CITY OF MARTINSBURG
COMBINED WATERWORKS AND SEWERAGE SYSTEM
REVENUE BONDS
Series 2000A (West Virginia DWTRF Program)
Series 2000B (West Virginia Infrastructure Fund)
Series 2000C (West Virginia Water Development Authority)

Date of Closing: September 27, 2000

CITY OF MARTINSBURG
COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS,

SERIES 2000A
(WEST VIRGINIA DWTRF PROGRAM)

SERIES 2000B
(WEST VIRGINIA INFRASTRUCTURE FUND)

SERIES 2000C
(WEST VIRGINIA WATER DEVELOPMENT AUTHORITY)

Date of Closing: September 27, 2000

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CITY OF MARTINSBURG

COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS,

SERIES 2000A
(WEST VIRGINIA DWTRF PROGRAM)

SERIES 2000B
(WEST VIRGINIA INFRASTRUCTURE FUND)

SERIES 2000C
(WEST VIRGINIA WATER DEVELOPMENT AUTHORITY)

BOND ORDINANCE

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CITY OF MARTINSBURG
COMBINED WATERWORKS AND SEWERAGE SYSTEM
REVENUE BONDS,

SERIES 2000A
(WEST VIRGINIA DWTRF PROGRAM)

SERIES 2000B
(WEST VIRGINIA INFRASTRUCTURE FUND)

SERIES 2000C
(WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

BOND ORDINANCE

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING COMBINED WATERWORKS AND SEWERAGE SYSTEM OF THE CITY OF MARTINSBURG AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE CITY OF MARTINSBURG OF NOT MORE THAN TWELVE MILLION FIVE HUNDRED FORTY THOUSAND THREE HUNDRED FIFTY-TWO DOLLARS ($12,540,352) IN AGGREGATE PRINCIPAL AMOUNT OF CITY OF MARTINSBURG COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS IN THREE SERIES, THE FIRST SERIES TO BE DESIGNATED SERIES 2000A (WEST VIRGINIA DWTRF PROGRAM) IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED SEVEN MILLION FIVE HUNDRED SIXTY-FOUR THOUSAND DOLLARS ($7,564,000), THE SECOND SERIES TO BE DESIGNATED SERIES 2000B (WEST VIRGINIA INFRASTRUCTURE FUND) IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED THREE MILLION DOLLARS ($3,000,000), AND THE THIRD SERIES TO BE DESIGNATED SERIES 2000C (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY) IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED ONE MILLION NINE HUNDRED SEVENTY-SIX THOUSAND THREE HUNDRED FIFTY-TWO DOLLARS ($1,976,352); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE HOLDERS OF THE RESPECTIVE SERIES OF SUCH COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS; APPROVING, RATIFYING AND CONFIRMING (I) A LOAN AGREEMENT WITH THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY ACTING ON BEHALF OF THE WEST VIRGINIA BUREAU FOR PUBLIC HEALTH RELATING TO SUCH SERIES 2000A BONDS, (II) A LOAN AGREEMENT WITH THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY ACTING

ON BEHALF OF THE WEST VIRGINIA INFRASTRUCTURE AND JOBS DEVELOPMENT COUNCIL RELATING TO SUCH SERIES 2000B BONDS, AND (III) A LOAN AGREEMENT WITH THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY RELATING TO SUCH SERIES 2000C BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS; AND ADOPTING OTHER PROVISIONS RELATING THERETO.

BE IT ENACTED AND ORDAINED BY THE COMMON COUNCIL OF THE CITY OF MARTINSBURG:

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

Section 1.01. Authority for this Ordinance. This Ordinance (together with any order, ordinance or resolution supplemental hereto or amendatory hereof, the "Bond Legislation") is enacted pursuant to the provisions of Chapter 8, Article 20, Chapter 16, Article 13C, Chapter 31, Article 15A and Chapter 22C, Article 1 of the West Virginia Code of 1931, as amended (collectively, the "Act") and other applicable provisions of law.

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

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

B. It is deemed necessary and desirable for the health and welfare of the inhabitants of the Issuer that there be constructed certain additions, betterments and improvements to the Issuer's existing public combined waterworks and sewerage system, including the additions, betterments and improvements described in Exhibit A hereto (collectively, the "Project") (the Issuer's existing public combined waterworks and sewerage system, the Project and any further additions thereto or extensions thereof are herein called the "System") in accordance with the plans and specifications prepared by Chester Engineers, Inc., the Consulting Engineers, which plans and specifications have heretofore been filed with the Issuer.

C. The acquisition and construction of the System were financed and refinanced by issuance of several series of bonds or refunding bonds, of which there are presently Outstanding the Issuer's Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 1995, dated September 1, 1995, originally issued in the aggregate principal amount of $3,645,000 of which $3,300,000 is presently Outstanding (the "Prior Bonds"), which Prior Bonds were issued pursuant to an ordinance enacted by the Issuer on August 17, 1995 and put into effect following a public hearing held on August 31, 1995 (the "Prior Ordinance").

D. The Issuer derives revenues from the System, and, except for the pledges thereof to secure and pay the Prior Bonds, said revenues are not pledged or encumbered in any manner.

E. The estimated maximum cost of the construction and acquisition of the Project and issuance of the Series 2000 Bonds, as hereinafter defined, is $13,056,020, of which not to exceed $7,564,000 will be permanently financed with the proceeds of the Issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 2000A (West Virginia DWTRF Program) (the "Series 2000A Bonds"), not to exceed $3,000,000 will be permanently financed with the proceeds of the

Issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 2000B (West Virginia Infrastructure Fund) (the "Series 2000B Bonds"), not to exceed $1,976,352 will be permanently financed with the proceeds of the Issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 2000C (West Virginia Water Development Authority) (the "2000C Bonds" and collectively with the Series 2000A Bonds and Series 2000B Bonds, the "Series 2000 Bonds") herein authorized and the balance of $515,668 will be paid with other available funds of the Issuer, which sum of $515,668 is to be reimbursed to the Issuer from the proceeds of the Bonds of the Issuer to be issued in connection with Phase II of the project which will be undertaken by the Issuer to extend and improve the water treatment and distribution facilities of the System, which is to be undertaken for financing purposes in two phases, the Project hereunder consisting of Phase I thereof.

F. The Issuer has met all of the requirements set forth in the Prior Ordinance, including without limitation the provisions of Section 6.08 thereof, for the issuance of the Series 2000 Bonds on a parity with the Prior Bonds with respect to lien, pledge and sources of and security for payment, and the Issuer has determined that, upon issuance the Series 2000 Bonds shall be on a parity with the Prior Bonds.

G. The estimated revenues to be derived in each year after completion of the Project from the operation of the System will be sufficient to pay all the costs of the operation and maintenance of said System, the principal of and interest on the Series 2000 Bonds and the Prior Bonds, and all sinking funds, reserve accounts and other payments provided for herein and in the Prior Ordinance.

H. It is further deemed necessary for the Issuer to issue the Series 2000A Bonds, in the total aggregate principal amount of not more than $7,564,000, the Series 2000B Bonds in the total aggregate principal amount of not more than $3,000,000 and the Series 2000C Bonds in the total aggregate principal amount of not more than $1,976,352, to permanently finance a portion of the costs of acquisition and construction of the Project, as hereinafter defined. Said costs shall be deemed to include the cost of all property rights, easements and franchises deemed necessary or convenient therefor; interest upon the Series 2000 Bonds prior to and during construction and acquisition and for a period not exceeding 6 months after completion of construction of the Project; amounts which may be deposited in the Series 2000 Bonds Reserve Accounts; engineering and legal expenses; expenses for estimates of costs and revenues, expenses for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the enterprise, administrative expense, commitment fees, fees and expenses of the Authority (as hereinafter defined), discount, initial fees for the services of registrars, paying agents, depositories or trustees or other costs in connection with the sale of the Series 2000 Bonds and such other expenses as may be necessary or incidental to the financing herein authorized, the acquisition or construction of the Project and the placing of same in operation, and the performance of the things herein required or permitted, in connection with any thereof, provided, that reimbursement to the Issuer for any amounts expended by it for allowable costs prior to the issuance of the Series 2000

Bonds or the repayment of indebtedness incurred by the Issuer for such purposes, shall be deemed Costs of the Project, as hereinafter defined.

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

J. It is in the best interest of the Issuer that its Series 2000A Bonds be issued and sold to the Authority (as hereinafter defined) pursuant to the terms and provisions of a loan agreement by and between the Issuer and the Authority, acting on behalf of the West Virginia Bureau for Public Health ("BPH"), the execution, delivery and form of which are ratified and approved herein.

K. It is in the best interests of the Issuer that its Series 2000B Bonds be issued and sold to the Authority (as hereinafter defined) pursuant to the terms and provisions of a loan agreement by and between the Issuer and the Authority, acting on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council"), the execution, delivery and form of which are ratified and approved herein.

L. It is in the best interests of the Issuer that its Series 2000C Bonds be issued and sold to the Authority (as hereinafter defined) pursuant to the terms and provisions of a loan agreement by and between the Issuer and the Authority, the execution, delivery and form of which are ratified and approved herein.

M. There are no outstanding obligations of the Issuer, other than the Prior Bonds, which will rank either senior and prior to or on parity with the Series 2000 Bonds as to liens and sources of and security for payment.

N. The Series 2000 Bonds shall be issued with a lien on the Gross Revenues, as hereinafter defined, on a parity with the lien held by the Holders of the Prior Bonds. Prior to the issuance of the Series 2000 Bonds, the Issuer will obtain a certificate of an Independent Certified Public Accountant stating that the parity test of the Prior Bonds is met.

O. The Issuer has complied with all requirements of West Virginia law and the Loan Agreements relating to authorization of the acquisition, construction and operation of the Project and the System, and issuance of the Series 2000 Bonds or will have so complied prior to issuance of any thereof, including, among other things, the obtaining of a Certificate of Public Convenience and Necessity from the Public Service Commission of West Virginia by final order, the time for rehearing and appeal of which has expired prior to the issuance of the Series 2000 Bonds or has been waived by all necessary parties.

P. The Project has been reviewed and determined to be technically and financially feasible by the Council (as hereinafter defined) as required under Chapter 31, Article 15A of the West Virginia Code of 1931, as amended.

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

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

"Act" means collectively Chapter 8, Article 20, Chapter 16, Article 13C, Chapter 31, Article 15A and Chapter 22C, Article 1 of the West Virginia Code of 1931, as amended and in effect on the date of enactment hereof.

"Authority" means the West Virginia Water Development Authority, or any other agency of the State of West Virginia that succeeds to the functions of the Authority, which is expected to be the original purchaser and Registered Owner of the Series 2000A Bonds, Series 2000B Bonds and the Series 2000C Bonds, provided that the Issuer must satisfy the legal and other requirements of the respective loan programs.

"Authorized Officer" means the Mayor or City Manager of the Issuer or any other officer of the Issuer specifically designated by resolution of the Council of the Issuer duly appointed as such by the Governing Body.

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

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

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

"Bonds" means, collectively, the Prior Bonds, the Series 2000 Bonds and, where appropriate, any Bonds on a parity therewith authorized to be issued hereunder or by another ordinance of the Issuer.

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

"BPH" means the West Virginia Bureau for Public Health, a division of the West Virginia Department of Health and Human Resources, or any successor thereto.

"Certificate of Authentication and Registration" means the certificate of authentication and registration on the Series 2000 Bonds in substantially the forms set forth in the bond forms contained herein.

"City Manager" means the City Manager of the Issuer.

"Closing Date" means the date upon which there is an exchange of the Series 2000 Bonds for an advance of more than a de minimis amount of the principal of the Series 2000 Bonds by the Authority.

"Code" shall mean the Internal Revenue Code of 1986, as amended and supplemented from time to time, and Regulations thereunder.

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

"Completion Date" means the completion date of the Project.

"Construction Trust Funds" means the Series 2000A Bonds Construction Trust Fund, the Series 2000B Bonds Construction Trust Fund and the Series 2000C Bonds Construction Trust Fund.

"Consulting Engineers" means Chester Engineers, Inc., or any professional engineer or firm of professional engineers, licensed by the State, who shall not be a regular, full-time employee of the State or any of its agencies, commissions or political subdivisions, that shall at any time hereafter be retained by the Issuer as Consulting Engineers for the System, or portion thereof in accordance with Chapter 5G, Article 1 of the West Virginia Code of 1931, as amended.

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

"Council" means the West Virginia Infrastructure and Jobs Development Council or any successor thereto.

"Depository Bank" means the bank designated as such in the Supplemental Resolution, and its successors and assigns, which shall be a member of the FDIC.

"Depreciation Fund" means the Depreciation Fund established or continued by the Prior Ordinance and continued by Section 5.01 hereof.

"DWTRF Administrative Fee" means the administrative fee payable pursuant to the DWTRF Loan Agreement.

"DWTRF Loan Agreement" shall mean the Drinking Water Treatment Revolving Fund Loan Agreement entered into or to be entered into by and between the Issuer and the Authority on behalf of the BPH, providing for the purchase of the Series 2000A Bonds from the Issuer by the Authority, attached hereto as Exhibit B, the form of which is approved, and the execution and delivery by the Issuer are authorized and directed by Section 3.11 hereof and by the Supplemental Resolution.

"DWTRF Program" means the drinking water facility acquisition, construction and improvement program coordinated through the capitalization grants program established under the Safe Drinking Water Act and administered by BPH.

"DWTRF Regulations" means the regulations set forth in the West Virginia Code of State Regulations relating to the DWTRF Program.

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

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

"Financial Guaranty Agreement" means the Financial Guaranty Agreement by and between the Issuer and MBIA, dated as of the closing date with respect to the Prior Bonds or any similar agreement which may be entered into between the Issuer and a provider of a Reserve Account Insurance Policy for a subsequent series of Bonds.

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

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

"Government Obligations" means direct and general obligations of the United States of America, of obligations that are unconditionally guaranteed as to principal and interest by the United States of America, including (in the case of direct and general obligations of the United States of America) evidences of ownership of proportionate interests in future interest and principal payments of such obligations; provided that, investments in such proportionate interests shall be limited to circumstances wherein (a) a bank or trust company acts as custodian and holds the underlying United States obligations; (b) the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor of the underlying United States obligations; and (c) the underlying United States obligations are held in a special account separate from the custodian's general assets, and are not available to satisfy any claim of the custodian, any person claiming through the custodian, or any person to whom the custodian may be obligated.

"Gross Revenues" means the aggregate gross operating and non-operating revenues of the System determined in accordance with generally accepted accounting principles, after deduction of prompt payment discounts, if any, and reasonable provision for uncollectible accounts, and include any gains from the sale or other disposition of, capital assets, but does not include any increase in the value of, capital assets (including Qualified Investments).

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

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

"Infrastructure Loan Agreement" means the Loan Agreement between the Issuer and Authority, acting on behalf of the Council, providing for the purchase of the Series 2000B Bonds from the Issuer by the Authority, attached hereto as Exhibit B, the form of which is approved, and the execution and delivery by the Issuer are authorized and directed by Section 3.11 hereof and by the Supplemental Resolution.

"Investment Property" means any security (as said term is defined in Section 165(g)(2) (A) or (B) of the Code), obligation, annuity contract, investment-type property or in the case of a bond other than a private activity bond, any residential rental property for family units which is not located within the jurisdiction of the Issuer and which is not acquired to implement a court ordered or approved housing desegregation plan. Except as provided in the following sentence, the term "Investment Property" does not include any tax-exempt bond. With respect to an issue other than an issue a part of which is a specified private activity bond (as defined in Section 57(a)(5)(C) of the Code), the term "Investment Property" includes a specified private activity bond (as so defined).

"Issuer" means City of Martinsburg, a municipal corporation and political subdivision of the State of West Virginia, in Berkeley County, West Virginia, and, unless the context clearly indicates otherwise, includes the Governing Body of the Issuer.

"Loan Agreements" means collectively the DWTRF Loan Agreement, the Infrastructure Loan Agreement and the WDA Loan Agreement.

"Mayor" means the Mayor of the Issuer.

"MBIA" means Municipal Bond Investors Assurance Corporation, a stock insurance company incorporated under the laws of the State of New York.

"Municipal Bond Insurance Policy" means the municipal bond insurance policy issued by MBIA simultaneously with the delivery of the Prior Bonds, insuring the payment of the principal of and interest on all or any of the Prior Bonds in accordance with the terms thereof or any other bond insurance policy which may be issued on behalf of the Issuer to insure payment of the principal of and interest on all or any subsequent series of Bonds.

"Net Proceeds" means the face amount of the Series 2000 Bonds, plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds deposited in the Series 2000 Bonds Reserve Accounts. For purposes of the Private Business Use limitations set forth herein, the term Net Proceeds shall include any amounts resulting from the investment of proceeds of the Series 2000 Bonds, without regard to whether or not such investment is made in tax-exempt obligations.

"Net Revenues" means Gross Revenues less Operating Expenses.

"Nonpurpose Investment" means any Investment Property as defined in Section 148(b) of the Code, that is not a purpose investment.

"Operating Expenses" means the current expenses, paid or accrued, of repair, operation and maintenance of the System, and includes, without limiting the generality of the foregoing, administrative, engineering, legal, auditing and insurance expenses (other than those capitalized as part of the costs of any project relating to the acquisition or construction of additions, betterments or improvements of the System), supplies, labor, wages, the cost of materials and supplies used for current operations, fees and expenses of fiscal agents and of the Depository Bank, Registrar and Paying Agent or Paying Agents, payments to pensions or retirement funds, taxes and such other reasonable operating costs and expenses as should normally and regularly be included under generally accepted accounting principles; provided, that "Operating Expenses" does not include payments on account of the principal of or redemption premium, if any, or interest on the Bonds, charges for depreciation, losses from sale or other disposition of or any decrease in the value

of capital assets, amortization of debt discount or such miscellaneous deductions are reapplicable to prior accounting periods.

"Operation and Maintenance Fund" means the Operation and Maintenance Fund established or continued by the Prior Ordinance and continued by Section 5.01 hereof.

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

"Parity Bonds" means additional Bonds issued under the provisions and within the limitations prescribed by Section 7.07 hereof.

"Paying Agent" means the West Virginia Municipal Bond Commission, or such entity or authority as may be designated by the Issuer with the consent of the Authority.

"Prior Bonds" means the Issuer's Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 1995, dated September 1, 1995, originally issued in the aggregate principal amount of $3,645,000, of which $3,300,000 is presently Outstanding.

"Prior Ordinance" means the Bond Ordinance enacted by the Issuer on August 17, 1995 and put into effect on August 31, 1995, authorizing, among other things, the issuance of the Prior Bonds, as supplemented and amended.

"Private Business Use" means use (directly or indirectly) in a trade or business carried on by any person other than a governmental unit; provided that, use as a member of the general public shall not be taken into account.

"Project" means the project described in Exhibit A attached hereto, constituting additions, betterments and improvements to the existing combined waterworks and sewerage system of the Issuer.

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

(1) Government Obligations.

(2) Obligations issued or guaranteed by the following instrumentalities or agencies of the United States of America:

(a) Federal Home Loan Bank System,

(b) Export-Import Bank of the United States.

(c) Federal Financing Bank,

(d) Government National Mortgage Association,

(e) Farmers Home Administration,

(f) Federal Home Loan Mortgage Company,

(g) Federal Housing Administration, and

(h) Federal National Mortgage Association.

(3) Direct and general long-term obligations of any state to the payment of which the full faith and credit of the state is pledged and which are rated in either of the two highest rating categories by either Moody's Investors Service, Inc. (hereinafter referred as "Moody's") or Standard and Poor's Corporation (hereinafter referred to as "S&P") or, in the event each of such rating agencies rate such obligations, by each of them.

(4) Direct and general short term obligations of any state described in (3) above which are rated in the highest rating category by either Moody's or S&P or, in the event each of such rating agencies rate such obligations, by each of them.

(5) Interest-bearing demand or time deposits or interests in money-market portfolios issued by state banks or trust companies or any national banking associations which are members of the Federal Deposit Insurance Corporation ("FDIC") or savings and loan associations which are members of the Federal Savings and Loan Insurance Corporation ("FSLIC"). These deposits or interests shall be (a) continuously and fully secured by the FDIC and FSLIC and with banks that are rated at least P-1 or Aa by Moody's or at least A-1 or AA by S&P, or (b) fully secured by Government Obligations. Such Government Obligations must have a market value at all times at least equal to the principal amounts of the deposits or interests. The Government Obligations must be held by the Depository Bank (who shall not be the provider of the collateral) or by any Federal Reserve Bank or depository, as custodian for the institution issuing the deposits or interests. The Depository Bank

shall have a perfected first lien in the Government Obligations serving as collateral and such collateral shall be free from all third party liens.

(6) Repurchase agreements, the maturity of which are 30 days or less, entered into with financial institutions such as banks or trust companies organized under state law or national banking associations, insurance companies, or government bond dealers reporting to, trading with, and recognized as primary dealers by the Federal Reserve Bank of New York or banks rated "A" or above by S&P and Moody's. Such repurchase agreements shall be secured by Government Obligations. The Government Obligations must have a fair market value, exclusive of accrued interest, at least equal to the amount invested in the repurchase agreements. The Depository Bank (who shall not be the provider of the collateral) must have a perfected first lien in, and retain possession of, the collateral and the collateral must be free from all third party claims. The collateral must be valued weekly, marked-to-market at current market price, plus accrued interest and the value thereof must be equal at least 102% of the amount of cash transferred by the City to the dealer bank or securities firm under such repurchase agreement, plus accrued interest. If the value of the collateral falls below 102% of the value of such cash transferred by the City, additional cash and/or acceptable securities shall be transferred.

(7) Public housing bonds issued by public agencies. Such bonds must be fully secured by a pledge of annual contributions under a contract with the United States government; temporary notes, preliminary loan notes or project notes secured by a requisition or payment agreement with the United States; or state or public agency or municipality obligations rated in the highest rating category by a nationally recognized bond rating agency.

(8) Shares of a diversified open-end management investment company (as defined in the Investment Company Act of 1940) or shares in a regulated investment company (as defined in Section 851(a) of the Internal Revenue Code of 1986, as amended) that is (a) a money market fund that has been rated in the highest rating category by Moody's or S&P or (b) money market accounts of the Depository Bank or any state or federal bank that is rated at least P-1 or Aa by Moody's or at least A-1 or AA by S&P or whose one bank holding company parent is rated at least A-1 or AA By S&P or at least P-1 or Aa by Moody's or that has a combined capital and surplus of not less than $50,000,000.

(9) State pooled investment funds approved by MBIA (so long as MBIA insures any outstanding Bonds) including the West Virginia "consolidated fund" managed by the West Virginia Investment Management Board pursuant to Chapter 12, Article 6 of the West Virginia Code of 1931, as amended.

