Re: The City of Logan, West Virginia
\$377,980 Subordinate Sewerage System
Revenue Bonds, Series 1995

Ladies and Gentlemen:

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 by and between the West Virginia Water Development Authority (the "Authority") and the City, dated August 31, 1995, and an Amendatory and Supplemental Bond Ordinance duly passed by the Council of the City (the "Council") on May 9, 1995, as supplemented by a Supplemental Resolution adopted August 18 and amended by an amendatory resolution adopted August 30, 1995, (collectively, the "Ordinance"), and other documents relating to the Bonds. Terms used in said opinion, the Loan Agreement and Ordinance and not otherwise defined herein have the same meanings herein.

I am of the opinion that:

1. The Loan Agreement has been duly authorized, executed and delivered by the City and, assuming due authorization, execution and delivery by the Authority, constitutes the valid and binding agreement of the City in accordance with its terms.
2. The Mayor and 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. The City has received all permits, licenses, approvals and authorizations necessary for the issuance of the Bonds, construction of the

EILAND & BENNETT

West Virginia Water Development Authority
Jackson & Kelly
August 31, 1995
Page 2.

Project, operation of the System and imposition of rates and charges, including, without limitation, the receipt of all requisite orders and approvals from the Public Service Commission of West Virginia, and has taken any other action required for the imposition of such rates and charges, including, without limitation, the enactment of an ordinance prescribing such rates and charges. The time for appeal of such rate ordinance has expired prior to the date hereof without any appeal.

5. The execution and delivery of the Bonds and the Loan Agreement and the consummation of the transactions contemplated by the Loan Agreement, and the carrying out of the terms thereof, do not and will not in any material respect conflict with or constitute on the part of the 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. The City has received all the necessary permits, licenses, approvals and authorizations that are presently obtainable to construct the Project.

7. To the best of my knowledge, there is no action, suit, proceeding or investigation at law or in equity before or by any court, public council or body, pending or threatened, wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated by or the validity of the Bonds or the collection or pledge of the Net Revenues therefor.

8. 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, in my opinion, 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 my opinion, within the ability of the City to pay for the same without jeopardizing the security of or payments on the Subordinate Bonds.

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

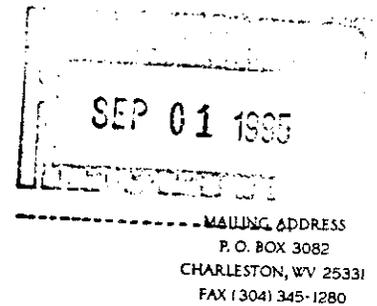
Very truly yours,


Counsel to The City of Logan



T. D. KAUFFELT
JAMES D. KAUFFELT
MARK E. KAUFFELT

LAW OFFICES
KAUFFELT & KAUFFELT
803 KANAWHA VALLEY BUILDING
CHARLESTON, WEST VIRGINIA 25301
(304) 345-1272



August 31, 1995

The City of Logan
City Hall
Dingess Street
Logan, WV 25601

Jackson & Kelly
P. O. Box 553
Charleston, WV 25322

Re: The City of Logan, West Virginia
\$377,980 Subordinate Sewerage System
Revenue Bonds, Series 1995

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 11, 1995. I am also familiar with the Rate Ordinance adopted by the Council of the City on May 9, 1995. Pursuant to the above-noted documents, I am of the opinion as follows:

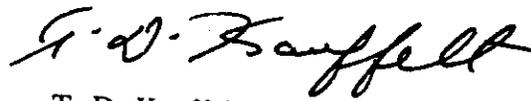
1. The City has received a Certificate of Public Convenience and Necessity from the Commission for construction and operation of the Phase II Project and said Certificate is in full force and effect and is subject to appeal only by the City or the Commission, both of which have indicated they have no intention to appeal the order.
2. The Rate Ordinance adopted by the Council of the City on May 9, 1995, was duly enacted by the Council, is in full force and effect and is not subject to appeal.

KAUFFELT & KAUFFELT

The City of Logan
Jackson & Kelly
August 31, 1995
Page 2

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
Counsel for Public Service Commission
Matters

TDK:rh
r0301501s