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

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

"Registrar" means the Bond Registrar.

"Regulations" means temporary and permanent regulations promulgated under the Code, and includes applicable regulations promulgated under the Internal Revenue Code of 1954, as amended.

"Reserve Accounts" means, collectively, the Series 1995 Bonds Reserve Account and the Series 2000 Bonds Reserve Accounts.

"Reserve Account Insurance Policy" means the reserve account insurance policy issued by MBIA simultaneously with the delivery of the Prior Bonds, insuring the funding requirement of the Series 1995 Bonds Reserve Account in connection with the Prior Bonds in accordance with the terms thereof or any surety bond, letter of credit or other instrument which may be applied by the Issuer to satisfy all or any portion of the Reserve Requirement for a subsequent series of Bonds, provided however that no such surety bond or letter of credit shall be used to fund all or any portion of the Reserve Requirement for a subsequent series of parity Bonds without the prior written consent of MBIA both as to the provider for such security and to its structure.

"Reserve Requirement" means, collectively, the respective amount required to be on deposit in the Reserve Accounts for the Series 2000 Bonds and Prior Bonds.

"Revenue Fund" means the Revenue Fund established or continued by the Prior Ordinance and continued by Section 5.01 hereof.

"Series 1995 Bonds Redemption Account" means the Redemption Account established for the Prior Bonds in the Prior Ordinance.

"Series 1995 Bonds Reserve Account" means the Reserve Account established for the Prior Bonds in the Prior Ordinance.

"Series 1995 Bonds Sinking Fund" means the Sinking Fund established for the Prior Bonds in the Prior Ordinance.

"Series 2000 Bonds" means collectively the Series 2000A Bonds, the Series 2000B Bonds and the Series 2000C Bonds.

"Series 2000 Bonds Reserve Accounts" means collectively the Series 2000A Bonds Reserve Account, the Series 2000B Bonds Reserve Account and the Series 2000C Bonds Reserve Account.

"Series 2000 Bonds Sinking Funds" means collectively the Series 2000A Bonds Sinking Fund, the Series 2000B Bonds Sinking Fund and the Series 2000C Bonds Sinking Fund.

"Series 2000A Bonds" means the not more than $7,564,000 in aggregate principal amount of Combined Waterworks and Sewerage System Revenue Bonds, Series 2000A (West Virginia DWTRF Program) of the Issuer, authorized by this Ordinance.

"Series 2000A Bonds Construction Trust Fund" means the Series 2000A Bonds Construction Trust Fund established by Section 5.01 hereof.

"Series 2000A Bonds Reserve Account" means the Series 2000A Bonds Reserve Account established in the Series 2000 Bonds Sinking Fund pursuant to Section 5.02 hereof.

"Series 2000A Bonds Reserve Requirement" means, as of any date of calculation, the maximum amount of principal and interest which will become due on the Series 2000A Bonds in the then concurrent or any succeeding year.

"Series 2000A Bonds Sinking Fund" means the Series 2000A Bonds Sinking Fund established by Section 5.02 hereof.

"Series 2000B Bonds" means the not more than $3,000,000 in aggregate principal amount of Combined Waterworks and Sewerage System Revenue Bonds, Series 2000B (West Virginia Infrastructure Fund) of the Issuer, authorized by this Ordinance.

"Series 2000B Bonds Construction Trust Fund" means the Series 2000B Bonds Construction Trust Fund established by Section 5.01 hereof.

"Series 2000B Bonds Reserve Account" means the Series 2000B Bonds Reserve Account established in the Series 2000 Bonds Sinking Fund pursuant to Section 5.02 hereof.

"Series 2000B Bonds Reserve Requirement" means, as of any date of calculation, the maximum amount of principal and interest which will become due on the Series 2000B Bonds in the then concurrent or any succeeding year.

"Series 2000B Bonds Sinking Fund" means the Series 2000B Bonds Sinking Fund established by Section 5.02 hereof.

"Series 2000C Bonds" means the not more than $1,976,352 in aggregate principal amount of Combined Waterworks and Sewerage System Revenue Bonds, Series 2000C (West Virginia Water Development Authority) of the Issuer, authorized by this Ordinance.

"Series 2000C Bonds Construction Trust Fund" means the Series 2000C Bonds Construction Trust Fund established by Section 5.01 hereof.

"Series 2000C Bonds Reserve Account" means the Series 2000C Bonds Reserve Account established in the Series 2000 Bonds Sinking Fund pursuant to Section 5.02 hereof.

"Series 2000C Bonds Reserve Requirement" means, as of any date of calculation, the maximum amount of principal and interest which will become due on the Series 2000C Bonds in the then concurrent or any succeeding year.

"Series 2000C Bonds Sinking Fund" means the Series 2000C Bonds Sinking Fund established by Section 5.02 hereof.

"Sinking Funds" means, collectively, the Series 1995 Bonds Sinking Fund and the Series 2000 Bonds Sinking Funds.

"State" means the State of West Virginia.

"Supplemental Resolution" means any resolution, ordinance or order of the Issuer supplementing or amending this Ordinance and, when preceded by the article "the," refers specifically to the Supplemental Resolution authorizing the sale of the Series 2000 Bonds; provided, that any matter intended by this Ordinance to be included in the Supplemental Resolution with respect to the Series 2000 Bonds and not so included may be included in another Supplemental Resolution.

"Surplus Revenues" means the Net Revenues not required by the Bond Legislation to be set aside and held for the payment of or security for the Series 2000 Bonds, the Prior Bonds or any other obligations of the Issuer, as further defined in Section 5.03(A)(7) hereof.

"System" means, collectively, the complete existing municipal combined waterworks and sewerage system of the Issuer, consisting of a water filtration and treatment plant, reservoirs, water tanks, distribution lines and booster stations and a sewage treatment plant, collection and transportation lines and lift stations now owned by the Issuer or any integral part thereof, and all other facilities necessary, appropriate, useful, convenient or incidental in connection with or to a waterworks or sewage treatment and collection system, and any additions, betterments and improvements thereto hereafter acquired or constructed for said waterworks or sewage treatment and collection system from any sources whatsoever, both within and without the Issuer.

"WDA Loan Agreement" means the Loan Agreement between the Authority and the Issuer, providing for the purchase of the Series 2000C Bonds, by the Authority, attached hereto as Exhibit B, the form of which is approved, and the execution and delivery by the Issuer are authorized and directed by Section 3.11 hereof and by the Supplemental Resolution.

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

Additional terms and phrases are defined in this Ordinance as they are used. Accounting terms not specifically defined herein shall be given meaning in accordance with generally accepted accounting principles.

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

The terms "herein," "hereunder," "hereby," "hereto," "hereof" and any similar terms refer to this Ordinance; and the term "hereafter" means after the date of enactment of this Ordinance.

Articles, sections and subsections mentioned by number only are the respective articles, sections and subsections of this Ordinance so numbered.

ARTICLE II

AUTHORIZATION OF ACQUISITION AND CONSTRUCTION OF THE PROJECT

Section 2.01. Authorization of Acquisition and Construction of the Project. There is hereby authorized the acquisition and construction of the Project, at an estimated cost of not to exceed $13,056,020, in accordance with the plans and specifications which have been prepared by the Consulting Engineers, heretofore filed in the office of the Governing Body. The proceeds of the Series 2000 Bonds hereby authorized shall be applied as provided in Article VI hereof.

The Issuer has received bids or entered into contracts for the acquisition and construction of the Project, in an amount and otherwise compatible with the financing plan submitted to the BPH, the Council and the Authority. The Issuer will enter into a contract for the acquisition and construction of the Project simultaneously with the issuance of the Series 2000 Bonds or within thirty (30) days thereafter.

The cost of the Project is estimated not to exceed $13,056,020, which is to be paid as set forth in 1.02E hereof.

ARTICLE III

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

Section 3.01. Authorization of Bonds. For the purposes of capitalizing interest on the Series 2000 Bonds, funding reserve accounts for the respective Series 2000 Bonds, paying Costs of the Project not otherwise provided for, and paying certain costs of issuance of the Series 2000 Bonds and related costs, or any or all of such purposes, as determined by the Supplemental Resolution, there shall be and hereby are authorized to be issued negotiable Series 2000 Bonds of the Issuer in an aggregate principal amount of not more than $12,540,352. The Series 2000 Bonds shall be issued in three series, the first series to be designated "Combined Waterworks and Sewerage System Revenue Bonds, Series 2000A (West Virginia DWTRF Program)," in the aggregate principal amount of not more than $7,564,000, the second series to be designated "Combined Waterworks and Sewerage System Revenue Bonds, Series 2000B (West Virginia Infrastructure Fund)," in an aggregate principal amount of not more than $3,000,000, and the third series to be designated "Combined Waterworks and Sewerage System Revenue Bonds, Series 2000C (West Virginia Water Development Authority)," in an aggregate principal amount of not more than $1,976,352, and shall have such terms as set forth hereinafter and in the Supplemental Resolution. The proceeds of the Series 2000 Bonds remaining after the funding of the Series 2000 Bonds Reserve Accounts (if funded from the Bond proceeds) and capitalization of interest, if any, shall be deposited in or credited to the respective Series 2000 Bonds Construction Trust Fund established by Section 5.01 hereof and applied as set forth in Article VI hereof.

Section 3.02. Terms of Bonds. The Series 2000 Bonds shall be issued in such principal amounts; bear interest at such rate or rates, not exceeding the then legal maximum, payable semiannually or quarterly on such dates; shall mature on such dates and in such amounts; and shall be redeemable, in whole or in part, all as the Issuer shall prescribe in a Supplemental Resolution or as specifically provided in the respective Loan Agreements. The Series 2000 Bonds shall be payable as to principal at the office of the Paying Agent, in any coin or currency which, on the dates of payment of principal is legal tender for the payment of public or private debts under the laws of the United States of America. Interest on the Series 2000 Bonds shall be paid by check or draft of the Paying Agent mailed to the Registered Owner thereof at the address as it appears on the books of the Bond Registrar, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner thereof.

Unless otherwise provided by the Supplemental Resolution, the Series 2000A Bonds, Series 2000B Bonds and Series 2000C Bonds shall each be issued in the form of a single bond, fully registered to the Authority, with a debt service schedule attached, and the Series 2000A Bonds and Series 2000B Bonds shall have attached a record of advances, representing the aggregate principal

amount of the Series 2000 Bonds, and shall mature in principal installments, all as provided in the Supplemental Resolution. The Series 2000 Bonds shall be exchangeable at the option and expense of the Holder for other fully registered Bonds of the same series in aggregate principal amount equal to the amount of said Bonds then Outstanding and being exchanged, with principal installments or maturities, as applicable, corresponding to the dates of payment of principal installments of said Bonds; provided, that the Authority shall not be obligated to pay any expenses of such exchange.

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

Section 3.03. Execution of Bonds. The Series 2000 Bonds shall be executed in the name of the Issuer by the Mayor and City Manager, and the seal of the Issuer shall be affixed thereto or imprinted thereon and attested by the Recorder. In case any one or more of the officers who shall have signed or sealed any of the Series 2000 Bonds shall cease to be such officer of the Issuer before the Series 2000 Bonds so signed and sealed have been actually sold and delivered, such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Any Series 2000 Bonds may be signed and sealed on behalf of the Issuer by such person as at the actual time of the execution of such Bonds shall hold the proper office in the Issuer, although at the date of such Bonds such person may not have held such office or may not have been so authorized.

Section 3.04. Authentication and Registration. No Series 2000 Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Bond Legislation unless and until the Certificate of Authentication and Registration on such Bond, substantially in the forms set forth in Section 3.10 shall have been manually executed by the Bond Registrar. Any such executed Certificate of Authentication and Registration upon any such Bond shall be conclusive evidence that such Bond has been authenticated, registered and delivered under this Bond Legislation. The Certificate of Authentication and Registration on any Series 2000 Bond shall be deemed to have been executed by the Bond Registrar if manually signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of the Bonds issued hereunder.

Section 3.05. Negotiability, Transfer and Registration. Subject to the provisions for transfer of registration set forth below, the Series 2000 Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder, in accepting any of said Series 2000 Bonds shall be conclusively deemed to have agreed that such Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder shall further be conclusively deemed to have agreed that said Bond shall be incontestable in the hands of a bona fide holder for value.

So long as any of the Series 2000 Bonds remain Outstanding, the Issuer, through the Bond Registrar or its agent, shall keep and maintain the books for the registration and transfer of the Series 2000 Bonds.

The registered Series 2000 Bonds shall be transferable only upon the books of the Bond Registrar, by the registered owner thereof in person or by his attorney duly authorized in writing, upon surrender thereto together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered owner or his duly authorized attorney.

In all cases in which the privilege of exchanging Series 2000 Bonds or transferring the registered Series 2000 Bonds are exercised, Series 2000 Bonds shall be delivered in accordance with the provisions of this Bond Legislation. All Series 2000 Bonds surrendered in any such exchanges or transfers shall forthwith be cancelled by the Bond Registrar. For every such exchange or transfer of Series 2000 Bonds, the Bond Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer and the cost of preparing each new Bond upon each exchange or transfer, and any other expenses of the Bond Registrar incurred in connection therewith, which sum or sums shall be paid by the Issuer. The Bond Registrar shall not be obliged to make any such exchange or transfer of Series 2000 Bonds during the period commencing on the 15th day of the month next preceding an interest payment date on the Series 2000 Bonds or, in the case of any proposed redemption of Series 2000 Bonds, next preceding the date of the selection of Series 2000 Bonds to be redeemed, and ending on such interest payment date or redemption date.

Section 3.06. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Series 2000 Bond shall become mutilated or be destroyed, stolen or lost, the Issuer may, in its discretion, issue, and the Bond Registrar shall, if so advised by the Issuer, authenticate and deliver, a new Bond of the same series and of like tenor as the Bonds so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond, or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the Holder's furnishing satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer may prescribe and paying such expenses as the Issuer and the Bond Registrar may incur. All Bonds so surrendered shall be cancelled by the Bond Registrar and held for the account of the Issuer. If any such Bond shall have matured or be about to mature, instead of issuing a substitute Bond, the Issuer may pay the same, upon being indemnified as aforesaid, and if such Bond be lost, stolen or destroyed, without surrender thereof.

Section 3.07. Bonds not to be Indebtedness of the Issuer. The Series 2000 Bonds shall not, in any event, be or constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation, but shall be payable solely from the Gross Revenues derived from the operation of the System as herein provided and amounts, if any, in the respective Sinking Funds and Reserve Accounts. No holder or holders of any of the Series 2000 Bonds shall ever have

the right to compel the exercise of the taxing power of the Issuer to pay the Series 2000 Bonds or the interest thereon.

Section 3.08. Bonds Secured by Pledge of Gross Revenues, Lien Positions With Respect to Prior Bonds. The payment of the debt service of all the Series 2000 Bonds shall be secured forthwith equally and ratably with each other by a first lien on and pledge of the Gross Revenues derived from the System on a parity with the lien on such Gross Revenues in favor of the Holders of the Prior Bonds. Such Gross Revenues in an amount sufficient to pay the principal of and interest on and other payments for the Prior Bonds and the Series 2000 Bonds and to make the payments into the Sinking Funds and the Reserve Accounts therein, are hereby irrevocably pledged to the payment of the principal of and interest on the Prior Bonds and the Series 2000 Bonds as the same become due.

Section 3.09. Delivery of Bonds. The Issuer shall execute and deliver the Series 2000 Bonds to the Bond Registrar, and the Bond Registrar shall authenticate, register and deliver the Series 2000 Bonds to the original purchasers upon receipt of the documents set forth below:

A. If other than the Authority, a list of the names in which the Series 2000 Bonds are to be registered upon original issuance, together with such taxpayer identification and other information as the Bond Registrar may reasonably require;

B. A request and authorization to the Bond Registrar on behalf of the Issuer, signed by an Authorized Officer, to authenticate and deliver the Series 2000 Bonds to the original purchasers;

C. An executed and certified copy of the Bond Legislation;

D. An executed copy of the DWTRF Loan Agreement, Infrastructure Loan Agreement and WDA Loan Agreement; and

E. The approving opinions of bond counsel on the Series 2000 Bonds.

Section 3.10. Forms of Series 2000 Bonds. The text of the Series 2000 Bonds shall be in substantially the following respective forms, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted hereby, or by any Supplemental Resolution adopted prior to the issuance thereof:

[Form of Series 2000A Bond]

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF MARTINSBURG
COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS,
SERIES 2000A
(WEST VIRGINIA DWTRF PROGRAM)

No. AR-_____ $_____

KNOW ALL MEN BY THESE PRESENTS: That CITY OF MARTINSBURG, a municipal corporation and political subdivision of the State of West Virginia in Berkeley County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the West Virginia Water Development Authority (the "Authority") or registered assigns the sum of _____ DOLLARS ($_____), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as Exhibit A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing on _____, ____, as set forth on the "Debt Service Schedule" attached as Exhibit B hereto and incorporated herein by reference, with interest on each installment at the rate per annum set forth on said Exhibit B.

The interest and DWTRF Administrative Fee (as defined in the hereinafter described Bond Legislation) on this Bond shall be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing _____, 20__, as set forth on Exhibit B attached hereto. Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent"). The interest and DWTRF Administrative Fee on this Bond are 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 the Registrar (as defined in the hereinafter described Bond Legislation) on the 15th day of the month next preceding an interest and DWTRF Administrative Fee 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 only 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 the West Virginia Bureau for Public Health ("BPH") and upon the terms and conditions prescribed by, and otherwise in compliance with, the Drinking Water Treatment Revolving Fund Loan Agreement between the Issuer and the Authority, acting on behalf of the BPH, dated _____, 20__.

This Bond is issued (i) to permanently finance a portion of the costs of acquisition and construction of certain additions, betterments and improvements to the existing public combined waterworks and sewerage facilities of the Issuer (the "Project"); (ii) to fund a debt service reserve account fund for the Bonds and the Series 2000B Bonds described below; and (iii) to pay certain costs of issuance hereof and related costs. The existing public combined waterworks and sewerage facilities of the Issuer, the Project and any further additions, betterments or improvements thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 8, Article 20 and Chapter 16, Article 13C of the West Virginia Code of 1931, as amended (collectively, the "Act"), and an Ordinance duly enacted by the Issuer on _____, 20___ and a Supplemental Resolution duly adopted by the Issuer on _____, 20___ (collectively called the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other securities provided for the Bonds of this Series (the "Bonds") under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH (1) THE COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 1995, OF THE ISSUER, DATED SEPTEMBER 1, 1995, ISSUED IN THE ORIGINAL PRINCIPAL AMOUNT OF $3,645,000 (THE "SERIES 1995 BONDS"); (2) THE COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2000B (WEST VIRGINIA INFRASTRUCTURE FUND), OF THE ISSUER, DATED SEPTEMBER ___, 2000, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $3,000,000 (THE "SERIES 2000B BONDS"); AND (3) THE COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2000C (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), OF THE ISSUER, DATED SEPTEMBER ___, 2000, ISSUED IN THE ORIGINAL PRINCIPAL AMOUNT OF $1,976,352 (THE "SERIES 2000C BONDS").

This Bond is payable only from and secured by a pledge of the Gross Revenues (as defined in the Bond Legislation) to be derived from the System, on a parity with the pledge of the Gross Revenues in favor of the holders of the Series 1995 Bonds, the Series 2000B Bonds and the Series 2000C Bonds, and from moneys in the Reserve Account created under the Bond Legislation for the Bonds (the "Series 2000A Bonds Reserve Account"), and unexpended proceeds of the Bonds. Such Gross Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation, nor shall the Issuer be obligated to pay the same or the interest hereon, except from said special fund provided from the Gross Revenues, the moneys in the Series 2000A Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least

115% (120% so long as the Series 1995 Bonds remain Outstanding) of the maximum amount payable in any year for principal of and interest on the Bonds, and all other obligations secured by a lien on or payable from such revenues on a parity with the Bonds, including the Series 1995 Bonds, Series 2000B Bonds and the Series 2000C Bonds, provided however, that when the Series 1995 Bonds are no longer Outstanding and so long as there exists in the Series 2000A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with the Bonds, including the Series 2000B Bonds and the Series 2000C Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

All money received from the sale of this Bond, after reimbursement and repayment of all amounts advanced for preliminary expenses as provided by law and the Bond Legislation, shall be applied solely to the payment of the Costs of the Project described in the Bond Legislation, and there shall be and hereby is created and granted a lien upon such moneys, until so applied, in favor of the registered 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 do exist, have happened, and have been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other obligations of the Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia and that a sufficient amount of the Gross Revenues of the System has been pledged to and will be set aside into said special fund by the Issuer for the prompt payment of the principal of and interest on this Bond.

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

IN WITNESS WHEREOF, CITY OF MARTINSBURG has caused this Bond to be signed by its Mayor and its City Manager and its corporate seal to be hereunto affixed and attested by its Recorder, and has caused this Bond to be dated _____, 20___.

CITY OF MARTINSBURG

[SEAL]

_____
Mayor

_____
City Manager

ATTEST:

_____
Recorder

(Form of)

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2000A Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: _____.

_____,
as Registrar

By_____
Its Authorized Officer

EXHIBIT A

RECORD OF ADVANCES

	Amount	Date		Amount	Date
(1)	$		(7)	$	
(2)	$		(8)	$	
(3)	$		(9)	$	
(4)	$		(10)	$	
(5)	$		(11)	$	
(6)	$		(12)	$	

Total $_____

EXHIBIT B

DEBT SERVICE SCHEDULE

(Form of)

ASSIGNMENT

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

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

Dated: _____, 20_____.

_____

In the presence of:

_____

[Form of Series 2000B Bond]

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF MARTINSBURG
COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS,
SERIES 2000B
(WEST VIRGINIA INFRASTRUCTURE FUND)

No. BR-_____ $_____

KNOW ALL MEN BY THESE PRESENTS: That CITY OF MARTINSBURG, a municipal corporation and political subdivision of the State of West Virginia in Berkeley County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the West Virginia Water Development Authority (the "Authority") or registered assigns the sum of _____ DOLLARS ($_____), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as Exhibit A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing on _____, ____, as set forth on the "Debt Service Schedule" attached as Exhibit B hereto and incorporated herein by reference, with interest on each installment at the rate per annum set forth on said Exhibit B, payable March 1, June 1, September 1 and December 1 of each year, commencing on _____, _____.

Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent"). The interest on this Bond is payable by check or draft of the Paying Agent mailed to the registered owner hereof at the address as it appears on the books of the Registrar (as defined in the hereinafter described Bond Legislation) on the 15th day of the month next preceding an interest payment date, or by such other method as shall be mutually agreeable so long as the Authority is the registered owner hereof.

This Bond may only 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 the West Virginia Infrastructure and Jobs Development Council (the "Council") and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement between the Issuer and the Authority, acting on behalf of the Council, dated _____, 20__.

This Bond is issued (i) to permanently finance a portion of the costs of acquisition and construction of certain additions, betterments and improvements to the existing public combined waterworks and sewerage facilities of the Issuer (the "Project"); account for the Bonds; and (ii) to

pay certain costs of issuance hereof and related costs. The existing public combined waterworks and sewerage facilities of the Issuer, the Project and any further additions, betterments or improvements thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 8, Article 20 and Chapter 31, Article 15A of the West Virginia Code of 1931, as amended (collectively, the "Act"), and an Ordinance duly enacted by the Issuer on _____, 20___ and a Supplemental Resolution duly adopted by the Issuer on _____, 20___ (collectively called the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other securities provided for the Bonds of this Series (the "Bonds") under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH (1) THE COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 1995, OF THE ISSUER, DATED SEPTEMBER 1, 1995, ISSUED IN THE ORIGINAL PRINCIPAL AMOUNT OF $3,645,000 (THE "SERIES 1995 BONDS"); (2) THE COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2000A (WEST VIRGINIA DWTRF PROGRAM), OF THE ISSUER, DATED SEPTEMBER ___, 2000, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $7,564,000 (THE "SERIES 2000A BONDS"); AND (3) THE COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2000C (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), OF THE ISSUER, DATED SEPTEMBER ___, 2000, ISSUED IN THE ORIGINAL PRINCIPAL AMOUNT OF $1,976,352 (THE "SERIES 2000C BONDS").

This Bond is payable only from and secured by a pledge of the Gross Revenues (as defined in the Bond Legislation) to be derived from the System, on a parity with the pledge of the Gross Revenues in favor of the holders of the Series 1995 Bonds, the Series 2000A Bonds and the Series 2000C Bonds, and from moneys in the Reserve Account created under the Bond Legislation for the Bonds (the "Series 2000B Bonds Reserve Account"), and unexpended proceeds of the Bonds. Such Gross Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation, nor shall the Issuer be obligated to pay the same or the interest hereon, except from said special fund provided from the Gross Revenues, the moneys in the Series 2000B Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% (120% so long as the Series 1995 Bonds remain Outstanding) of the maximum amount payable in any year for principal of and interest on the Bonds, and all other obligations secured by

a lien on or payable from such revenues on a parity with the Bonds, including the Series 1995 Bonds, Series 2000A Bonds and the Series 2000C Bonds, provided however, that when the Series 1995 Bonds are no longer Outstanding and so long as there exists in the Series 2000B Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with the Bonds, including the Series 2000A Bonds and the Series 2000C Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

All money received from the sale of this Bond, after reimbursement and repayment of all amounts advanced for preliminary expenses as provided by law and the Bond Legislation, shall be applied solely to the payment of the Costs of the Project described in the Bond Legislation, and there shall be and hereby is created and granted a lien upon such moneys, until so applied, in favor of the registered 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 do exist, have happened, and have been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other obligations of the Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia and that a sufficient amount of the Gross Revenues of the System has been pledged to and will be set aside into said special fund by the Issuer for the prompt payment of the principal of and interest on this Bond.

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

IN WITNESS WHEREOF, CITY OF MARTINSBURG has caused this Bond to be signed by its Mayor and its City Manager and its corporate seal to be hereunto affixed and attested by its Recorder, and has caused this Bond to be dated _____, 20___.

CITY OF MARTINSBURG

[SEAL]

_____
Mayor

_____
City Manager

ATTEST:

_____
Recorder

(Form of)

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2000B Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: _____.

_____,
as Registrar

By_____
Its Authorized Officer

EXHIBIT A

RECORD OF ADVANCES

	Amount	Date		Amount	Date
(1)	$		(7)	$	
(2)	$		(8)	$	
(3)	$		(9)	$	
(4)	$		(10)	$	
(5)	$		(11)	$	
(6)	$		(12)	$	

Total $_____

EXHIBIT B

DEBT SERVICE SCHEDULE

(Form of)

ASSIGNMENT

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

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

Dated: _____, 20____.

_____

In the presence of:

_____

[Form of Series 2000C Bond]

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF MARTINSBURG
COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS,
SERIES 2000C
(WEST VIRGINIA WATER DEVELOPMENT AUTHORITY)

No. CR-_____ $_____

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

The interest on each installment shall run from the original date of delivery of this Bond to the Authority and payment therefor, and until payment of such installment, and such interest shall be payable semiannually on April 1 and October 1 in each year, commencing _____ 1, 200__. Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent"). The interest on this Bond is payable by check or draft of the Paying Agent mailed to the registered owner hereof at the address as it appears on the books of the Registrar (as defined in the hereinafter described Bond Legislation) on the 15th day of the month next preceding an interest payment date, or by such other method as shall be mutually agreeable so long as the Authority is the registered owner hereof.

This Bond may only be redeemed prior to its stated date of maturity in whole or in part but only with the express written consent of the Authority and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement between the Issuer and the Authority, dated _____, 20__.

This Bond is issued (i) to permanently finance a portion of the costs of acquisition and construction of certain additions, betterments and improvements to the existing public combined waterworks and sewerage facilities of the Issuer (the "Project"); (ii) to fund a debt service reserve account for the Bonds; and (iii) to pay certain costs of issuance hereof and related costs. The existing

public combined waterworks and sewerage facilities of the Issuer, the Project and any further additions, betterments or improvements thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 8, Article 20 and Chapter 22C, Article 1 of the West Virginia Code of 1931, as amended (collectively, the "Act"), and an Ordinance duly enacted by the Issuer on _____, 20___ and a Supplemental Resolution duly adopted by the Issuer on _____, 20___ (collectively called the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other securities provided for the Bonds of this Series (the "Bonds") under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH (1) THE COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 1995, OF THE ISSUER, DATED SEPTEMBER 1, 1995, ISSUED IN THE ORIGINAL PRINCIPAL AMOUNT OF $3,645,000 (THE "SERIES 1995 BONDS"); (2) THE COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2000A (WEST VIRGINIA DWTRF PROGRAM), OF THE ISSUER, DATED SEPTEMBER ___, 2000, ISSUED IN THE ORIGINAL PRINCIPAL AMOUNT OF $7,564,000 (THE "SERIES 2000A BONDS"); AND (3) THE COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2000B (WEST VIRGINIA INFRASTRUCTURE FUND), OF THE ISSUER DATED SEPTEMBER ___, 2000, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $3,000,000 (THE "SERIES 2000B BONDS").

This Bond is payable only from and secured by a pledge of the Gross Revenues (as defined in the Bond Legislation) to be derived from the System, on a parity with the pledge of the Gross Revenues in favor of the holders of the Series 1995 Bonds, the Series 2000A Bonds and the Series 2000B Bonds, and from moneys in the Reserve Account created under the Bond Legislation for the Bonds (the "Series 2000C Bonds Reserve Account"), and unexpended proceeds of the Bonds. Such Gross Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation, nor shall the Issuer be obligated to pay the same or the interest hereon, except from said special fund provided from the Gross Revenues, the moneys in the Series 2000C Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% (120% so long as the Series 1995 Bonds remain Outstanding) of the maximum amount payable in any year for principal of and interest on the Bonds, and all other obligations secured by

a lien on or payable from such revenues on a parity with the Bonds, including the Series 1995 Bonds, Series 2000A Bonds and the Series 2000B Bonds, provided however, that when the Series 1995 Bonds are no longer Outstanding and so long as there exists in the Series 2000C Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with the Bonds, including the Series 2000A Bonds and the Series 2000B Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

All money received from the sale of this Bond, after reimbursement and repayment of all amounts advanced for preliminary expenses as provided by law and the Bond Legislation, shall be applied solely to the payment of the Costs of the Project described in the Bond Legislation, and there shall be and hereby is created and granted a lien upon such moneys, until so applied, in favor of the registered 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 do exist, have happened, and have been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other obligations of the Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia and that a sufficient amount of the Gross Revenues of the System has been pledged to and will be set aside into said special fund by the Issuer for the prompt payment of the principal of and interest on this Bond.

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

IN WITNESS WHEREOF, CITY OF MARTINSBURG has caused this Bond to be signed by its Mayor and its City Manager and its corporate seal to be hereunto affixed and attested by its Recorder, and has caused this Bond to be dated _____, 20___.

CITY OF MARTINSBURG

[SEAL]

_____
Mayor

_____
City Manager

ATTEST:

_____
Recorder

(Form of)

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2000C Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: _____.

_____,
as Registrar

By_____
Its Authorized Officer

EXHIBIT A

DEBT SERVICE SCHEDULE

(Form of)

ASSIGNMENT

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

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

Dated: _____, 20____.

_____

In the presence of:

_____

Section 3.11. Sale of Series 2000 Bonds; Approval and Ratification of Execution of Loan Agreements with Authority. The Series 2000A Bonds shall be sold to the Authority, pursuant to the terms and conditions of the DWTRF Loan Agreement. The Series 2000B Bonds shall be sold to the Authority, pursuant to the terms and conditions of the Infrastructure Loan Agreement. The Series 2000C Bonds shall be sold to the Authority pursuant to the terms and conditions of the WDA Loan Agreement. The Loan Agreements, including all schedules and exhibits attached thereto, are hereby approved and ratified. If not so authorized by previous ordinance, the Mayor is specifically authorized and directed to execute the said Loan Agreements in the forms attached hereto as "Exhibit B" and made a part hereof, and the Recorder is directed to affix the seal of the Issuer, attest the same and deliver the said Loan Agreements to the Authority, and any such prior execution and delivery is hereby authorized, approved, ratified and confirmed.

Section 3.12. Series 2000 Bonds are Issued as Parity Bonds With Respect to Prior Bonds. The Series 2000 Bonds are issued as and shall constitute parity bonds with respect to the Prior Bonds. The Issuer has met the requirements of the Prior Ordinance for the issuance of the Series 2000 Bonds on a parity with the Prior Bonds.

Section 3.13. "Amended Schedule A" Filing. Within sixty (60) days following the Completion Date, the Issuer will file with the BPH, the Council and the Authority a schedule, the form of which will be provided by the BPH, the Council and the Authority, setting forth the actual costs of the Project and sources of funds therefor.

ARTICLE IV

[RESERVED]

ARTICLE V

FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION THEREOF

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

A. Revenue Fund (created or continued by the Prior Ordinance);

B. Depreciation Fund (created or continued by the Prior Ordinance);

C. Operation and Maintenance Fund (created or continued by the Prior Ordinance);

D. Earnings Fund (created or continued by the Prior Ordinance);

E. Rebate Fund (created or continued by the Prior Ordinance);

F. Series 2000A Bonds Construction Trust Fund;

G. Series 2000B Bonds Construction Trust Fund; and

H. Series 2000C Bonds Construction Trust Fund.

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

A. Series 1995 Bonds Sinking Fund (established by the Prior Ordinance as the Series 1995 Bonds Subaccount in the Sinking Fund);

B. Within the Series 1995 Bonds Sinking Fund, the Series 1995 Bonds Reserve Account (established by the Prior Ordinance as the Series 1995 Bonds Subaccount in the Reserve Account);

C. Series 1995 Bonds Redemption Account (established by the Prior Ordinance as the Series 1995 Bonds Subaccount in the Redemption Account);

D. Series 2000A Bonds Sinking Fund;

E. Within the Series 2000A Bonds Sinking Fund, the Series 2000A Bonds Reserve Account;

F. Series 2000B Bonds Sinking Fund;

G. Within the Series 2000B Bonds Sinking Fund, the Series 2000B Bonds Reserve Account;

H. Series 2000C Bonds Sinking Fund; and

I. Within the Series 2000C Bonds Sinking Fund, the Series 2000C Bonds Reserve Account.

Section 5.03. System Revenues; Flow of Funds.

A. The entire Gross Revenues derived from the operation of the System shall be deposited upon receipt in the Revenue Fund. The Revenue Fund shall constitute a trust fund for the purposes provided in this Bond Legislation and shall be kept separate and distinct from all other funds of the Issuer and the Depository Bank and used only for the purposes and in the manner herein provided. All Gross Revenues at any time remaining on deposit in the Revenue Fund shall be disposed of only in the following manner and order of priority.

1. The Issuer shall first, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Commission (i) for deposit in the Series 1995 Bonds Sinking Fund, the amount required by the Prior Ordinance for payment of interest on the Prior Bonds; (ii) beginning 3 months prior to the first interest payment date on the Series 2000A Bonds, for deposit in the Series 2000A Bonds Sinking Fund, a sum equal to 1/3rd of the amount of interest which will become due on the Series 2000A Bonds on the next ensuing quarterly interest payment date, provided, that in the event the period to elapse between the date of such initial deposit in the Series 2000A Bonds Sinking Fund and the next ensuing quarterly interest payment date is less than 3 months, then such monthly payments shall be increased proportionately to provide, 1 month prior to the next ensuing quarterly interest payment date, the required amount of interest coming due on such date; (iii) beginning 3 months prior to the first interest payment date on the Series 2000B Bonds, for deposit in the Series 2000B Bonds Sinking Fund, a sum equal to 1/3rd of the amount of interest which will become due on the Series 2000B Bonds on the next ensuing quarterly interest payment date, provided, that in the event the period to elapse between the date of such initial deposit in the Series 2000B Bonds Sinking Fund and the next ensuing quarterly interest payment date is less than 3 months, then such monthly payments shall be increased proportionately to provide, 1 month prior to the next ensuing quarterly interest payment date, the required amount of interest coming due on such date; and (iv) beginning 6 months prior to the first interest payment date on the Series 2000C Bonds, for deposit in the Series 2000C Bonds Sinking Fund, a sum equal to 1/6th of the amount of interest which will become due on the Series 2000C Bonds on the next ensuing semiannual interest

payment date, provided, that in the event the period to elapse between the date of such initial deposit in the Series 2000C Bonds Sinking Fund and the next ensuing semiannual interest payment date is less than 6 months, then such monthly payments shall be increased proportionately to provide, 1 month prior to the next ensuing semiannual interest payment date, the required amount of interest coming due on such date.

2. The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Commission (i) for deposit in the Series 1995 Bonds Sinking Fund, and in the Series 1995 Bonds Redemption Account therein in the case of Term Bonds, as defined in the Prior Ordinance, which are to be redeemed, the amounts required by the Prior Ordinance for payment of principal of the Prior Bonds; (ii) beginning 3 months prior to the first principal payment date of the Series 2000A Bonds, for deposit in the Series 2000A Bonds Sinking Fund, a sum equal to 1/3rd of the amount of principal which will mature and become due on the Series 2000A Bonds on the next ensuing quarterly principal payment date, provided, that in the event the period to elapse between the date of such initial deposit in the Series 2000A Bonds Sinking Fund and the next ensuing quarterly principal payment date is less than 3 months, then such monthly payments shall be increased proportionately to provide, 1 month prior to the next ensuing quarterly principal payment date, the required amount of principal coming due on such date; (iii) beginning 3 months prior to the first principal payment date of the Series 2000B Bonds, for deposit in the Series 2000B Bonds Sinking Fund, a sum equal to 1/3rd of the amount of principal which will mature and become due on the Series 2000B Bonds on the next ensuing quarterly principal payment date, provided, that in the event the period to elapse between the date of such initial deposit in the Series 2000B Bonds Sinking Fund and the next ensuing quarterly principal payment date is less than 3 months, then such monthly payments shall be increased proportionately to provide, 1 month prior to the next ensuing quarterly principal payment date, the required amount of principal coming due on such date; and (iv) beginning 12 months prior to the first principal payment date of the Series 2000C Bonds, for deposit in the Series 2000C Bonds Sinking Fund, a sum equal to 1/12th of the amount of principal which will mature and become due on the Series 2000C Bonds on the next ensuing annual principal payment date, provided, that in the event the period to elapse between the date of such initial deposit in the Series 2000C Bonds Sinking Fund and the next ensuing annual principal payment date is less than 12 months, then such monthly payments shall be increased proportionately to provide, 1 month prior to the next ensuing annual principal payment date, the required amount of principal coming due on such date.

3. The Issuer shall next, from the moneys remaining in the Revenue Fund each month, transfer from the Revenue Fund and deposit in the Operation and Maintenance Fund an amount sufficient to pay current Operating Expenses of the System.

4. The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Commission (i) for deposit in the Series 1995 Bonds Reserve Account, the amount, if any, required by the Prior Ordinance to be deposited therein (which Series 1995 Bonds Reserve Account is currently funded by the Surety Bond provided by MBIA); (ii)

beginning 3 months prior to the first principal payment date of the Series 2000A Bonds, if not fully funded upon issuance of the Series 2000A Bonds, for deposit in the Series 2000A Bonds Reserve Account, an amount equal to 1/120th of the Series 2000A Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 2000A Bonds Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Series 2000A Bonds Reserve Requirement; (iii) beginning 3 months prior to the first principal payment date of the Series 2000B Bonds, if not fully funded upon issuance of the Series 2000B Bonds, for deposit in the Series 2000B Bonds Reserve Account, an amount equal to 1/120th of the Series 2000B Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 2000B Bonds Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Series 2000B Bonds Reserve Requirement; and (iv) beginning 6 months prior to the first principal payment date of the Series 2000C Bonds, if not fully funded upon issuance of the Series 2000C Bonds, for deposit in the Series 2000C Bonds Reserve Account, an amount equal to 1/120th of the Series 2000C Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 2000C Bonds Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Series 2000C Bonds Reserve Requirement.

5. The Issuer shall next, from the moneys remaining in the Revenue Fund, on the first day of each month, transfer to the Depreciation Fund a sum equal to 2 1/2% of the Gross Revenues each month, exclusive of any payments for the account of any Reserve Account in the respective Sinking Funds.

Withdrawals and disbursements may be made by the Issuer from the Depreciation Fund only for the following purposes and in the following order of priority:

(a) To make up any deficiency in any Reserve Account (so that the amount on deposit therein is at least equal to the Reserve Requirement), or to pay any amount payable under a Financial Guaranty Agreement;

(b) For the payment of the principal (including the principal amount to be paid under the mandatory redemption schedules) of or interest on the Bonds, but only in the event that at the time of such withdrawal there are not sufficient funds for such purpose in the respective Sinking Funds (including the respective Reserve Accounts);

(c) For the payment of the reasonable costs of land and depreciable renewals, repairs, extensions, improvements and additions to the System;

(d) For the payment of debt service on obligations not on a parity with the Bonds, the proceeds of which obligations were used to finance such land and depreciable renewals, repairs, extensions, improvements and additions to the System; or

(e) Moneys in the Depreciation Fund in excess of a sum which is sufficient for the purposes of capital replacements, additions or improvements for the System or any part thereof during the then present Fiscal Year and the next ensuing Fiscal Year may be transferred, upon resolution of the Issuer, to the Redemption Account or the Series 2000 Bonds Sinking Funds and used for optional redemption or for purchase of Bonds. In the event of purchase of Bonds, the Issuer may direct the purchase of Bonds offered for sale at the lowest price below the redemption price of such Bonds.

6. The Issuer shall next, each month pay to MBIA (or any other provider of a Reserve Account Insurance Policy) any interest which may be owed on amounts advanced under the Surety Bond (as defined in the Prior Ordinance).

7. The Issuer may next, each month, after making the above required transfers of money from the Revenue Fund, accrue the surplus then remaining in the Revenue Fund. Any such surplus in the Revenue Fund shall be deemed "Surplus Revenues" and may be used for any lawful purpose of the System, including payment of debt service on subordinate indebtedness of the System.

8. If on any monthly payment date the Revenues of the System are insufficient to make the required deposits in any of the funds as hereinabove provided, the deficiency shall be made up on the next ensuing payment dates by payments in addition to the payments which are otherwise required to be made into the funds on such ensuing payment dates, provided, however, that the priority of curing deficiencies in the funds and accounts herein shall be in the same order as payments are to be made pursuant to this Section 5.03, and the Gross Revenues shall be applied to such deficiencies before being applied to any other payments hereunder.

9. Principal and interest payments into the respective Sinking Funds, and any payments made for the purpose of funding a deficiency in any Reserve Account shall be made on a parity and pro rata with respect to the Prior Bonds, the Series 2000A Bonds, the Series 2000B Bonds and the Series 2000C Bonds in accordance with the respective principal amounts then Outstanding.

B. Moneys in the respective Series 2000 Bonds Sinking Funds shall be used only for the purposes of paying principal of and interest on the Series 2000 Bonds, respectively, as the

same shall become due. Moneys in the respective Series 2000 Bonds Reserve Accounts shall be used only for the purpose of paying principal of and interest on the Series 2000 Bonds, respectively, as the same shall come due, when other moneys in the respective Series 2000 Bonds Sinking Funds are insufficient therefor, and for no other purpose.

All investment earnings on moneys in the Series 2000 Bonds Sinking Funds and the Series 2000 Bonds Reserve Accounts shall be returned, not less than once each year, by the Commission to the Issuer, and such amounts shall, during construction of the Project, be deposited in the respective Series 2000 Bonds Construction Trust Funds, and following completion of construction of the Project, shall be deposited in the Revenue Fund and applied in full, first to the next ensuing interest payment due on the Series 2000 Bonds, respectively, and then to the next ensuing principal payment due thereon, all on a pro rata basis.

Any withdrawals from the Series 2000 Bonds Reserve Accounts which result in a reduction in the balance therein to below the respective Reserve Requirements shall be subsequently restored from the first Net Revenues available after all required payments have been made in full in the order set forth above.

As and when additional Bonds ranking on a parity with the Series 2000 Bonds are issued, provision shall be made for additional payments into the respective sinking fund sufficient to pay the interest on such additional parity Bonds and accomplish retirement thereof at maturity and to accumulate a balance in the appropriate reserve account in an amount equal to the maximum amount of principal and interest which will become due in any year for account of the Bonds of such series of additional parity Bonds.

The Issuer shall not be required to make any further payments into the respective Series 2000 Bonds Sinking Funds or the respective Series 2000 Bonds Reserve Accounts when the aggregate amount of funds therein are at least equal to the respective aggregate principal amount of the respective Series 2000 Bonds issued pursuant to this Bond Legislation then Outstanding and all interest to accrue until the maturity thereof.

The Commission is hereby designated as the fiscal agent for the administration of the Series 2000 Bonds Sinking Funds and the Series 2000 Bonds Reserve Accounts created hereunder, and all amounts required for said accounts shall be remitted to the Commission from the Revenue Fund by the Issuer at the time provided herein. If required by the Authority at anytime, the Issuer shall make the necessary arrangements whereby required payments into said accounts shall be automatically debited from the Revenue Fund and electronically transferred to the Commission on the dates required hereunder.

Moneys in the Series 2000 Bonds Sinking Funds and the Series 2000 Bonds Reserve Accounts shall be invested and reinvested by the Commission in accordance with Section 8.01 hereof.

The Series 2000 Bonds Sinking Funds and the Series 2000 Bonds Reserve Accounts shall be used solely and only for, and are hereby pledged for, the purpose of servicing the Series 2000 Bonds, respectively, under the conditions and restrictions set forth herein.

C. The Issuer shall on the first day of each month (if the first day is not a business day, then the first business day of each month), deposit with the Commission the required interest, principal and reserve account payments with respect to the Series 2000 Bonds and all such payments shall be remitted to the Commission with appropriate instructions as to the custody, use and application thereof consistent with the provisions of this Bond Legislation. All remittances made by the Issuer to the Commission shall clearly identify the fund or account into which each amount is to be deposited. The Issuer shall also on the first day of each month (if the first day is not a business day, then the first business day of each month), deposit with the Commission the DWTRF Administrative Fee as set forth in the Schedule Y attached to the DWTRF Loan Agreement for the Series 2000A Bonds.

D. The Issuer shall complete the "Monthly Payment Form," a form of which is attached to the Loan Agreements and submit a copy of said form along with a copy of its payment check to the Authority by the 5th day of such calendar month.

E. The Issuer shall remit from the Revenue Fund to the Commission, the Registrar, the Paying Agent or the Depository Bank, on such dates as the Commission, the Registrar, the Paying Agent or the Depository Bank, as the case may be, shall require, such additional sums as shall be necessary to pay their respective charges and fees then due. In the case of payments to the Commission under this paragraph, the Issuer shall, if required by the Authority at anytime, make the necessary arrangements whereby such required payments shall be automatically debited from the Revenue Fund and electronically transferred to the Commission on the dates required.

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

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

Section 5.04. Reserve Account Insurance Policy. In lieu of funding the Reserve Account for any series of Bonds with cash or Qualified Investments, the Reserve Requirement may be satisfied by the purchase by the Issuer of a Reserve Account Insurance Policy and/or the deposit into the Reserve Account of a reserve account letter of credit in an amount at least equal to the Reserve Requirement.

ARTICLE VI

BOND PROCEEDS; CONSTRUCTION DISBURSEMENTS

Section 6.01. Application of Bond Proceeds; Pledge of Unexpended Bond Proceeds. From the moneys received from time to time from the sale of any or all of the Series 2000 Bonds, the following amounts shall be first deducted and deposited in the order set forth below:

A. From the proceeds of the Series 2000 Bonds, there shall first be deposited with the Commission in the respective Series 2000 Bonds Sinking Funds, the amount, if any, specified in the Supplemental Resolution as capitalized interest; provided, that such amount may not exceed the amount necessary to pay interest on the respective Series 2000 Bonds for the period commencing on the date of issuance of the Series 2000 Bonds and ending 6 months after the estimated date of completion of construction of the Project.

B. Next, from the proceeds of the Series 2000 Bonds, there shall be deposited with the Commission in the respective Series 2000 Bonds Reserve Accounts, the amount, if any, set forth in the Supplemental Resolution for funding of the respective Series 2000 Bonds Reserve Accounts.

C. Next, from the proceeds of the Series 2000 Bonds, there shall first be credited to the respective Series 2000 Bonds Construction Trust Fund and then paid, any and all borrowings by the Issuer made for the purpose of temporarily financing a portion of the Costs of the Project, together with interest accrued thereon to the date of such payment, not otherwise paid from funds of the Issuer.

D. As the Issuer receives advances of the remaining moneys derived from the sale of such Series 2000A Bonds and Series 2000B Bonds, such moneys shall be deposited with the Depository Bank respectively in the Series 2000A Bonds Construction Trust Fund and Series 2000B Bonds Construction Trust Fund. With respect to the Series 2000C Bonds, the remaining monies from the sale of the Series 2000C Bonds shall be deposited with the Depository Bank in the Series 2000C Bonds Construction Trust Fund. The monies in the respective Series 2000 Bonds Construction Trust Funds shall be applied solely to payment of Costs of the Project in the manner set forth in Section 6.02.

E. After completion of construction of the Project, as certified by the Consulting Engineers, and all Costs have been paid, any remaining proceeds of the Series 2000A Bonds shall be expended as approved by the BPH, any remaining proceeds of the Series 2000B Bonds shall be expended as approved by the Council and any remaining proceeds of the Series 2000C Bonds shall be expended as approved by the Authority.

F. The Depository Bank shall act as a trustee and fiduciary for the Holders of the Series 2000 Bonds with respect to the Series 2000 Bonds Construction Trust Funds and shall comply with all requirements with respect to the disposition of such funds set forth in the Bond Legislation. Moneys in the Series 2000 Bonds Construction Trust Funds shall be used solely to pay Costs of the Project and until so transferred or expended, are hereby pledged as additional security for the respective Series 2000 Bonds.

Section 6.02. Disbursements From the Construction Trust Funds. A. With respect to the Series 2000A Bonds, on or before the Closing Date, the Issuer shall have delivered to the Authority a report listing the specific purposes for which the proceeds of the Series 2000A Bonds will be expended and the disbursement procedures for such proceeds, including an estimated monthly draw schedule. Payments for costs of the Project from the proceeds of the Series 2000A Bonds shall be made monthly.

Except as provided in Section 6.01 hereof, disbursements from the Series 2000A Bonds Construction Trust Funds shall be made only after submission to, and approval from the BPH of the following:

I. A completed and signed "Payment Requisition Form," the form of which is attached to the DWTRF Loan Agreement, in compliance with the construction schedule; and

II. A certificate, signed by an Authorized Officer and the Consulting Engineers, stating that:

1. None of the items for which the payment is proposed to be made has formed the basis for any disbursement theretofore made;

2. Each item for which the payment is proposed to be made is or was necessary in connection with the Project and constitutes a Cost of the Project;

3. Each of such costs has been otherwise properly incurred; and

4. Payment for each of the items proposed is then due and owing.

Pending such application, moneys in the Series 2000A Bonds Construction Trust Fund shall be invested and reinvested in Qualified Investments at the written direction of the Issuer.

After completion of construction of the Project, as certified by the Consulting Engineers, and all costs of the Project have ben paid, any remaining proceeds of the Series 2000A Bonds shall be expended as directed by the BPH.

B. With respect to the Series 2000B Bonds, the Issuer shall each month provide the Council with a requisition for the costs incurred for the Project, together with such documentation as the Council shall require. Payments for costs of the Project from the proceeds of the Series 2000B Bonds shall be made monthly.

Except as provided in Section 6.01 hereof, disbursements from the Series 2000B Bonds Construction Trust Fund shall be made only after submission to and approval from the Council, of a certificate, signed by an Authorized Officer and the Consulting Engineers, stating that:

1. None of the items for which the payment is proposed to be made has formed the basis for any disbursement theretofore made;

2. Each item for which the payment is proposed to be made is or was necessary in connection with the Project and constitutes a Cost of the Project;

3. Each of such costs has been otherwise properly incurred; and

4. Payment for each of the items proposed is then due and owing.

Pending such application, moneys in the Series 2000B Bonds Construction Trust Fund shall be invested and reinvested in Qualified Investments at the written direction of the Issuer.

After completion of construction of the Project, as certified by the Consulting Engineers, and all costs of the Project have been paid, any remaining proceeds of the Series 2000B Bonds shall be expended as directed by the Council.

The Issuer shall expend all proceeds of the Series 2000B Bonds within 3 years of the date of issuance of the State's general obligation bonds, the proceeds of which were used to make the loan to the Issuer.

C. With respect to the Series 2000C Bonds, except as provided in Section 6.01 hereof, disbursements from the Series 2000C Bonds Construction Trust Fund shall be made monthly only after submission to the Depository Bank, of a certificate, signed by an Authorized Officer and the Consulting Engineers, stating that:

1. None of the items for which the payment is proposed to be made has formed the basis for any disbursement theretofore made;

2. Each item for which the payment is proposed to be made is or was necessary in connection with the Project and constitutes a Cost of the Project;

3. Each of such costs has been otherwise properly incurred; and

4. Payment for each of the items proposed is then due and owing.

In case any contract provides for the retention of a portion of the contract price, the Depository Bank shall disburse from the Series 2000C Bonds Construction Trust Fund only the net amount remaining after deduction of any such portion. All payments made from the Series 2000C Bonds Construction Trust Fund shall be presumed by the Depository Bank to be made for the purposes set forth in said certificate, and the Depository Bank shall not be required to monitor the application of disbursements from such funds. The Consulting Engineers shall from time to time file with the Depository Bank written statements advising the Depository Bank of its then authorized representative.

Pending such application, moneys in the Series 2000C Bonds Construction Trust Fund shall be invested and reinvested in Qualified Investments at the written direction of the Issuer.

After completion of construction of the Project, as certified by the Consulting Engineers, and all costs of the Project have been paid, any remaining proceeds of the Series 2000C Bonds shall be expended as directed by the Authority.

The Issuer shall expend all proceeds of the Series 2000C Bonds within 3years of the date of issuance of the Authority's bonds, the proceeds of which were used to make the loan of the Issuer.

ARTICLE VII

ADDITIONAL COVENANTS OF THE ISSUER

Section 7.01. General Covenants of the Issuer. All the covenants, agreements and provisions of this Bond Legislation shall be and constitute valid and legally binding covenants of the Issuer and shall be enforceable in any court of competent jurisdiction by any Holder or Holders of the Series 2000 Bonds. In addition to the other covenants, agreements and provisions of this Bond Legislation, the Issuer hereby covenants and agrees with the Holders of the Series 2000 Bonds as hereinafter provided in this Article VII. All such covenants, agreements and provisions shall be irrevocable, except as provided herein, as long as any of the Series 2000 Bonds or the interest thereon is Outstanding and unpaid.

Section 7.02. Bonds not to be Indebtedness of the Issuer. The Series 2000 Bonds shall not be or constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory limitation of indebtedness, but shall be payable solely from the funds pledged for such payment by this Bond Legislation. No Holder or Holders of any of the Series 2000 Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 2000 Bonds or the interest thereon.

Section 7.03. Bonds Secured by Pledge of Gross Revenues; Lien Positions With Respect to Prior Bonds. The payment of the debt service of the Series 2000 Bonds issued hereunder shall be secured forthwith equally and ratably by a first lien on the Gross Revenues derived from the operation of the System on a parity with the lien on such Gross Revenues in favor of the Holders of the Prior Bonds. Gross Revenues derived from the System, in an amount sufficient to pay the principal of and interest on the Prior Bonds and the Series 2000 Bonds and to make the payments into all funds and accounts, and all other payments provided for in the Bond Legislation and the Prior Ordinance are hereby irrevocably pledged, in the manner provided herein, to such payments as the same become due, and for the other purposes provided in the Bond Legislation.

Section 7.04. Initial Schedule of Rates and Charges. The Issuer has obtained any and all approvals of rates and charges required by State law and has taken any other action required to establish and impose such rates and charges, with all requisite appeal periods having expired without successful appeal. Such rates and charges shall be sufficient to comply with the requirements of the Loan Agreements. The initial schedule of rates and charges for the services and facilities of the System shall be as set forth and approved and described in the Ordinance enacted by the Issuer on November 12, 1998.

So long as the Series 2000 Bonds are outstanding, the Issuer covenants and agrees to fix and collect rates, fees and other charges for the use of the System and to take all such actions necessary to provide funds sufficient to produce the required sums set forth in the Bond Legislation and in

compliance with the Loan Agreements. In the event the schedule of rates and charges initially established for the System in connection with the Series 2000 Bonds shall prove to be insufficient to produce the required sums set forth in this Bond Legislation and the Loan Agreements, the Issuer hereby covenants and agrees that it will, to the extent and in the manner authorized by law, immediately adjust and increase such schedule of rates and charges and take all such actions necessary to provide funds sufficient to produce the required sums set forth in this Bond Legislation and the Loan Agreements.

Section 7.05. Sale of the System. So long as the Prior Bonds are Outstanding, the Issuer shall not sell, mortgage, lease or otherwise dispose of the System, or any part thereof, except as provided in the Prior Ordinance. Additionally, so long as the Series 2000 Bonds are Outstanding and except as otherwise required by law or with the written consent of the BPH, the Council and 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 Series 2000 Bonds and Prior Bonds Outstanding, or to effectively defease this Bond Legislation in accordance with Article X hereof. The proceeds from any such sale, mortgage, lease or other disposition of the System shall immediately be remitted to the Commission for deposit in the Series 1995Bonds Sinking Fund, the Series 2000A Bonds Sinking Fund, the Series 2000B Bonds Sinking Fund and the Series 2000C Bonds Sinking Fund, respectively, pro rata, with respect to the principal amount of each of the Series 2000 Bonds and Prior Bonds then Outstanding, and, with the written permission of the Authority, or in the event the Authority is no longer a Bondholder, the Issuer shall direct the Commission to apply such proceeds to the payment of principal of and interest on the Series 2000 Bonds and Prior Bonds in such manner. Any balance remaining after the payment of all the Series 2000 Bonds and Prior Bonds and interest thereon shall be remitted to the Issuer by the Commission unless necessary for the payment of other obligations of the Issuer payable out of the revenues of the System.

The foregoing provision notwithstanding, the Issuer shall have and hereby reserves the right to sell, lease or otherwise dispose of any of the property comprising a part of the System hereinafter determined in the manner provided herein to be no longer necessary, useful or profitable in the operation thereof. Prior to any such sale, lease or other disposition of such property, if the amount to be received therefor, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, is not in excess of $50,000, the Issuer shall, by resolution, determine that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then provide for the sale of such property. The proceeds of any such sale shall be deposited in the Revenue Fund. If the amount to be received from such sale, lease or other disposition of said property, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, shall be in excess of $50,000 but not in excess of $200,000, the Issuer shall first, in writing, determine upon consultation with the Consulting Engineers that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then, if it be so advised, by resolution duly adopted, authorize such sale, lease or other disposition of such property in

accordance with the laws of the State. The proceeds derived from any such sale, lease or other disposition of such property shall be deposited in the Depreciation Fund. Such payment of such proceeds into the Depreciation Fund shall not reduce the amounts required to be paid into said fund by other provisions of this Bond Legislation. No sale, lease or other disposition of the properties of the System shall be made by the Issuer if the proceeds to be derived therefrom, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, shall be in excess of $200,000 and insufficient to pay the Series 2000 Bonds and Prior Bonds then Outstanding without the prior approval and consent in writing of the Holders, or their duly authorized representatives, of the Series 2000 Bonds and Prior Bonds then outstanding. The Issuer shall prepare the form of such approval and consent for execution by the then Holders of the Bonds and Prior Bonds for the disposition of the proceeds of the sale, lease or other disposition of such properties of the System.

Section 7.06. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances. Except as provided in this Section 7.06 and in Section 7.07, so long as any of the Series 2000 Bonds are Outstanding, the Issuer shall not issue any other obligations whatsoever payable from the revenues of the System which rank prior to, or equally, as to lien on and source of and security for payment from such revenues with the Series 2000 Bonds. All obligations issued by the Issuer after the issuance of the Series 2000 Bonds and payable from the revenues of the System, except such additional parity Bonds, shall contain an express statement that such obligations are junior and subordinate, as to lien on and source of and security for payment from such revenues and in all other respects, to the Series 2000 Bonds; provided, that no such subordinate obligations shall be issued unless all payments required to be made into all funds and accounts set forth herein at the time of the issuance of such subordinate obligations have been made and are current. Except as provided above, the Issuer shall not create, or cause or permit to be created, any debt, lien, pledge, assignment, encumbrance or any other charge having priority over or being on a parity with the lien of the Series 2000 Bonds, and the interest thereon, if any, upon any of the income and revenues of the System pledged for payment of the Series 2000 Bonds and the interest thereon, if any, in this Bond Legislation, or upon the System or any part thereof.

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

Section 7.07. Parity Bonds. So long as any of the Prior Bonds are Outstanding, the limitations on the issuance of parity obligations set forth in the Prior Ordinance shall be applicable. In addition, no Parity Bonds, payable out of the revenues of the System, shall be issued after the issuance of the Series 2000 Bonds pursuant to this Bond Legislation, except under the conditions and in the manner herein provided.

All Parity Bonds issued hereunder shall be on a parity in all respects with the Series 2000 Bonds, and must have the prior written consent of the Authority, BPH and the Council.

No such Parity Bonds shall be issued except for the purpose of financing the costs of the construction or acquisition of additions, extensions, improvements or betterments to the System or refunding one or more series of the Prior Bonds and/or the Series 2000 Bonds, or both such purposes.

No Parity Bonds shall be issued at any time, however, unless and until there has been procured and filed with the Recorder a written statement by the Independent Certified Public Accountants, based upon the necessary investigation and certification by the Consulting Engineers, reciting the conclusions required under the Prior Ordinance and when the Prior Bonds are no longer Outstanding, reciting the conclusion that the Net Revenues actually derived, subject to the adjustments hereinafter provided for, from the System during any 12 consecutive months, within the 18 months immediately preceding the date of the actual issuance of such Parity Bonds, plus the estimated average increased annual Net Revenues to be received in each of the 3 succeeding years after the completion of the improvements to be financed by such Parity Bonds, if any, shall not be less than 115% of the largest aggregate amount that will mature and become due in any succeeding Fiscal Year for principal of and interest on the following:

(1) The Prior Bonds and Series 2000 Bonds then Outstanding;

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

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

The "estimated average increased annual Net Revenues to be received in each of the 3 succeeding years," as that term is used in the computation provided in the above paragraph, shall refer only to the increased Net Revenues estimated to be derived from (a) the improvements to be financed by such Parity Bonds and (b) any increase in rates enacted by the Issuer, the period for appeal of which has expired (without successful appeal) prior to the date of delivery of such Parity Bonds, and shall not exceed the amount to be stated in a certificate of the Independent Certified Public Accounts, which shall be filed in the office of the Recorder prior to the issuance of such Parity Bonds.

The Net Revenues actually derived from the System during the 12-consecutive-month period hereinabove referred to may be adjusted by adding to such Net Revenues such additional Net Revenues which would have been received, in the opinion of the said Independent Certified Public Accountants on account of increased rates, rentals, fees and charges for the System enacted by the Issuer, the period for appeal of which has expired (without successful appeal) prior to issuance of such Parity Bonds.

All covenants and other provisions of this Bond Legislation (except as to details of such Parity Bonds inconsistent herewith) shall be for the equal benefit, protection and

security of the Holders of the Series 2000 Bonds and the Holders of any Parity Bonds subsequently issued from time to time within the limitations of and in compliance with this section. Bonds issued on a parity, regardless of the time or times of their issuance, shall rank equally with respect to their lien on the revenues of the System and their source of and security for payment from said revenues, without preference of any Bond of one series over any other Bond of the same series. The Issuer shall comply fully with all the increased payments into the various funds and accounts created in this Bond Legislation required for and on account of such Parity Bonds, in addition to the payments required for Bonds theretofore issued pursuant to this Bond Legislation.

Parity Bonds shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien of which on the revenues of the System is subject to the prior and superior lien of the Series 2000 Bonds on such revenues. The Issuer shall not issue any obligations whatsoever payable from the revenues of the System, or any part thereof, which rank prior to or, except in the manner and under the conditions provided in this section, equally, as to lien on and source of and security for payment from such revenues, with the Series 2000 Bonds.

No Parity Bonds shall be issued any time, however, unless all the payments into the respective funds and accounts provided for in this Bond Legislation and the Prior Ordinance with respect to the Series 2000 Bonds and Prior Bonds then Outstanding, and any other payments provided for in this Bond Legislation, shall have been made in full as required to the date of delivery of such Parity Bonds, and the Issuer shall then be in full compliance with all the covenants, agreements and terms of this Bond Legislation.

Section 7.08. Books, Records and Audit. The Issuer shall keep complete and accurate records of the cost of acquiring the Project site and the costs of acquiring, constructing and installing the Project. The Issuer shall permit the Authority, the Council and the BPH, or their agents and representatives, to inspect all books, documents, papers and records relating to the Project and the System at all reasonable times for the purpose of audit and examination. The Issuer shall submit to the Authority, the Council and the BPH, or their agents and representatives, such documents and information as it may reasonably require in connection with the acquisition, construction and installation of the Project, the operation and maintenance of the System and the administration of the loan or any grants or other sources of financing for the Project.

The Issuer shall permit the Authority, the Council and the BPH, or their agents and representatives, to inspect all records pertaining to the operation and maintenance of the System at all reasonable times following completion of construction of the Project and commencement of operation thereof, or, if the Project is an improvement to an existing system, at any reasonable time following commencement of construction.

The Issuer will keep books and records of the System, which shall be separate and apart from all other books, records and accounts of the Issuer, in which complete and correct entries shall be made of all transactions relating to the System, and any Holder of a Bond or Bonds issued pursuant

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

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

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

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

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

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

The Issuer shall also, at least once a year, cause the books, records and accounts of the System to be audited by Independent Certified Public Accountants in compliance with the applicable OMB Circular, or any successor thereto, and the Single Audit Act, or any successor thereto, to the extent legally required, and shall mail upon request, and make available generally, the report of said Independent Certified Public Accountants, or a summary thereof, to any Holder or Holders of Bonds and shall submit said report to the Authority, the Council and the BPH, or any other original purchaser of the Bonds. Such audit report submitted to the Authority, the Council and the BPH shall include a statement that the Issuer is in compliance with the terms and provisions of the DWTRF Loan Agreement, the Infrastructure Council Loan Agreement and the WDA Loan Agreement, the Act and this Bond Legislation, and that the Issuer's revenues are adequate to meet its operation and maintenance expenses and debt service and reserve requirements.

Subject to the terms, conditions and provisions of the Loan Agreements and the Act, the Issuer 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 by the Consulting Engineers. 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 Issuer.

The Issuer shall permit the Authority, the Council and the BPH, or their agents and representatives, to enter and inspect the Project site and Project facilities at all reasonable times. Prior to, during and after completion of construction and commencement of operation of the Project, the Issuer shall also provide the Authority, the Council and the BPH, or their agents and representatives, with access to the System site and System facilities as may be reasonably necessary to accomplish all of the powers and rights of the Authority, the Council and the BPH with respect to the System pursuant to the Act.

The Issuer shall provide the BPH with all appropriate documentation to comply with any special conditions established by federal and/or state regulations as set forth in Exhibit D of the DWTRF Loan Agreement or as promulgated from time to time.

Section 7.09. Rates. Prior to the issuance of the Series 2000 Bonds, equitable rates or charges for the use of and service rendered by the System have been established all in the manner and form required by law, and copies of such rates and charges so established will be continuously on file with the Recorder, which copies will be open to inspection by all interested parties. The schedule of rates and charges shall at all times be adequate to produce Gross Revenues from said System sufficient to pay Operating Expenses and to make the prescribed payments into the funds created hereunder. Such schedule of rates and charges shall be changed and readjusted whenever necessary so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant, with a margin for contingencies and temporary unanticipated reduction in income and revenues, the Issuer hereby covenants and agrees that the schedule of rates or charges from time to time in effect shall be sufficient to provide the amounts required under the Prior Ordinance and when the Prior Bonds are no longer Outstanding, (i) to provide for all Operating Expenses of the System and (ii) to leave a balance each year equal to at least 115% of the maximum amount required in any year for payment of principal of and interest on the Series 2000 Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2000 Bonds; provided that, in the event that amounts equal to or in excess of the reserve requirements are on deposit, respectively, in the Series 2000 Bonds Reserve Accounts and reserve accounts for obligations on a parity with the Series 2000 Bonds, are funded at least at the requirement therefor, such balance each year need only equal at least 110% of the maximum amount required in any year for payment of principal of and interest on the Series 2000 Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2000 Bonds.

Section 7.10. Operating Budget and Monthly Financial Report. The Issuer shall annually, at least 45 days preceding the beginning of each Fiscal Year, prepare and adopt by resolution a detailed, balanced budget of the estimated revenues and expenditures for operation and maintenance of the System during the succeeding Fiscal Year and shall submit a copy of such budget to the

Authority, the Council and the BPH within 30 days of adoption thereof. The Issuer, by the unanimous consent and approval of the Governing Body, may amend the budget during the subject Fiscal Year provided that the budget remains balanced after such amendment. If the budget is so amended, a copy of the amended budget shall be submitted to the Authority, the Council and the BPH within 15 days of the adoption of such amendment. After the adoption of any such amendment, the budget, as amended, shall be the budget of the Issuer for the balance of the subject Fiscal Year. No expenditures for the operation and maintenance of the System shall be made in any Fiscal Year in excess of the amounts provided therefor in such budget without a written finding and recommendation by the Consulting Engineers, which finding and recommendation shall state in detail the purpose of and necessity for such increased expenditures for the operation and maintenance of the System, and no such increased expenditures shall be made until the Issuer shall have approved such finding and recommendation by a resolution duly adopted. No increased expenditures in excess of 10% of the amount of such budget shall be made except upon the further certificate of the Consulting Engineers that such increased expenditures are necessary for the continued operation of the System. The Issuer shall mail copies of such annual budget, any amendments thereto and all resolutions authorizing increased expenditures for operation and maintenance to the Authority, the Council and the BPH and to any Holder of any Bonds who shall file his or her address with the Issuer and request in writing that copies of all such budgets, any amendments thereto and resolutions be furnished him or her and shall make available such budgets, any amendments thereto and all resolutions authorizing increased expenditures for operation and maintenance of the System at all reasonable times to any Holder of any Bonds or anyone acting for and in behalf of such Holder of any Bonds.

Commencing on the date contracts are executed for the acquisition and construction of the Project and for two years following the completion of the Project, the Issuer shall each month complete a "Monthly Financial Report," a form of which is attached to the Loan Agreements and forward a copy of such report to the Authority, the Council and the BPH by the 10th day of each month.

Section 7.11. Engineering Services and Operating Personnel. The Issuer will obtain a certificate from the Consulting Engineers in the form attached to the respective Loan Agreements, stating, among other things, that the Project has been or will be constructed in accordance with the approved plans, specifications and designs as submitted to the Authority, the Council and the BPH, the Project is adequate for the purposes for which it was designed, the funding plan as submitted to the Authority, the Council and the BPH is sufficient to pay the costs of acquisition and construction of the Project, and all permits required by federal and state laws for construction of the Project have been obtained.

The Issuer shall require the Consulting Engineers to submit Recipient As-Built Plans, as defined in the DWTRF Regulations, to it within 60 days of the completion of the Project. The Issuer shall notify the BPH in writing of such receipt.

The Issuer shall provide and maintain competent and adequate engineering services satisfactory to the Authority, the Council and the BPH 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 engineer shall certify to the Authority, the Council and the BPH and the Issuer at the completion of construction that construction of the Project is in accordance with the approved plans, specifications and designs, or amendments thereto, approved by all necessary governmental bodies.

The Issuer shall require the Consulting Engineers to submit the final Operation and Maintenance Manual, as defined in the DWTRF Regulations, to the BPH when the Project is 90% completed.

The Issuer agrees that qualified operating personnel properly certified by the State will be employed before the Project is 50% complete and agrees that it will retain such a certified operator(s) to operate the System so long as the Series 2000 Bonds are Outstanding. The Issuer shall notify the BPH in writing of the certified operator employed at the 50% completion stage.

Section 7.12. No Competing Franchise. To the extent legally allowable, the Issuer will not grant or cause, consent to or allow the granting of, any franchise or permit to any person, firm, corporation, body, agency or instrumentality whatsoever for the providing of any services which would compete with services provided by the System.

Section 7.13. Enforcement of Collections. The Issuer will diligently enforce and collect all fees, rentals or other charges for the services and facilities of the System, and take all steps, actions and proceedings for the enforcement and collection of such fees, rentals or other charges which shall become delinquent to the full extent permitted or authorized by the Act, the rules and regulations of the Public Service Commission of West Virginia and other laws of the State of West Virginia.

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

permitted by law. If the water facilities are not owned by the Issuer, the Issuer shall enter into a termination agreement with the water provider, subject to any required approval of such agreement by the Public Service Commission of West Virginia and all rules, regulations and orders of the Public Service Commission of West Virginia.

Section 7.14. No Free Services. The Issuer will not render or cause to be rendered any free services of any nature by the System, nor will any preferential rates be established for users of the same class; and in the event the Issuer, or any department, agency, instrumentality, officer or employee of the Issuer shall avail itself or themselves of the facilities or services provided by the System, or any part thereof, the same rates, fees or charges applicable to other customers receiving like services under similar circumstances shall be charged the Issuer and any such department, agency, instrumentality, officer or employee. The revenues so received shall be deemed to be revenues derived from the operation of the System, and shall be deposited and accounted for in the same manner as other revenues derived from such operation of the System.

Section 7.15. Insurance and Construction Bonds. The Issuer will carry such insurance and in such amounts as is customarily carried with respect to works and properties similar to the System, with a reputable insurance carrier or carriers, against loss or damage by fire, explosion, hurricane, earthquake, cyclone, occupancy or other hazards and risks. The Issuer 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, the Council and the BPH, so long as the Authority is the Owner of the Bonds. The Issuer shall verify such insurance prior to commencement of construction. The Issuer will itself, or will require each contractor and subcontractor to, obtain and 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 payable to the order of the Issuer, the Authority, the prime contractor and all subcontractors as their interests may appear, in accordance with the Loan Agreements, during construction of the Project in the full insurable value thereof. In time of war, the Issuer shall also carry in said amount such insurance as may be available against loss or damage by the risks and hazards of war. The proceeds of all such insurance policies shall be placed in the Depreciation Fund and used only for the repair and restoration of the damaged or destroyed properties or for the other purposes provided herein for the Depreciation Fund. The Issuer will also carry liability insurance for damage or injury to persons or property in amounts adequate for such purposes and customarily carried with respect to works and properties similar to the System. The Issuer shall carry such other insurance as is required by the Authority, the Council and the BPH and as set forth in the Loan Agreements, including but not limited to flood insurance and business interruption insurance, to the extent available at reasonable cost to the Issuer.

The Issuer shall require all contractors engaged in the construction of the Project to furnish a performance bond and a payment bond, each in an amount equal to 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 and shall verify such bonds prior to commencement of construction.

Section 7.16. Mandatory Connections. The mandatory use of the System is essential and necessary for the protection and preservation of the public health, comfort, safety, convenience and welfare of the inhabitants and residents of, and the economy of, the Issuer and in order to assure the rendering harmless of sewage and water-borne waste matter produced or arising within the territory served by the System. Accordingly, every owner, tenant or occupant of any house, dwelling or building located near the System, where sewage will flow by gravity or be transported by such other methods approved by the State Division of Health from such house, dwelling or building into the System, to the extent permitted by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, shall connect with and use the System and shall cease the use of all other means for the collection, treatment and disposal of sewage and waste matters from such house, dwelling or building where there is such gravity flow or transportation by such other method approved by the State Division of Health and such house, dwelling or building can be adequately served by the System, and every such owner, tenant or occupant shall, after a 30-day notice of the availability of the System, pay the rates and charges established therefor.

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

Section 7.17. Completion and Operation of Project; Permits and Orders. The Issuer will complete the Project as promptly as possible and operate and maintain the System as a revenue-producing utility in good condition and in compliance with all Federal and state requirements and standards.

The Issuer has obtained all permits required by state and federal laws for the acquisition and construction of the Project and all orders and approvals from the Public Service Commission of West Virginia and the Council necessary for the acquisition and construction of the Project and the operation of the System and all approvals for issuance of the Series 2000 Bonds required by state law, with all requisite appeal periods having expired without successful appeal.

Section 7.18. Compliance With Loan Agreements and Law. The Issuer shall perform, satisfy and comply with all terms and conditions of the Loan Agreements and the Act. Notwithstanding anything herein to the contrary, the Issuer will provide Council and the BPH with all copies submitted to the Authority.

The Issuer also agrees to comply with the Act and all applicable laws, rules and regulations issued by the Authority, the Council and the BPH or other state, federal or local bodies in regard to the acquisition and construction of the Project and the operation, maintenance and use of the System.

Section 7.19. Securities Laws Compliance. The Issuer will provide the Authority, in a timely manner, with any and all information that may be requested of it (including its annual audit report, financial statements, related information and notices of changes in usage and customer base) so that the Authority may comply with the provisions of SEC Rule 15c2-12 (17 CFR Part 240).

Section 7.20. Contracts; Public Releases. A. The Issuer shall, simultaneously with the delivery of the Series 2000 Bonds or within thirty days thereafter, enter into written contracts for the immediate acquisition or construction of the Project.

B. The Issuer shall submit all proposed change orders to the Council and the BPH for written approval. The Issuer shall obtain the written approval of the Council and the BPH before expending any proceeds of the Series 2000 Bonds held in "contingency" as set forth in the schedule attached to the Certificate of the Consulting Engineer. The Issuer shall also obtain the written approval of the Council and the BPH before expending any proceeds of the Series 2000 Bonds made available due to bid or construction or project underruns.

C. The Issuer shall list the funding provided by the Council, the BPH and the Authority in any press release, publication, program bulletin, sign or other public communication that references the Project, including but not limited to any program document distributed in conjunction with any ground breaking or dedication of the Project.

Section 7.21. Tax Covenants. The Issuer hereby further covenants and agrees as follows:

A. PRIVATE BUSINESS USE LIMITATION. The Issuer shall assure that (i) not in excess of 10% of the Net Proceeds of the Series 2000 Bonds are used for Private Business Use if, in addition, the payment of more than 10% of the principal or 10% of the interest due on the Series 2000 Bonds during the term thereof is, under the terms of the Series 2000 Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for a Private Business Use or in payments in respect to any property used or to be used for a Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for a Private Business Use; and (ii) that, in the event that both (A) in excess of 5% of the Net Proceeds of the Series 2000 Bonds are used for a Private Business Use, and (B) an amount in excess of 5% of the principal or 5% of the interest due on the Series 2000 Bonds during the term thereof is, under the terms of the Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for said Private Business Use or in payments in respect of property used or to be used for said Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for said Private Business Use, then said excess over said 5% of Net Proceeds of

the Series 2000 Bonds used for a Private Business Use shall be used for a Private Business Use related to the governmental use of the Project, or if the Series 2000 Bonds are for the purpose of financing more than one project, a portion of the Project, and shall not exceed the proceeds used for the governmental use of that portion of the Project to which such Private Business Use is related, all of the foregoing to be determined in accordance with the Code.

B. PRIVATE LOAN LIMITATION. The Issuer shall assure that not in excess of the lesser of 5% of the Net Proceeds of the Series 2000 Bonds or $5,000,000 are used, directly or indirectly, to make or finance a loan (other than loans constituting Nonpurpose Investments) to persons other than state or local government units.

C. FEDERAL GUARANTEE PROHIBITION. The Issuer shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause the Series 2000 Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code.

D. INFORMATION RETURN. The Issuer will file all statements, instruments and returns necessary to assure that tax-exempt status of the Series 2000B Bonds and Series 2000C Bonds and the interest thereon, including, without limitation, the information return required under Section 149(e) of the Code.

E. FURTHER ACTIONS. The Issuer will take any and all actions that may be required of it (including, without limitation, those deemed necessary by the Authority) so that the interest on the Series 2000B Bonds and Series 2000C Bonds will be and remain excludable from gross income for federal income tax purposes, and will not take any actions, or fail to take any actions (including, without limitation, those deemed necessary by the Authority), the result of which would adversely affect such exclusion.

Section 7.22. Statutory Mortgage Lien. For the further protection of the Holders of the Series 2000 Bonds, a statutory mortgage lien upon the System is granted and created by the Act, which statutory mortgage lien is hereby recognized and declared to be valid and binding, shall take effect immediately upon delivery of the Series 2000 Bonds and shall be for the equal benefit of all Holders of each respective series of Series 2000 Bonds; provided, however, that the statutory mortgage lien in favor of the Holders of the Series 2000 Bonds shall be on a parity with the statutory mortgage lien in favor of the Holders of the Prior Bonds.

ARTICLE VIII

INVESTMENT OF FUNDS; NON ARBITRAGE

Section 8.01. Investments. So long as any of the Prior Bonds remain Outstanding, Section 5.01 of the Prior Ordinance shall govern the investment of moneys held as part of the funds and accounts created or continued by the Prior Ordinance. Any moneys held as a part of the funds and accounts created or continued by this Bond Legislation shall be invested and reinvested by the Commission, the Depository Bank, or such other bank or national banking association holding such fund or account, as the case may be, at the written direction of the Issuer in any Qualified Investments to the fullest extent possible under applicable laws, this Bond Legislation, the need for such moneys for the purposes set forth herein, and the specific restrictions and provisions set forth in this Section 8.01.

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

The Depository Bank shall keep complete and accurate records of all funds, accounts and investments, and shall distribute to the Issuer, at least once each year (or more often if reasonably requested by the Issuer), a summary of such funds, accounts, and investment earnings. The Issuer shall retain all such records and any additional records with respect to such funds, accounts and investment earnings so long as any of the Series 2000 Bonds are Outstanding and so long thereafter as necessary to comply with the Code and assure the exclusion of interest on the Series 2000B Bonds and Series 2000C Bonds from gross income for federal income tax purposes.

Section 8.02. Certificate as to Use of Proceeds. The Issuer shall deliver a certificate as to use of proceeds or other similar certificate to be prepared by nationally recognized bond counsel relating to restrictions on the use of proceeds of the Series 2000A Bonds as a condition of issuance of the Series 2000A Bonds. In addition, the Issuer covenants (i) to comply with the Code and all

Regulations from time to time in effect and applicable to the Series 2000A Bonds as may be necessary in order to maintain the status of the Series 2000A Bonds as governmental bonds; (ii) that it shall not take, or permit or suffer to be taken, any action with respect to the Issuer's use of the proceeds of the Series 2000A Bonds which would cause any bonds, the interest on which is exempt from federal income taxation under Section 103(a) of the Code, issued by the Authority, the Council or the BPH, as the case may be, from which the proceeds of the Series 2000A Bonds are derived, to lose their status as tax-exempt bonds; and (iii) to take such action, or refrain from taking such action, as shall be deemed necessary by the Issuer, or requested by the Authority, the Council or the BPH, to ensure compliance with the covenants and agreements set forth in this Section 8.02, regardless of whether such actions may be contrary to any of the provisions of this Bond Legislation.

Section 8.03. Arbitrage. The Issuer covenants that (i) it shall not take, or permit or suffer to be taken, any action with respect to the proceeds of the Series 2000B Bonds and Series 2000C Bonds which would cause such Bonds to be "arbitrage bonds" under Section 148 of the Code and Regulations prescribed thereunder, 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 such Bonds) so that the interest on such Bonds will be and remain excluded from gross income for federal income tax purposes, and will not take any actions which would adversely affect such exclusion.

Section 8.04. Small Issuer Exemption from Rebate. In accordance with Section 148(f)(4)(D) of the Code, the Issuer covenants that it is a governmental unit with general taxing powers; that the Series 2000B Bonds and Series 2000C Bonds are not private activity bonds as defined in Section 141 of the Code; that 95% or more of the Net Proceeds of the Series 2000B Bonds and Series 2000C Bonds are to be used for local governmental activities of the Issuer (or of a governmental unit the jurisdiction of which is entirely within the jurisdiction of the Issuer); and that the aggregate face amount of all the tax-exempt obligations (other than private activity bonds as defined in Section 141 of the Code) issued by the Issuer during the calendar year in which the Series 2000B Bonds and Series 2000C Bonds are issued does not and will not exceed $5,000,000, determined in accordance with Section 148(f)(4)(D) of the Code and the Regulations promulgated thereunder. For purposes of this Section 8.04 and for purposes of applying Section 148(f)(4)(D) of the Code, the Issuer and all entities which issue obligations on behalf of the Issuer shall be treated as one issuer; all obligations issued by a governmental unit to make loans to other governmental units with general taxing powers not subordinate to such unit shall, for purposes of applying this Section 8.04 and Section 148(f)(4)(D) of the Code, be treated as not issued by such governmental unit, all obligations issued by a subordinate entity shall, for purposes of applying this Section 8.04 and Section 148(f)(4)(D) of the Code to any other entity to which such entity is subordinate, be treated as issued by such other entity; and an entity formed (or, to the extent provided by the Secretary, as set forth in the Code, availed of) to avoid the purposes of such Section 148(f)(4)(D) of the Code and all other entities benefitting thereby shall be treated as one issuer.

The Issuer shall deliver a certificate of arbitrage, a tax certificate or other similar certificate to be prepared by nationally recognized bond counsel or tax counsel relating to payment of arbitrage rebate (or the exemption therefrom) and other tax matters as a condition to issuance of the Series 2000B Bonds and Series 2000C Bonds as may be necessary in order to fully comply with Section 148(f) of the Code, and covenants to take such actions, and refrain from taking such actions, as may be necessary to fully comply with such Section 148(f) of the Code and such Regulations, regardless of whether such actions may be contrary to any of the provisions of this Bond Legislation.

Notwithstanding the foregoing, if in fact the Issuer is subject to the rebate requirements of Section 148(f) of the Code, and not exempted from such requirements, the Issuer covenants to make, or cause to be made, all rebate calculations, computations and payments in the time, manner and as required in Section 148(f) of the Code and the Regulations from time to time in effect and applicable to the Series 2000B Bonds and Series 2000C Bonds and otherwise covenants and agrees to comply with the provisions of such Section 148(f) of the Code and the Regulations from time to time in effect and applicable to such Bonds. In the event of a failure to pay the correct rebate amount, the Issuer will pay from any lawful sources available therefore, to the United States such amount, plus a penalty equal to 50% of the rebate amount not paid, plus interest on that amount, unless waived. The Issuer shall obtain a waiver from the Internal Revenue Service and take any other actions necessary to assure the exclusion of interest on such Bonds from gross income of the Holders thereof. In order to provide for the administration of this paragraph, the Issuer may provide for the employment of independent attorneys, accountants and consultants compensated on such reasonable basis as the Issuer may deem appropriate.

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

The Issuer shall submit to the Authority within 15 days following the end of each Bond Year a certified copy of its rebate calculation and certificate with respect thereto or, if the Issuer qualifies for the small governmental issue exception to rebate, or any other exception therefrom, then the Issuer shall submit to the Authority a certificate stating that it is exempt from such rebate provisions and that no event has occurred to its knowledge during the Bond Year which would make the Series 2000B Bonds or Series 2000C Bonds subject to rebate. The Issuer shall also furnish to the Authority, at any time, such additional information relating to rebate as may be reasonably requested by the Authority, including information with respect to earnings on all funds constituting "gross proceeds" of such Bonds (as such term "gross proceeds" is defined in the Code).

ARTICLE IX

DEFAULT AND REMEDIES

Section 9.01. Events of Default. Each of the following events shall constitute an "Event of Default" with respect to the Series 2000 Bonds:

A. If default occurs in the due and punctual payment of the principal of or interest on the Series 2000 Bonds; or

B. If default occurs in the Issuer's observance of any of the covenants, agreements or conditions on its part relating to the Series 2000 Bonds, set forth in this Bond Legislation, any supplemental resolution or in the Series 2000 Bonds, and such default shall have continued for a period of 30 days after the Issuer shall have been given written notice of such default by the Commission, the Depository Bank, Registrar or any other Paying Agent or a Holder of a Bond; or

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

D. If default occurs with respect to the Prior Bonds or the Prior Ordinance.

Section 9.02. Remedies. Upon the happening and continuance of any Event of Default, any Registered Owner of a Bond may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his or her rights and, in particular, (i) bring suit for any unpaid principal or interest then due, (ii) by mandamus or other appropriate proceeding enforce all rights of such Holders of the Bonds, including the right to require the Issuer to perform its duties under the Act and the Bond Legislation relating thereto, including but not limited to the making and collection of sufficient rates or charges for services rendered by the System, (iii) bring suit upon the Bonds, (iv) by action at law or bill in equity require the Issuer to account as if it were the trustee of an express trust for the Holders of the Bonds, and (v) by action or bill in equity enjoin any acts in violation of the Bond Legislation with respect to the Bonds, or the rights of such Registered Owners; provided that all rights and remedies of the Holders of the Series 2000 Bonds shall be on a parity with the Holders of the Prior Bonds.

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

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

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

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

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

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

ARTICLE X

PAYMENT AND DEFEASANCE OF BONDS

Section 10.01. Payment of Series 2000A Bonds. If the Issuer shall pay or there shall otherwise be paid to the Holder of the Series 2000A Bonds, the principal of and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Bond Legislation, then with respect to the Series 2000A Bonds only, the pledge of Gross Revenues and other moneys and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owner of the Series 2000A Bonds shall thereupon cease, terminate and become void and be discharged and satisfied.

Section 10.02. Payment of Series 2000B Bonds. If the Issuer shall pay or there shall otherwise be paid to the Holder of the Series 2000B Bonds, the principal of and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Bond Legislation, then with respect to the Series 2000B Bonds only, the pledge of Gross Revenues and other moneys and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owner of the Series 2000B Bonds shall thereupon cease, terminate and become void and be discharged and satisfied, except as may otherwise be necessary to assure the exclusion of interest on the Series 2000B Bonds from gross income for federal income tax purposes.

Section 10.03. Defeasance of Series 2000C Bonds. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the Holder of the Series 2000C Bonds, the principal of and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Bond Legislation, then with respect to the Series 2000C Bonds only, the pledge of Gross Revenues and other moneys and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owners of the Series 2000C Bonds shall thereupon cease, terminate and become void and be discharged and satisfied, except as may otherwise be necessary to assure the exclusion of interest on the Series 2000C Bonds from gross income for federal income tax purposes; provided that, as long as the Authority is the owner of any of the Series 2000C Bonds Outstanding, the Issuer shall not redeem any of the Series 2000C Bonds without the written consent of the Authority, and such redemption of the Series 2000C 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 of the Authority, the redemption premium payable on such water development revenue bonds redeemable as a consequence of such redemption of the Series 2000C Bonds and the costs and expenses of the Authority in effecting any such redemption.

Series 2000C Bonds for the payment of which either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with the moneys, if any, deposited with the Commission at the same or earlier time, shall be sufficient, to pay as and when due either at maturity or at the next redemption date, the

principal installments of and interest on such Series 2000C Bonds shall be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section. All Series 2000C Bonds shall, prior to the maturity thereof, be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section if there shall have been deposited with the Commission or its agent, either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with other moneys, if any, deposited with the Commission at the same time, shall be sufficient to pay when due the principal installments of and interest due and to become due on said Series 2000C Bonds on and prior to the next redemption date or the maturity dates thereof. Neither securities nor moneys deposited with the Commission pursuant to this section nor principal or interest payments on any such securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal installments of and interest on said Series 2000C Bonds; provided, that any cash received from such principal or interest payments on such securities deposited with the Commission or its agent, if not then needed for such purpose, shall, to the extent practicable, be reinvested in securities maturing at times and in amounts sufficient to pay when due the principal installments of and interest to become due on said Series 2000C Bonds on and prior to the next redemption date or the maturity dates thereof, and interest earned from such reinvestments shall be paid over to the Issuer as received by the Commission or its agent, free and clear of any trust, lien or pledge. For the purpose of this section, securities shall mean and include only Government Obligations.

ARTICLE XI

MISCELLANEOUS

Section 11.01. Amendment or Modification of Bond Legislation. Prior to the issuance of the Series 2000 Bonds, this Ordinance may be amended or supplemented in any way by the Supplemental Resolution. Following issuance of the Series 2000 Bonds, no material modification or amendment of this Bond Legislation, or of any resolution amendatory or supplemental hereto, that would materially and adversely affect the respective rights of Registered Owners of the Series 2000 Bonds shall be made without the consent in writing of the Holders of the Series 2000 Bonds so affected and then Outstanding; provided, that no change shall be made in the maturity of any Series 2000 Bonds or the rate of interest thereon, or in the principal amount thereof, or affecting the unconditional promise of the Issuer to pay such principal and interest out of the funds herein respectively pledged therefor without the consent of the respective Registered Owner thereof. No amendment or modification shall be made that would reduce the percentage of the principal amount of Bonds required for consent to the above-permitted amendments or modifications. Notwithstanding the foregoing, this Bond Legislation may be amended without the consent of any Bondholder as may be necessary to assure compliance with Section 148(f) of the Code relating to rebate requirements or otherwise as may be necessary to assure the exclusion of interest on the Series 2000 Bonds from gross income of the holders thereof.

Section 11.02. Bond Legislation Constitutes Contract. The provisions of the Bond Legislation shall constitute a contract between the Issuer and the Holders of the Series 2000 Bonds and no change, variation or alteration of any kind of the provisions of the Bond Legislation shall be made in any manner, except as in this Bond Legislation provided.

Section 11.03. Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Ordinance should be held invalid by any court of competent jurisdiction, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Ordinance, the Supplemental Resolution, or the Series 2000 Bonds.

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

Section 11.05. Conflicting Provisions Repealed. Except for the Prior Ordinance, all ordinances, orders or resolutions and or parts thereof in conflict with the provisions of this Ordinance are, to the extent of such conflict, hereby repealed. In the event of any conflict between this Ordinance and the Prior Ordinance, the Prior Ordinance shall control (so long as the Prior Bonds are Outstanding).

Section 11.06. Covenant of Due Procedure, Etc. The Issuer covenants that all acts, conditions, things and procedures required to exist, to happen, to be performed or to be taken

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

Section 11.07. Statutory Notice and Public Hearing. Upon adoption hereof, an abstract of this Ordinance, substantially in the form attached hereto as Exhibit C, which is determined by the Issuer to contain sufficient information as to give notice of the contents hereof, shall be published once a week for 2 successive weeks within a period of 14 consecutive days, with at least 6 full days intervening between each publication, in a qualified newspaper of general circulation in the City of Martinsburg, together with the notice set forth therein stating that this Ordinance has been adopted and that the Issuer contemplates the issuance of the Bonds, and that any person interested may appear before the Governing Body upon a date certain, not less than 10 days subsequent to the date of the first publication of the said abstract and notice, and present protests, and that a certified copy of the Ordinance is on file in the office of the Recorder for review by interested parties during the office hours of the Recorder.

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

Section 11.08. Effective Date. This Ordinance shall take effect following the public hearing described in Section 11.07 above.

Passed on First and Second Reading	September 7, 2000
Passed on Third Reading	September 14, 2000
Put into effect following public hearing held on	September 25, 2000

Mayor

City Manager

Recorder

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

Section 11.07. Statutory Notice and Public Hearing. Upon adoption hereof, an abstract of this Ordinance, substantially in the form attached hereto as Exhibit C, which is determined by the Issuer to contain sufficient information as to give notice of the contents hereof, shall be published once a week for 2 successive weeks within a period of 14 consecutive days, with at least 6 full days intervening between each publication, in a qualified newspaper of general circulation in the City of Martinsburg, together with the notice set forth therein stating that this Ordinance has been adopted and that the Issuer contemplates the issuance of the Bonds, and that any person interested may appear before the Governing Body upon a date certain, not less than 10 days subsequent to the date of the first publication of the said abstract and notice, and present protests, and that a certified copy of the Ordinance is on file in the office of the Recorder for review by interested parties during the office hours of the Recorder.

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

Section 11.08. Effective Date. This Ordinance shall take effect following the public hearing described in Section 11.07 above.

Passed on First and Second Reading	September 7, 2000
Passed on Third Reading	September 14, 2000
Put into effect following public hearing held on	September 25, 2000

Mayor

City Manager

Recorder

CERTIFICATION

Certified a true copy of an Ordinance duly enacted by the Common Council of the CITY OF MARTINSBURG on the 14th day of September, 2000, and put into effect following a public hearing held on September 25, 2000.

Dated: September 27, 2000.

Sharon A. Shue
Recorder

[SEAL]

CERTIFICATION

Certified a true copy of an Ordinance duly enacted by the Common Council of the CITY OF MARTINSBURG on the 14th day of September, 2000, and put into effect following a public hearing held on September 25, 2000.

Dated: September 27, 2000.

Shara A. Link
Recorder

[SEAL]

Exhibit A

DESCRIPTION OF PROJECT

The acquisition and construction of certain additions, betterments and improvements to the waterworks portion of Issuer's existing combined waterworks and sewerage system, in the City of Martinsburg, Berkeley County, West Virginia, consisting of upgrading the existing treatment facilities with two (2) new filtration plants, the Baltimore & Williams Plant and the Big Springs Plant, and related appurtenance and improvements.

Exhibit B

LOAN AGREEMENTS

[See Tab Numbers 3, 4 and 5]

Exhibit C

NOTICE OF PUBLIC HEARING

CITY OF MARTINSBURG
NOTICE OF PUBLIC HEARING
ON BOND ORDINANCE

A public hearing will be held on the following entitled Ordinance at a special meeting of the Council of the City of Martinsburg to be held on September ___, 2000, at ____ __.m., in the Council Chambers at the Martinsburg City Hall, 232 North Queen Street, Martinsburg, West Virginia, and at such hearing all objections and suggestions shall be heard by the Council and it shall then take such actions as it shall deem proper in the premises upon an Ordinance entitled:

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING COMBINED WATERWORKS AND SEWERAGE SYSTEM OF THE CITY OF MARTINSBURG AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE CITY OF MARTINSBURG OF NOT MORE THAN TWELVE MILLION FIVE HUNDRED FORTY THOUSAND THREE HUNDRED FIFTY-TWO DOLLARS ($12,540,352) IN AGGREGATE PRINCIPAL AMOUNT OF CITY OF MARTINSBURG COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS IN THREE SERIES, THE FIRST SERIES TO BE DESIGNATED SERIES 2000A (WEST VIRGINIA DWTRF PROGRAM) IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED SEVEN MILLION FIVE HUNDRED SIXTY-FOUR THOUSAND DOLLARS ($7,564,000), THE SECOND SERIES TO BE DESIGNATED SERIES 2000B (WEST VIRGINIA INFRASTRUCTURE FUND) IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED THREE MILLION DOLLARS ($3,000,000), AND THE THIRD SERIES TO BE DESIGNATED SERIES 2000C (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY) IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED ONE MILLION NINE HUNDRED SEVENTY-SIX THOUSAND THREE HUNDRED FIFTY-TWO DOLLARS ($1,976,352); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE HOLDERS OF THE RESPECTIVE SERIES OF SUCH COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS; APPROVING, RATIFYING AND CONFIRMING (I) A

LOAN AGREEMENT WITH THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY ACTING ON BEHALF OF THE WEST VIRGINIA BUREAU FOR PUBLIC HEALTH RELATING TO SUCH SERIES 2000A BONDS, (II) A LOAN AGREEMENT WITH THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY ACTING ON BEHALF OF THE WEST VIRGINIA INFRASTRUCTURE AND JOBS DEVELOPMENT COUNCIL RELATING TO SUCH SERIES 2000B BONDS, AND (III) A LOAN AGREEMENT WITH THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY RELATING TO SUCH SERIES 2000C BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS; AND ADOPTING OTHER PROVISIONS RELATING THERETO.

The above-entitled Ordinance was enacted by the Council of the City of Martinsburg on September ___, 2000.

The above quoted title of the Ordinance describes generally the contents thereof and the purposes of the Bond issues contemplated thereby. The Bonds are to provide permanent financing of a portion of the costs of acquisition and construction of certain additions, betterments and improvements to the water treatment facilities for the City of Martinsburg (the "Project"). The Bonds are payable solely from revenues derived from the ownership and operation of the combined waterworks and sewerage system of the City of Martinsburg. No taxes may at any time be levied for the payment of the Bonds or the interest thereon.

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

Following the said public hearing, the City Council intends to put said Ordinance into effect.

Dated: _____, 2000.

/s/ _____, Recorder

CITY OF MARTINSBURG
COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS,

SERIES 2000A
(WEST VIRGINIA DWTRF PROGRAM)

SERIES 2000B
(WEST VIRGINIA INFRASTRUCTURE FUND)

SERIES 2000C
(WEST VIRGINIA WATER DEVELOPMENT AUTHORITY)

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNTS, DATES, MATURITIES, INTEREST RATES, PAYMENT SCHEDULES, SALE PRICES AND OTHER TERMS OF THE COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2000A (WEST VIRGINIA DWTRF PROGRAM), SERIES 2000B (WEST VIRGINIA INFRASTRUCTURE FUND) AND SERIES 2000C (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY) OF THE CITY OF MARTINSBURG; AUTHORIZING AND APPROVING LOAN AGREEMENTS RELATING TO SUCH BONDS AND THE SALE AND DELIVERY OF SUCH BONDS TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; DESIGNATING A BOND REGISTRAR, DEPOSITORY BANK, AND PAYING AGENT; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

WHEREAS, the City Council (the "Governing Body") of the City of Martinsburg (the "Issuer") has duly and officially enacted an Ordinance on September 14, 2000 effective September 25, 2000 (the "Ordinance") entitled:

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING COMBINED WATERWORKS AND SEWERAGE SYSTEM OF THE CITY OF MARTINSBURG AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE CITY OF MARTINSBURG OF NOT MORE THAN TWELVE MILLION FIVE HUNDRED FORTY THOUSAND THREE HUNDRED FIFTY-TWO DOLLARS

($12,540,352) IN AGGREGATE PRINCIPAL AMOUNT OF CITY OF MARTINSBURG COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS IN THREE SERIES, THE FIRST SERIES TO BE DESIGNATED SERIES 2000A (WEST VIRGINIA DWTRF PROGRAM) IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED SEVEN MILLION FIVE HUNDRED SIXTY-FOUR THOUSAND DOLLARS ($7,564,000), THE SECOND SERIES TO BE DESIGNATED SERIES 2000B (WEST VIRGINIA INFRASTRUCTURE FUND) IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED THREE MILLION DOLLARS ($3,000,000), AND THE THIRD SERIES TO BE DESIGNATED SERIES 2000C (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY) IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED ONE MILLION NINE HUNDRED SEVENTY-SIX THOUSAND THREE HUNDRED FIFTY-TWO DOLLARS ($1,976,352); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE HOLDERS OF THE RESPECTIVE SERIES OF SUCH COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS; APPROVING, RATIFYING AND CONFIRMING (I) A LOAN AGREEMENT WITH THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY ACTING ON BEHALF OF THE WEST VIRGINIA BUREAU FOR PUBLIC HEALTH RELATING TO SUCH SERIES 2000A BONDS, (II) A LOAN AGREEMENT WITH THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY ACTING ON BEHALF OF THE WEST VIRGINIA INFRASTRUCTURE AND JOBS DEVELOPMENT COUNCIL RELATING TO SUCH SERIES 2000B BONDS, AND (III) A LOAN AGREEMENT WITH THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY RELATING TO SUCH SERIES 2000C BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS; AND ADOPTING OTHER PROVISIONS RELATING THERETO.

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

WHEREAS, the Ordinance provides for the issuance by the Issuer of not more than Twelve Million Five Hundred Forty Thousand Three Hundred Fifty-Two Dollars ($12,540,352) in aggregate principal amount of City of Martinsburg Combined Waterworks and Sewerage System Revenue Bonds in three series, the first series to be designated Series 2000A (West Virginia DWTRF Program) in an aggregate principal amount not to exceed Seven Million Five Hundred

Sixty-Four Thousand Dollars ($7,564,000) (the "Series 2000A Bonds"), the second series to be designated Series 2000B (West Virginia Infrastructure Fund) in an aggregate principal amount not to exceed Three Million Dollars ($3,000,000) (the "Series 2000B Bonds"), and the third series to be designated Series 2000C (West Virginia Water Development Authority) in an aggregate principal amount not to exceed One Million Nine Hundred Seventy-Six Thousand Three Hundred Fifty-Two Dollars ($1,976,352) (the "Series 2000C Bonds" and collectively with the Series 2000A Bonds and the Series 2000B Bonds, the "Series 2000 Bonds");

WHEREAS, the Issuer in the Ordinance has authorized the execution and delivery of loan agreements relating to the respective series of Series 2000 Bonds (sometimes collectively referred to herein as the "Loan Agreements") as follows: (i) a Loan Agreement with the West Virginia Water Development Authority (the "Authority"), acting on behalf of the West Virginia Bureau for Public Health (the "BPH") relating to the Series 2000A Bonds (the "DWTRF Loan Agreement"), (ii) a Loan Agreement with the Authority, acting on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council") relating to the Series 2000B Bonds (the "Infrastructure Loan Agreement"), and (iii) a Loan Agreement with the Authority relating to the Series 2000C Bonds (the "WDA Loan Agreement"), all in accordance with the Act; and in the Ordinance it is provided that the exact principal amounts, dates, maturities, interest rates, payment schedules, sale prices and other terms of the Series 2000 Bonds should be established by a supplemental resolution pertaining to the Series 2000 Bonds; and that other matters relating to the Series 2000 Bonds be herein provided for;

WHEREAS, the Series 2000A Bonds, the Series 2000B Bonds and the Series 2000C Bonds shall be on parity with respect to liens, pledges and sources of and security for payment with respect to each other and with respect to the Prior Bonds;

WHEREAS, the forms of the Loan Agreements have been presented to the Issuer at this meeting for final ratification and approval;

WHEREAS, the Series 2000 Bonds are proposed to be purchased by the Authority pursuant to the respective Loan Agreements; and

WHEREAS, the Governing Body deems it essential and desirable that this supplemental resolution (the "Supplemental Resolution") be adopted and that the Loan Agreements be finally ratified and approved and entered into by the Issuer, that the exact principal amounts, the dates, the maturities, the interest rates and the payment schedules of the Series 2000 Bonds be fixed hereby in the manner stated herein, and that other matters relating to the Series 2000 Bonds be herein provided for;

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF MARTINSBURG:

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

A. Combined Waterworks and Sewerage System Revenue Bonds, Series 2000A (West Virginia DWTRF Program) of the Issuer, originally represented by a single bond, numbered AR-1, in the principal amount of $7,564,000. The Series 2000A Bonds shall be dated the date of delivery thereof, shall finally mature on March 1, 2022, shall bear interest at the rate of two percent (2%) per annum, payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing June 1, 2002, shall be subject to redemption upon the written consent of the Authority and the BPH, and upon payment of the interest and redemption premium, if any, and otherwise in compliance with the DWTRF Loan Agreement, as long as the Authority shall be registered owner of the Series 2000A Bonds, and shall be payable in quarterly installments of principal on March 1, June 1, September 1 and December 1 of each year, commencing June 1, 2002, in the amounts as set forth in the Debt Service Schedule attached thereto and to the DWTRF Loan Agreement and incorporated therein by reference. The Issuer does approve and shall pay the DWTRF Administrative Fee equal to 1% of the principal amount of the Series 2000A Bonds, payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing June1, 2002, as set forth in the Debt Service Schedule attached thereto and to the DWTRF Loan Agreement.

B. Combined Waterworks and Sewerage System Revenue Bonds, Series 2000B (West Virginia Infrastructure Fund) of the Issuer, originally represented by a single bond, numbered BR-1, in the principal amount of $3,000,000. The Series 2000B Bonds shall be dated the date of delivery thereof, shall finally mature on March 1, 2022, shall bear interest at the rate of three percent (3%) per annum, payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing June 1, 2002, shall be subject to redemption upon the written consent of the Authority and the Council, and upon payment of the interest and redemption premium, if any, and otherwise in compliance with the Infrastructure Loan Agreement, as long as the Authority shall be registered owner of the Series 2000B Bonds, and shall be payable in quarterly installments of principal on March 1, June 1, September 1 and December 1 of each year, commencing June 1, 2002, in the amounts as set forth in the Debt Service Schedule attached thereto and to the Infrastructure Loan Agreement and incorporated therein by reference.

C. Combined Waterworks and Sewerage System Revenue Bonds, Series 2000C (West Virginia Water Development Authority) of the Issuer, originally represented by a single bond, numbered CR-1, in the principal amount of $1,976,352. The Series 2000C Bonds shall be dated the date of delivery thereof, shall finally mature on October 1, 2039, shall bear interest at the rate of 5.8% per annum, payable semi-annually on April 1 and October 1 of each year, commencing April 1, 2001, shall be subject to redemption upon the written consent of the Authority, and upon payment of the interest and redemption premium, if any, and otherwise in compliance with the WDA Loan Agreement, as long as the Authority shall be registered owner of the Series 2000C Bonds, and shall

be payable in annual installments of principal on October 1 of each year, commencing October 1, 2001, and in the amounts as set forth in the Debt Service Schedule attached thereto and to the WDA Loan Agreement and incorporated therein by reference.

Section 2. All other provisions relating to the Series 2000 Bonds shall be as provided in the Ordinance and the respective forms of the Series 2000A Bonds, the Series 2000B Bonds and the Series 2000C Bonds shall be as provided in the Ordinance, provided, however, Section 7.10 of the Ordinance entitled "Operating Budget and Financial Report" is hereby amended to read as follows:

> Section 7.10. Operating Budget and Monthly Financial Report. The Issuer shall annually, at least 45 days preceding the beginning of each Fiscal Year, prepare and adopt by resolution a detailed, balanced budget of the estimated revenues and expenditures for operation and maintenance of the System during the succeeding Fiscal Year and shall submit a copy of such budget to the Authority, the Council and the BPH within 30 days of adoption thereof. No expenditures for the operation and maintenance of the System shall be made in any Fiscal Year in excess of the amounts provided therefor in such budget until the Issuer shall have approved such additional expenditures by a resolution duly adopted. No increased expenditures in excess of 10% of the amount of such budget shall be made except upon the certificate by the Consulting Engineers, that such increased expenditures are necessary for the continued operation of the System. The Issuer shall mail copies of such annual budget and all resolutions authorizing increase expenditures for operation and maintenance to the Authority, the Council, the BPH and to any Holder of any Bonds who shall file his or her address with the Issuer and request in writing that copies of all such budgets and resolutions be furnished him or her, within 30 days of adoption thereof, and shall make available such budgets and all resolutions authorizing increased expenditures for operation and maintenance of the System at all reasonable times to any Holder of any Bonds, or anyone acting for and in behalf of such Holder of any Bonds.

Section 3. The Issuer does hereby authorize, ratify, approve and accept the forms of the Loan Agreements, including all schedules and exhibits attached thereto, copies of which have been presented to this meeting and are incorporated herein by reference, and the execution and delivery by the Mayor of the Loan Agreements for each of the three series of Series 2000 Bonds, and the performance of the obligations contained therein, on behalf of the Issuer are hereby authorized, approved and directed. The price of the Series 2000 Bonds shall be 100% of par value, there being no interest accrued thereon. The proceeds of the Series 2000A Bonds shall be advanced from time to time as requisitioned by the Issuer, and at closing there shall be requisitioned and advanced a

portion of the proceeds in the amount of $664,237, being more than a de minimis amount. The proceeds of the Series 2000B Bonds shall be advanced from time to time as requisitioned by the Issuer, and at closing there shall be requisitioned and advanced a portion of the proceeds in the amount of $680,942, being more than a de minimis amount. The entire proceeds of the Series 2000C Bonds shall be advanced at closing. The Issuer hereby affirms all covenants and representations made in the Loan Agreements and in the respective applications to the BPH, the Council and the Authority.

Section 4. The Issuer does hereby appoint and designate One Valley Bank, National Association, Charleston, West Virginia, as Registrar for the Series 2000 Bonds (the "Registrar") and does approve and accept the Registrar's Agreement to be dated the date of delivery of the Series 2000 Bonds, by and between the Issuer and the Registrar, in substantially the form attached hereto, and the execution and delivery by the Mayor of the Registrar's Agreement, and the performance of the obligations contained therein, on behalf of the Issuer are hereby authorized, approved and directed.

Section 5. The Issuer does hereby appoint and direct the West Virginia Municipal Bond Commission, Charleston, West Virginia, to serve as Paying Agent for the Series 2000 Bonds.

Section 6. The Issuer does hereby appoint Jefferson Security Bank, Martinsburg, West Virginia, as Depository Bank under the Ordinance.

Section 7. The Series 2000A Bonds proceeds in the amount of $-0- shall be deposited in the Series 2000A Bonds Sinking Fund as capitalized interest.

Section 8. The Series 2000A Bonds proceeds in the amount of $459,802 shall be deposited in a Series 2000A Bonds Reserve Account.

Section 9. The Series 2000A Bonds proceeds in the amount of $200,019 shall be deposited in a Series 2000B Bonds Reserve Account.

Section 10. The Series 2000B Bonds proceeds in the amount of $-0- shall be deposited in the Series 2000B Bonds Sinking Fund as capitalized interest.

Section 11. The Series 2000B Bonds proceeds in the amount of $-0- shall be deposited in a Series 2000B Bonds Reserve Account.

Section 12. The Series 2000C Bonds proceeds in the amount of $-0- shall be deposited in the Series 2000C Bonds Sinking Fund as capitalized interest.

Section 13. The Series 2000C Bonds proceeds in the amount of $128,932 shall be deposited in a Series 2000C Bonds Reserve Account.

Section 14. The remaining proceeds of the Series 2000A Bonds shall be deposited in the Series 2000A Bonds Construction Trust Fund, as received from time to time for payment of Costs of the Project, including costs of issuance of the Series 2000A Bonds and the reimbursement to the Issuer of any such Costs paid by the Issuer.

Section 15. The remaining proceeds of the Series 2000B Bonds shall be deposited in the Series 2000B Bonds Construction Trust Fund, as received from time to time for payment of Costs of the Project, including the costs of issuance of the Series 2000B Bonds and the reimbursement to the Issuer of any such Costs paid by the Issuer.

Section 16. The remaining proceeds of the Series 2000C Bonds shall be deposited in the Series 2000C Bonds Construction Trust Fund for payment of Costs of the Project, including the costs of issuance of the Series 2000C Bonds and the reimbursement to the Issuer of any such Costs paid by the Issuer.

Section 17. The Mayor, the City Manager and Recorder are hereby authorized and directed to execute and deliver such other documents, agreements, instruments and certificates required or desirable in connection with the Series 2000 Bonds hereby and by the Ordinance approved and provided for, to the end that the Series 2000 Bonds may be delivered to the Authority pursuant to the Loan Agreements on or about September 27, 2000, or as soon thereafter as practicable.

Section 18. The acquisition and construction of the Project and the financing thereof with the proceeds of the Series 2000 Bonds are in the public interest, serve a public purpose of the Issuer and will promote the health, welfare and safety of the residents of the Issuer.

Section 19. The Issuer hereby determines that it is in the best interest of the Issuer to invest all monies in the funds and accounts established by the Ordinance held by the Depository Bank in Qualified Investments as directed in writing by the Mayor to the Depository Bank, and therefore the Issuer hereby authorizes and directs the Depository Bank to take such actions as may be necessary to cause such monies to be invested in such Qualified Investments, as directed by the Mayor. Monies in the Series 2000 Bonds Sinking Funds and the Series 2000 Bonds Reserve Accounts shall be invested by the Municipal Bond Commission in the West Virginia Consolidated Fund.

Section 20. The Issuer covenants (i) to comply with the Code and all Regulations from time to time in effect and applicable to the Series 2000A Bonds as may be necessary in order to maintain the status of the Series 2000A Bonds as governmental bonds; (ii) that it shall not take, or permit or suffer to be taken, any action with respect to the Issuer's use of the proceeds of the Series 2000A Bonds which would cause any bonds, the interest on which is exempt from federal income taxation under Section 103(a) of the Code, issued by the Authority, the Council or the BPH, as the case may be, from which the proceeds of the Series 2000A Bonds are derived, to lose their status as tax-exempt bonds; and (iii) to take such action, or refrain from taking such action, as shall

be deemed necessary by the Issuer, or requested by the Authority, the Council or the BPH, to ensure compliance with the covenants and agreements set forth in this Section 20, regardless of whether such actions may be contrary to any of the provisions of the Bond Legislation.

Section 21. The Issuer covenants that (i) it shall not take, or permit or suffer to be taken, any action with respect to the proceeds of the Series 2000B Bonds and Series 2000C Bonds which would cause such Bonds to be "arbitrage bonds" under Section 148 of the Code and Regulations prescribed thereunder, 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 such Bonds) so that the interest on such Bonds will be and remain excluded from gross income for federal income tax purposes, and will not take any actions which would adversely affect such exclusion.

Section 22. In accordance with Section 148(f)(4)(D) of the Code, the Issuer covenants that it is a governmental unit with general taxing powers; that the Series 2000B Bonds and Series 2000C Bonds are not private activity bonds as defined in Section 141 of the Code; that 95% or more of the Net Proceeds of the Series 2000B Bonds and Series 2000C Bonds are to be used for local governmental activities of the Issuer (or of a governmental unit the jurisdiction of which is entirely within the jurisdiction of the Issuer); and that the aggregate face amount of all the tax-exempt obligations (other than private activity bonds as defined in Section 141 of the Code) issued by the Issuer during the calendar year in which the Series 2000B Bonds and Series 2000C Bonds are issued does not and will not exceed $5,000,000, determined in accordance with Section 148(f)(4)(D) of the Code and the Regulations promulgated thereunder. For purposes of this Section 22 and for purposes of applying Section 148(f)(4)(D) of the Code, the Issuer and all entities which issue obligations on behalf of the Issuer shall be treated as one issuer; all obligations issued by a governmental unit to make loans to other governmental units with general taxing powers not subordinate to such unit shall, for purposes of applying this Section 22 and Section 148(f)(4)(D) of the Code, be treated as not issued by such governmental unit, all obligations issued by a subordinate entity shall, for purposes of applying this Section 22 and Section 148(f)(4)(D) of the Code to any other entity to which such entity is subordinate, be treated as issued by such other entity; and an entity formed (or, to the extent provided by the Secretary, as set forth in the Code, availed of) to avoid the purposes of such Section 148(f)(4)(D) of the Code and all other entities benefitting thereby shall be treated as one issuer.

Section 23. All contracts relating to the financing, acquisition and construction of the Project are hereby approved and the Mayor is hereby authorized and directed to execute and deliver all such contracts.

Section 24. This Supplemental Resolution shall be effective immediately following adoption hereof.

Adopted this 25th day of September, 2000.

CITY OF MARTINSBURG

Mayor

Section 24. This Supplemental Resolution shall be effective immediately following adoption hereof.

Adopted this 25th day of September, 2000.

CITY OF MARTINSBURG

Leon Karol

Mayor

CERTIFICATION

Certified a true copy of a Supplemental Resolution duly adopted by the City Council of the City of Martinsburg on the 25th day of September, 2000.

Dated: September 27, 2000.

[SEAL]

Recorder

DWTRF
(4/7/00)

LOAN AGREEMENT

THIS DRINKING WATER TREATMENT REVOLVING FUND LOAN AGREEMENT (the "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"), acting under the direction of the WEST VIRGINIA BUREAU FOR PUBLIC HEALTH, a division of the West Virginia Department of Health and Human Resources (the "BPH"), and the local entity designated below (the "Local Entity").

CITY OF MARTINSBURG (Series 2000 A)
(Local Entity)

WITNESSETH:

WHEREAS, the United States Congress under Section 1452 of the Safe Drinking Water Act, as amended (the "Safe Drinking Water Act"), has provided for capitalization grants to be awarded to states for the express purpose of establishing and maintaining drinking water treatment revolving funds for the construction, acquisition and improvement of drinking water systems;

WHEREAS, pursuant to the provisions of Chapter 16, Article 13C of the Code of West Virginia, 1931, as amended (the "Act"), the State of West Virginia (the "State") has established a drinking water treatment revolving fund program (the "Program") to direct the distribution of loans to eligible Local Entities pursuant to the Safe Drinking Water Act;

WHEREAS, under the Act the BPH is designated the instrumentality to enter into capitalization agreements with the United States Environmental Protection Agency ("EPA") to accept capitalization grant awards (U.S. General Services Administration; Catalog of Federal Domestic Assistance, 32nd Edition §66.458 (1998)) and BPH has been awarded capitalization grants to partially fund the Program;

WHEREAS, the Act establishes a permanent perpetual fund known as the "West Virginia Drinking Water Treatment Revolving Fund" (hereinafter the "Fund"), which fund is to be administered and managed by the Authority under the direction of the BPH;

WHEREAS, pursuant to the Act, the Authority and BPH are empowered to make loans from the Fund to Local Entities for the acquisition or construction of drinking water projects by such Local Entities, all subject to such provisions and limitations as are contained in the Safe Drinking Water Act and the Act;

WHEREAS, the Local Entity constitutes a local entity as defined by the Act;

WHEREAS, the Local Entity is included on the BPH State Project Priority List and the Intended Use Plan and has met BPH's pre-application requirements for the Program;

WHEREAS, the Local Entity is authorized and empowered by the statutes of the State to acquire, construct, improve, operate and maintain a drinking water project and to finance the cost of acquisition and construction of the same by borrowing money to be evidenced by revenue bonds issued by the Local Entity;

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

WHEREAS, the Local Entity has completed and filed with the Authority and BPH 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 the Fund having available sufficient funds therefor, the Authority and BPH are willing to lend the Local Entity the amount set forth on Schedule X attached hereto and incorporated herein by reference, through the purchase of revenue bonds of the Local Entity with moneys held in the Fund, subject to the Local Entity's satisfaction of certain legal and other requirements of the Program.

NOW, THEREFORE, in consideration of the premises and the mutual agreements hereinafter contained, the Local Entity, BPH and the Authority hereby agree as follows:

ARTICLE I

Definitions

1.1 Except where the context clearly indicates otherwise, the terms "Authority," "cost," "fund," "local entity," and "project" have the definitions and meanings ascribed to them in the Act or in the DWTRF Regulations.

1.2 "Consulting Engineers" means the professional engineer, licensed by the State, designated in the Application and any successor thereto.

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

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

1.5 "Local Bonds" means the revenue bonds to be issued by the Local Entity pursuant to the provisions of the Local Statute, as hereinafter defined, to evidence the Loan and to be purchased by the Authority with money held in the Fund, all in accordance with the provisions of this Loan Agreement.

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

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

1.8 "Program" means the drinking water facility acquisition, construction and improvement program coordinated through the capitalization grants program established under the Safe Drinking Water Act and administered by BPH.

1.9 "Project" means the drinking water project hereinabove referred to, to be constructed or being constructed by the Local Entity in whole or in part with the net proceeds of the Local Bonds or being or having been constructed by the Local Entity 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 "DWTRF Regulations" means the regulations set forth in the West Virginia Code of State Regulations.

1.11 "System" means the drinking water system owned by the Local Entity, 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.

1.12 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 Local Entity by the Consulting Engineers, the BPH and Authority having found, to the extent applicable, that the Project is consistent with the applicable provisions of the Program.

2.2 Subject to the terms, conditions and provisions of this Loan Agreement and the Local Act, the Local Entity 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 Local Entity 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 Local Entity, 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 BPH and the Authority.

2.4 The Local Entity agrees that the Authority and BPH and their respective 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 Local Entity further agrees that the Authority and BPH and their respective duly authorized agents shall, prior to, at and after completion of construction and commencement of operation of the Project, have such rights of access to the System site and System facilities as may be reasonably necessary to accomplish all of the powers and rights of the Authority and BPH with respect to the System pursuant to the pertinent provisions of the Act.

2.5 The Local Entity 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 Local Entity shall permit the Authority and BPH, acting by and through their directors or 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 Local Entity shall submit to the Authority and BPH 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 Local Entity agrees that it will permit the Authority and BPH and their respective agents to have access to the records of the Local Entity 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 Local Entity 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 and shall verify or have verified such bonds prior to commencement of construction.

2.8 The Local Entity 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 and BPH and shall verify or have verified such insurance prior to commencement of construction. Until the Project facilities are completed and accepted by the Local Entity, the Local Entity or (at the option of the Local Entity) 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 Local Entity, 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 Local Entity on or before the Date of Loan Closing, as hereinafter defined, and maintained so long as any of the Local Bonds are outstanding. Prior to commencing operation of the Project, the Local Entity must also obtain, and maintain so long as any of the Local Bonds are outstanding, business interruption insurance if available at a reasonable cost.

2.9 The Local Entity shall provide and maintain competent and adequate engineering services satisfactory to the Authority and BPH 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 engineer shall certify to the Authority, BPH and the Local Entity 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. The Local Entity shall require the Consulting Engineers to submit Recipient As-Built Plans, as defined in the DWTRF Regulations, to it within 60 days of the completion of the Project. The Local Entity shall notify BPH in writing of such receipt.

2.10 The Local Entity shall require the Consulting Engineers to submit the final Operation and Maintenance Manual, as defined in the DWTRF Regulations, to BPH when the Project is 90% completed. The Local Entity shall at all times provide operation and maintenance of the System in compliance with any and all State and federal standards. The Local Entity shall employ qualified operating personnel properly certified by the State before the Project is 50% complete and shall retain such a certified operator(s) to operate the System during the entire term of

this Loan Agreement. The Local Entity shall notify BPH in writing of the certified operator employed at the 50% completion stage.

2.11 The Local Entity hereby covenants and agrees to comply with all applicable laws, rules and regulations issued by the Authority, BPH 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 Local Entity, 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 A and incorporated herein by reference, and forward a copy by the 10th of each month to BPH.

2.13 The Local Entity, during construction of the Project, shall complete Payment Requisition Forms, the form of which is attached hereto as Exhibit B and incorporated herein by reference, and forward such forms to BPH in compliance with the Local Entity's construction schedule.

ARTICLE III

Conditions to Loan; Issuance of Local Bonds

3.1 The agreement of the Authority and BPH to make the Loan is subject to the Local Entity's fulfillment, to the satisfaction of the Authority and BPH, 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 Local Entity shall have delivered to BPH and the Authority a report listing the specific purposes for which the proceeds of the Loan will be expended and the procedures as to the disbursement of loan proceeds, including an estimated monthly draw schedule;

(b) The Local Entity shall have performed and satisfied all of the terms and conditions to be performed and satisfied by it in this Loan Agreement;

(c) The Local Entity 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;

(d) The Local Entity shall either have received bids or entered into 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 construction financing, the Local Entity 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 and BPH shall have received a certificate of the Consulting Engineers to such effect, the form of which certificate is attached hereto as Exhibit C;

(e) The Local Entity 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 and BPH shall have received a certificate of the Consulting Engineers to such effect;

(f) The Local Entity shall have obtained all requisite orders of and approvals from the Public Service Commission of West Virginia (the "PSC") and the West Virginia Infrastructure and Jobs Development Council 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 and BPH shall have received an opinion of counsel to the Local Entity, which may be local counsel to the Local Entity, bond counsel or special PSC counsel but must be satisfactory to the Authority and BPH, to such effect;

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

(h) The Local Entity 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 and BPH shall have received an opinion of counsel to the Local Entity, which may be local counsel to the Local Entity, bond counsel or special PSC counsel but must be satisfactory to the Authority and BPH, to such effect;

(i) Such rates and charges for the System shall be sufficient to comply with the provisions of Subsections 4.1(a) and 4.1(b)(ii) hereof, and the Authority and BPH shall have received a certificate of the accountant for the Local Entity, or such other person or firm experienced in the finances of local entities and satisfactory to the Authority and BPH, 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 and BPH shall have received a certificate of the Consulting Engineers, or such other person or firm experienced in the financing of drinking water projects and satisfactory to the Authority and BPH, to such effect, such certificate to be in form and substance satisfactory to the Authority and BPH, and evidence satisfactory to the Authority and BPH of such irrevocably committed grants.

3.2 Subject to the terms and provisions of this Loan Agreement, the rules and regulations promulgated by the BPH, including the DWTRF Regulations, 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 Local Entity and the Local Entity shall accept the Loan from the Authority, and in furtherance thereof it is agreed that the Local Entity 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 Local Entity 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, BPH and the Local Entity. 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 Local Entity understands and acknowledges that it is one of several local entities which have applied to the Authority and BPH for loans from the Fund to finance drinking water projects and that the obligation of the Authority to make any such loan is subject to the Local Entity's fulfilling all of the terms and conditions of this Loan Agreement on or prior to the Date of Loan Closing and to the requirements of the Program. The Local Entity specifically recognizes that the Authority will not purchase the Local Bonds unless and until sufficient funds are available in the Fund to purchase all the Local Bonds and that, prior to execution of this Loan Agreement, the Authority may purchase the bonds of other local entities set out in the State Project Priority List, as defined in the DWTRF Regulations. The Local Entity further specifically recognizes that all loans will be originated in conjunction with the DWTRF Regulations and with the prior approval of BPH.

3.6 The Local Entity shall provide BPH with the appropriate documentation to comply with the special conditions regarding the public release requirements established by federal and State regulations as set forth in Exhibit D attached hereto at such times as are set forth therein.

ARTICLE IV

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

4.1 The Local Entity shall, as one of the conditions of the Authority and BPH to make the Loan, authorize the issuance of and issue the Local Bonds pursuant to an official action of

the Local Entity in accordance with the Local Statute, which shall, as adopted or enacted, contain provisions and covenants in substantially the form as follows:

(a) That the gross revenues of the System shall always be used for purposes of the System. Such gross revenues will be used monthly, in the order of priority listed below:

(i) to pay Operating Expenses of the System;

(ii) to the extent not otherwise limited by any outstanding loan resolution, indenture or other act or document and beginning on the date set forth in Schedule X, to provide debt service on the Local Bonds by depositing in a sinking fund one-third (1/3) of the interest payment next coming due on the Local Bonds and one-third (1/3) of the principal payment next coming due on the Local Bonds and, beginning three (3) months prior to the first date of payment of principal of the Local Bonds, if the reserve account for the Local Bonds (the "Reserve Account") was not funded from proceeds of the Local Bonds or otherwise concurrently with the issuance thereof in an amount 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"), by depositing in the Reserve Account an amount not less than one-twelfth (1/12) of one-tenth (1/10) 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; and

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

Provided that if the Local Entity has existing outstanding indebtedness which has greater coverage or renewal and replacement fund requirements, then the greater requirements will prevail until said existing indebtedness is paid in full.

(b) Covenants substantially as follows:

(i) That the Local Bonds shall be secured by a pledge of either the gross or net revenues, as applicable, of the System as provided in the Local Act;

(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 is funded (whether by Local Bond proceeds, monthly deposits or otherwise) at an amount equal to 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 Local Entity will complete the Project and operate and maintain the System in good condition;

(iv) That, except as otherwise required by State law or the DWTRF Regulations, 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 from such sale, mortgage, lease or other disposition shall be sufficient to fully pay all of the Local Bonds outstanding and further provided that portions of the System when no longer required for the ongoing operation of the System as evidenced by certificates from the Consulting Engineer, may be disposed of with such restrictions as are normally contained in such covenants;

(v) That the Local Entity 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 and with the prior written consent of the Authority and BPH;

(vi) That the Local Entity 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 Local Entity will not render any free services of the System;

(viii) That the Authority may, by proper legal action, compel the performance of the duties of the Local Entity 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 and all rights as set forth in Section 5 of the Act;

(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 Local Entity will not grant any franchise to provide any services which would compete with the System;

(xi) That the Local Entity shall annually, within six months of the end of the fiscal year, 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 and BPH. If the Local Entity receives $300,000 or more (in federal funds) in a fiscal year, the audit shall be obtained in accordance with the Single Audit Act (as amended from time to time) and the applicable OMB Circular (or any successor thereto). Financial statement audits are required once all funds have been received by the Local Entity. The audit shall include a statement that the Local Entity is in compliance with the terms and provisions of the Local Act and this Loan Agreement and that the Local Entity's revenues are adequate to meet its Operating Expenses and debt service and reserve requirements;

(xii) That the Local Entity shall annually adopt a detailed, balanced budget of the estimated revenues and expenditures for operation and maintenance of the System during the succeeding fiscal year and shall submit a copy of such budget to the Authority and BPH 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, advanced from time to time, 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 Local Entity 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) and/or (b) be used to pay (or redeem) bond anticipation notes or other interim funding of such Local Entity, the proceeds of which were used to finance the construction of the Project; provided that, with the prior written consent of the Authority and BPH, 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 Local Entity may authorize redemption of the Local Bonds with 30 days written notice to BPH and the Authority;

(xvi) That the West Virginia Municipal Bond Commission (the "Commission") shall serve as paying agent for all Local Bonds;

(xvii) That the Local Entity shall on the first day of each month (if the first day is not a business day, then the first business day of each month) deposit with the Commission the required interest, principal and reserve account payment. The Local Entity shall complete the Monthly Payment Form, attached hereto as Exhibit E and incorporated herein by reference, and submit a copy of said form along with a copy of the check or electronic transfer to the Authority by the 5th day of such calendar month;

(xviii) That, unless it qualifies for an exception to the provisions of Section 148 of the Internal Revenue Code of 1986, as amended, which exception shall be set forth in an opinion of bond counsel, the Local Entity will furnish to the Authority, annually, at such time as it is required to perform its rebate calculations under the Internal Revenue Code of 1986, as amended, a certificate with respect to its rebate calculations and, at any time, any additional information requested by the Authority;

(xix) That the Local Entity shall have obtained the certificate of the Consulting Engineers 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 and BPH, the Project is adequate for the purposes for which it was designed, the funding plan as submitted to the Authority and BPH is sufficient to pay the costs of acquisition and construction of the Project and all permits required by federal and State laws for construction of the Project have been obtained;

(xx) That the Local Entity shall, to the full extent permitted by applicable law and the rules and regulations of the PSC, terminate its services to any customer of the System who is delinquent in payment of charges for services provided by the System and will not restore such services until all delinquent charges for the services of the System have been fully paid; and

(xxi) That the Local Entity shall submit all proposed change orders to the BPH for written approval. The Local Entity shall obtain the written approval of the BPH before expending any proceeds of the Local Bonds held in "contingency" as set forth in the final Schedule A attached to the certificate of the Consulting Engineer. The Local Entity shall obtain the written approval of the BPH before expending any proceeds of the Local Bonds available due to bid/construction/project underruns.

The Local Entity hereby represents and warrants that the Local Act has been or shall be duly adopted or enacted 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, validity, sale and delivery of the Local Bonds shall be approved without qualification by nationally recognized bond counsel acceptable to the Authority in substantially the form of legal opinion attached hereto as Exhibit F.

4.2 The Loan shall be secured by the pledge and assignment by the Local Entity, as effected by the Local Act, of the fees, charges and other revenues of the Local Entity from the System.

4.3 At least five percent (5%) of the proceeds of the Local Bonds will be advanced on the Date of Loan Closing. The remaining proceeds of the Local Bonds shall be advanced by the Authority monthly as required by the Local Entity to pay Costs of the Project, provided, however, if the proceeds of the Local Bonds will be used to repay an interim financing, the proceeds will be advanced on a schedule mutually agreeable to the Local Entity, the BPH and the Authority. The Local Bonds shall not bear interest during the construction period but interest shall commence accruing on the completion date as defined in the DWTRF Regulations, provided that the annual repayment of principal and payment of interest shall begin not later than one (1) year after the completion date. The repayment of principal and interest on the Local Bonds shall be as set forth on Schedule Y 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.

4.4 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 Local Entity. Anything to the contrary herein notwithstanding, the Local Bonds may be issued in one or more series.

4.5 As provided by the DWTRF Regulations, the Local Entity agrees to pay from time to time, if required by the Authority and BPH, the Local Entity's allocable share of the reasonable administrative expenses of the BPH and the Authority relating to the Program. Such administrative expenses shall be determined by the BPH and the Authority and shall include, without limitation, Program expenses, legal fees paid by the BPH and the Authority and fees paid for any bonds or notes to be issued by the Authority for contribution to the Fund.

4.6 The obligation of the Authority to make any loans shall be conditioned upon the availability of moneys in the Fund in such amount and on such terms and conditions as, in the sole judgment of the Authority, will enable it to make the Loan.

ARTICLE V

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

5.1 The Local Entity hereby irrevocably covenants and agrees to comply with all of the terms, conditions and requirements of this Loan Agreement and the Local Act. The Local Entity 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 and will take all such actions necessary to provide funds sufficient to produce the required sums set forth in the Local Act and in compliance with the provisions of Subsections 4.1(a) and 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 required sums set forth in the Local Act and this Loan Agreement, the Local Entity 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 (or where applicable, immediately file with the PSC for a rate increase) and take all such actions necessary to provide funds sufficient to produce the required sums set forth in the Local Act and this Loan Agreement.

5.3 In the event the Local Entity defaults in any payment due to the Authority pursuant to Section 4.2 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 Local Entity hereby irrevocably covenants and agrees with the Authority that, in the event of any default hereunder by the Local Entity, the Authority may exercise any or all of the rights and powers granted under Section 5 of the Act, including, without limitation, the right to impose, enforce and collect charges of the System.

ARTICLE VI

Other Agreements of the Local Entity

6.1 The Local Entity hereby acknowledges to the Authority and BPH its understanding of the provisions of the Act, vesting in the Authority and BPH certain powers, rights and privileges with respect to drinking water projects in the event of default by local entities in the terms and covenants of this Loan Agreement, and the Local Entity hereby covenants and agrees that, if the Authority should hereafter have recourse to said rights and powers, the Local Entity 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 The Local Entity hereby warrants and represents that all information provided to the Authority and BPH 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 and BPH shall have the right to cancel all or any of their obligations under this Loan Agreement if (a) any representation

made to the Authority and BPH by the Local Entity in connection with the Loan shall be incorrect or incomplete in any material respect or (b) the Local Entity has violated any commitment made by it in its Application or in any supporting documentation or has violated any of the terms of the Act, the DWTRF Regulations or this Loan Agreement.

6.3 The Local Entity hereby agrees to repay on or prior to the Date of Loan Closing any moneys due and owing by it to the Authority or any other lender for the planning or design of the Project, provided that such repayment shall not be made from the proceeds of the Loan.

6.4 The Local Entity 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 Local Entity fails to make any such rebates as required, then the Local Entity 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.

6.5 Notwithstanding Section 6.4, the Authority and BPH may at any time, in their sole discretion, cause the rebate calculations prepared by or on behalf of the Local Entity to be monitored or cause the rebate calculations for the Local Entity to be prepared, in either case at the expense of the Local Entity.

6.6 The Local Entity hereby agrees to give the Authority and BPH prior written notice of the issuance by it of any other obligations to be used for the System, payable from the revenues of the System or from any grants for the Project or otherwise related to the Project or the System.

6.7 The Local Entity hereby agrees to file with the Authority and BPH 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 Schedules X and Y 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 Local Entity supplementing the Local Act, a certified copy of which official action shall be submitted to the Authority.

7.2 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.

7.3 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.

7.4 No waiver by any 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.

7.5 This Loan Agreement 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.

7.6 By execution and delivery of this Loan Agreement, notwithstanding the date hereof, the Local Entity 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.

7.7 This Loan Agreement shall terminate upon the earlier of:

(i) written notice of termination to the Local Entity from either the Authority or BPH;

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

(iii) termination by the Authority and BPH pursuant to Section 6.2 hereof; or

(iv) payment in full of the principal of and interest on the Loan and of any fees and charges owed by the Local Entity to the Authority or BPH.

In the event funds are not available to make all of the Loan, the responsibility of the Authority and BPH to make all the Loan is terminated; provided further that the obligation of the Local Entity to repay the outstanding amount of the Loan made by the Authority and BPH is not terminated due to such non-funding on any balance of the Loan. The BPH agrees to use its best efforts to have the amount contemplated under this Loan Agreement included in its budget. Non-funding of the Loan shall not be considered an event of default under this Loan Agreement.

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 MARTINSBURG
[Name of Local Entity]

(SEAL)

By: George Karos

Its: Mayor

Attest:

Date: September 27, 2000

Sharon A. Lhie

Its Recorder

WEST VIRGINIA WATER
DEVELOPMENT AUTHORITY

(SEAL)

By: Daniel B. Lyonbosky

Its: Director

Attest:

Date: September 27, 2000

Barbara B Meadows
Secretary-Treasurer

000832/00520
4/7/00

EXHIBIT A

[Form of Monthly Financial Report]
[Name of Local Entity]
[Name of Bond Issue]
Fiscal Year - _____
Report Month: _____

	ITEM	CURRENT MONTH	TOTAL YEAR TO DATE	BUDGET YEAR TO DATE	BUDGET YEAR MINUS YEAR TO DATE
1.	Gross Revenues Collected				
2.	Operating Expenses				
3.	Other Bond Debt Payments (including Reserve Account Deposits)				
4.	DWTRF Bond Payments (include Reserve Account Deposits)				
5.	Renewal and Replacement Fund Deposit				

Witnesseth my signature this ____ day of _____, _____.

_____
[Name of Local Entity]

By: _____
Authorized Officer

Instructions for Completing Monthly Financial Report

1. You will need a copy of the current fiscal year budget adopted by the Local Entity to complete Items 1 and 2. In Item 1, provide the amount of actual gross revenues for the current month and the total amount year to date in the respective columns. Divide the budgeted annual gross revenues by 12. For example, if gross revenues of $1,200 are anticipated to be received for the year, each month the base would be increased by $100 (1200/12). This is the incremental amount for the Budget Year to Date column.

2. In Item 2, provide the amount of actual operating expenses for the current month and the total amount year to date in the respective columns. The SRF administrative fee should be included in the operating expenses. Divide the budgeted annual operating expenses by 12. For example, if operating expenses of $900 are anticipated to be incurred for the year, each month the base would be increased by $75 (900/12). This is the incremental amount for the Budget Year to Date column.

3. In Item 3, provide the principal, interest and reserve account payments for all the outstanding bonds of the Local Entity other than this Loan.

4. In Item 4, provide the principal, interest and reserve account payments for this Loan. You need to call the Municipal Bond Commission for the exact amount of these payments and when they begin.

5. In Item 5, provide the amount deposited into the Renewal and Replacement Fund each month. This amount is equal to 2.5% of gross revenues minus the total reserve account payments included in Items 3 and 4. If gross revenues are $12,000, the Renewal and Replacement Fund should have an amount of $300 (2.5% of $12,000), LESS the amount of all reserve account payments in Items 3 & 4. The money in the Renewal and Replacement Fund should be kept separate and apart from all other funds of the Local Entity.

6. The Local Entity must complete the Monthly Financial Report and forward it to the BPH by the 10th day of each month, commencing on the date contracts are executed for the construction of the Project and for 2 years following the completion of the Project. BPH will notify the Local Entity when the Monthly Financial Report no longer needs to be filed.

EXHIBIT B

PAYMENT REQUISITION FORM

EXHIBIT C

FORM OF CERTIFICATE OF CONSULTING ENGINEER

_____
(Issuer)

_____
(Name of Bonds)

I, _____, Registered Professional Engineer, West Virginia License No._____, of _____ Consulting Engineers, _____, _____, hereby certify as follows:

1. My firm is engineer for the acquisition and construction of _____ to the _____ system (the "Project") of _____ (the "Issuer"), to be constructed primarily in _____County, West Virginia, which acquisition and construction are being permanently financed in part by the above-captioned bonds (the "Bonds") of the Issuer. Capitalized words not defined herein shall have the same meaning set forth in the bond _____ adopted or enacted by the Issuer on _____, and the Loan Agreement by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Bureau for Public Health (the "BPH"), dated _____.

2. The Bonds are being issued for the purposes of (i) _____ _, and (ii) paying certain issuance and other costs in connection therewith.

3. To the best of my knowledge, information and belief, (i) within the limits and in accordance with the applicable and governing contractual requirements relating to the Project, the Project will be constructed in general accordance with the approved plans, specifications and designs prepared by my firm and approved by BPH and any change orders approved by the Issuer, BPH and all necessary governmental bodies; (ii) the Project, as designed, is adequate for its intended purpose and has a useful life of at least _____ years, if properly operated and maintained, excepting anticipated replacements due to normal wear and tear; (iii) the Issuer has received bids for the acquisition and construction of the Project which are in an amount and otherwise compatible with the plan of financing set forth in Schedule A attached hereto as Exhibit A, and my firm[1] has ascertained that all successful bidders have made required provisions for all insurance and payment and performance bonds and that such insurance policies or binders and such bonds have been

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[1]If another responsible party, such as the Issuer's attorney, reviews the insurance and payment bonds, then insert the following: [and in reliance upon the opinion of _____, Esq.] and delete "my firm has ascertained that".

verified for accuracy; (iv) the successful bidders received any and all addenda to the original bid documents; (v) the bid documents relating to the Project reflect the Project as approved by the BPH and the bid forms provided to the bidders contain all critical operational components of the Project; (vi) the successful bids include prices for every item on such bid forms; (vii) the uniform bid procedures were followed; (viii) the Issuer has obtained all permits required by the laws of the State of West Virginia and the United States necessary for the acquisition and construction of the Project and operation of the System; (ix) as of the effective date thereof[2], the rates and charges for the System as adopted by the Issuer will be sufficient to comply with the provisions of the Loan Agreement; (x) 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, if any, irrevocably committed therefor, are sufficient to pay the costs of acquisition and construction of the Project approved by BPH; and (xi) attached hereto as Exhibit A is the final amended "Schedule A - Total Cost of Project; Sources of Funds and Cost of Financing" for the Project.

WITNESS my signature and seal on this _____ day of _____ , _____.

[SEAL]

_____

By: _____

_____

West Virginia License No. _____

[2]If the Rule 42 Exhibit and/or rate structure was prepared by an accountant, then insert the following: "In reliance upon the certificate of _____ of even date herewith," at the beginning of (ix).

EXHIBIT D

Special Conditions

The Local Entity agrees to include, when issuing statements, press releases, requests for proposals, bid solicitations, groundbreaking or project dedication program documents and other documents describing projects or programs funded in whole or in part with federal money, (1) the percentage of the total costs of the program or project which will be financed with federal money, (2) the dollar amount of federal funds for the project or program, and (3) percentage and dollar amount of the total costs of the project or program that will be financed by non-governmental sources.

EXHIBIT E

[Monthly Payment Form]

West Virginia Water Development Authority
180 Association Drive
Charleston, WV 25311-1511

Re: [Name of bond issue]

Ladies and Gentlemen:

The following deposits were made to the West Virginia Municipal Bond Commission on behalf of _____ on _____.
[Local Entity] [Date]

Sinking Fund:

Interest $_____

Principal $_____

Total: $_____

Reserve Account: $_____

Witness my signature this ___ day of _____.

_____
[Name of Local Entity]

By: _____
Authorized Officer

Enclosure: wire transfer form

EXHIBIT F

[Opinion of Bond Counsel for Local Entity]

[To Be Dated as of Date of Loan Closing]

West Virginia Water Development Authority
180 Association Drive
Charleston, WV 25311-1511

West Virginia Bureau for Public Health
815 Quarrier Street, Suite 418
Charleston, WV 25301-2616

Ladies and Gentlemen:

We are bond counsel to _____ (the "Local Entity"), a _____.

We have examined a certified copy of proceedings and other papers relating to the authorization of a (i) loan agreement dated _____, including all schedules and exhibits attached thereto (the "Loan Agreement"), between the Local Entity and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Bureau for Public Health (the "BPH"), and (ii) the issue of a series of revenue bonds of the Local Entity, dated _____ ___ (the "Local Bonds"), to be purchased by the Authority in accordance with the provisions of the Loan Agreement. The Local Bonds are issued in the principal amount of $_____, in the form of one bond, registered as to principal and interest to the Authority, with principal and interest payable quarterly on March 1, June 1, September 1, and December 1 of each year, beginning ____ _____ 1, ____, and ending _____ 1, _____, all as set forth in the "Schedule Y" attached to the Loan Agreement and incorporated in and made a part of the Local Bonds.

The Local Bonds are issued for the purposes of (i) _____, and (ii) 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 adopted or enacted by the Local Entity on _____, as supplemented by the supplemental resolution duly adopted by the Local Entity on _____ (collectively, the "Local Act"), pursuant to and under which Local Statute and Local Act the Local Bonds are authorized and issued, and the Loan Agreement 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 Local Entity and is a valid and binding special obligation of the Local Entity enforceable in accordance with the terms thereof.

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

3. The Local Entity is a duly organized and validly existing _____, with full power and authority to acquire and construct the Project, to operate and maintain the System, to adopt or enact the Local Act and to issue and sell the Local Bonds, all under the Local Statute and other applicable provisions of law.

4. The Local Act and all other necessary orders and resolutions have been legally and effectively adopted or enacted by the Local Entity and constitute valid and binding obligations of the Local Entity enforceable against the Local Entity in accordance with their terms. 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 have been duly authorized, issued, executed and delivered by the Local Entity to the Authority and are valid and legally enforceable and binding special obligations of the Local Entity, payable from the gross or net revenues of the System set forth in the Local Act and secured by a first lien on and pledge of the gross or net revenues of the System, all in accordance with the terms of the Local Bonds and the Local Act.

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,

SCHEDULE X

DESCRIPTION OF LOCAL BONDS

Principal Amount of Local Bonds	$ 7,564,000
Purchase Price of Local Bonds	$ 7,564,000

The Local Bonds shall bear no interest from the date of delivery to and including February 28, 2002. Commencing June 1, 2002, interest on the Local Bonds is payable quarterly, at a rate of 2 % per annum. Commencing June 1, 2002, principal of the Local Bonds is payable quarterly, with an administrative fee of 1 %. Quarterly payments will be made on March 1, June 1, September 1 and December 1 of each year as set forth on the Schedule Y attached hereto and incorporated herein by reference.

The Local Entity shall submit its payments monthly to the Commission with instructions that the Commission will make quarterly payments to the Authority at such address as is given to the Commission in writing by the Authority. If the Reserve Account is not fully funded at closing, the Local Entity shall commence the payment of the 1/120 of the maximum annual debt service on the first day of the month it makes its first monthly payment to the Commission. The Local Entity shall instruct the Commission to notify the Authority of any monthly payments which are not received by the 20th day of the month in which the payment was due.

The Local Bonds are fully registered in the name of the Authority as to principal and interest, if any. and the Local Bonds shall grant the Authority a first lien on the gross or net revenues of the Local Entity's system as provided in the Local Act.

The Local Entity may prepay the Local Bonds in full at any time at the price of par upon 30 days' written notice to the Authority and BPH. The Local Entity shall request approval from the Authority and BPH in writing of any proposed debt which will be issued by the Local Entity on a parity with the Local Bonds which request must be filed at least 60 days prior to the intended date of issuance.

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

Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 1995, dated September 1, 1995, originally issued in the aggregate principal amount of $3,645,000.

City of Martinsburg (West Virginia)

DWTRF Loan of $7,564,000
20 Years, 2% Interest Rate, 1% Administrative Fee
Closing Date: September 27, 2000

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Interest	Total P+I
12/01/2000	-	-	-	-
3/01/2001	-	-	-	-
6/01/2001	-	-	-	-
9/01/2001	-	-	-	-
12/01/2001	-	-	-	-
3/01/2002	-	-	-	-
6/01/2002	77,130.00	2.000%	37,820.00	114,950.00
9/01/2002	77,516.00	2.000%	37,434.35	114,950.35
12/01/2002	77,904.00	2.000%	37,046.77	114,950.77
3/01/2003	78,293.00	2.000%	36,657.25	114,950.25
6/01/2003	78,685.00	2.000%	36,265.79	114,950.79
9/01/2003	79,078.00	2.000%	35,872.36	114,950.36
12/01/2003	79,473.00	2.000%	35,476.97	114,949.97
3/01/2004	79,871.00	2.000%	35,079.61	114,950.61
6/01/2004	80,270.00	2.000%	34,680.25	114,950.25
9/01/2004	80,671.00	2.000%	34,278.90	114,949.90
12/01/2004	81,075.00	2.000%	33,875.55	114,950.55
3/01/2005	81,480.00	2.000%	33,470.17	114,950.17
6/01/2005	81,888.00	2.000%	33,062.77	114,950.77
9/01/2005	82,297.00	2.000%	32,653.33	114,950.33
12/01/2005	82,709.00	2.000%	32,241.85	114,950.85
3/01/2006	83,122.00	2.000%	31,828.30	114,950.30
6/01/2006	83,538.00	2.000%	31,412.69	114,950.69
9/01/2006	83,955.00	2.000%	30,995.00	114,950.00
12/01/2006	84,375.00	2.000%	30,575.23	114,950.23
3/01/2007	84,797.00	2.000%	30,153.35	114,950.35
6/01/2007	85,221.00	2.000%	29,729.37	114,950.37
9/01/2007	85,647.00	2.000%	29,303.26	114,950.26
12/01/2007	86,075.00	2.000%	28,875.03	114,950.03
3/01/2008	86,506.00	2.000%	28,444.65	114,950.65
6/01/2008	86,938.00	2.000%	28,012.12	114,950.12
9/01/2008	87,373.00	2.000%	27,577.43	114,950.43
12/01/2008	87,810.00	2.000%	27,140.57	114,950.57
3/01/2009	88,249.00	2.000%	26,701.52	114,950.52
6/01/2009	88,690.00	2.000%	26,260.27	114,950.27
9/01/2009	89,134.00	2.000%	25,816.82	114,950.82
12/01/2009	89,579.00	2.000%	25,371.15	114,950.15
3/01/2010	90,027.00	2.000%	24,923.26	114,950.26
6/01/2010	90,477.00	2.000%	24,473.12	114,950.12
9/01/2010	90,930.00	2.000%	24,020.74	114,950.74
12/01/2010	91,384.00	2.000%	23,566.09	114,950.09
3/01/2011	91,841.00	2.000%	23,109.17	114,950.17
6/01/2011	92,300.00	2.000%	22,649.96	114,949.96
9/01/2011	92,762.00	2.000%	22,188.46	114,950.46
12/01/2011	93,226.00	2.000%	21,724.65	114,950.65
3/01/2012	93,692.00	2.000%	21,258.52	114,950.52

City of Martinsburg (West Virginia)

DWTRF Loan of $7,564,000
20 Years, 2% Interest Rate, 1% Administrative Fee
Closing Date: September 27, 2000

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Interest	Total P+I
6/01/2012	94,160.00	2.000%	20,790.06	114,950.06
9/01/2012	94,631.00	2.000%	20,319.26	114,950.26
12/01/2012	95,104.00	2.000%	19,846.11	114,950.11
3/01/2013	95,580.00	2.000%	19,370.59	114,950.59
6/01/2013	96,058.00	2.000%	18,892.69	114,950.69
9/01/2013	96,538.00	2.000%	18,412.40	114,950.40
12/01/2013	97,021.00	2.000%	17,929.71	114,950.71
3/01/2014	97,506.00	2.000%	17,444.60	114,950.60
6/01/2014	97,993.00	2.000%	16,957.07	114,950.07
9/01/2014	98,483.00	2.000%	16,467.11	114,950.11
12/01/2014	98,976.00	2.000%	15,974.69	114,950.69
3/01/2015	99,471.00	2.000%	15,479.81	114,950.81
6/01/2015	99,968.00	2.000%	14,982.46	114,950.46
9/01/2015	100,468.00	2.000%	14,482.62	114,950.62
12/01/2015	100,970.00	2.000%	13,980.28	114,950.28
3/01/2016	101,475.00	2.000%	13,475.43	114,950.43
6/01/2016	101,982.00	2.000%	12,968.05	114,950.05
9/01/2016	102,492.00	2.000%	12,458.14	114,950.14
12/01/2016	103,005.00	2.000%	11,945.68	114,950.68
3/01/2017	103,520.00	2.000%	11,430.66	114,950.66
6/01/2017	104,037.00	2.000%	10,913.06	114,950.06
9/01/2017	104,558.00	2.000%	10,392.87	114,950.87
12/01/2017	105,080.00	2.000%	9,870.08	114,950.08
3/01/2018	105,606.00	2.000%	9,344.68	114,950.68
6/01/2018	106,134.00	2.000%	8,816.65	114,950.65
9/01/2018	106,664.00	2.000%	8,285.98	114,949.98
12/01/2018	107,198.00	2.000%	7,752.66	114,950.66
3/01/2019	107,734.00	2.000%	7,216.67	114,950.67
6/01/2019	108,272.00	2.000%	6,678.00	114,950.00
9/01/2019	108,814.00	2.000%	6,136.64	114,950.64
12/01/2019	109,358.00	2.000%	5,592.57	114,950.57
3/01/2020	109,905.00	2.000%	5,045.78	114,950.78
6/01/2020	110,454.00	2.000%	4,496.26	114,950.26
9/01/2020	111,006.00	2.000%	3,943.99	114,949.99
12/01/2020	111,561.00	2.000%	3,388.96	114,949.96
3/01/2021	112,119.00	2.000%	2,831.15	114,950.15
6/01/2021	112,680.00	2.000%	2,270.56	114,950.56
9/01/2021	113,243.00	2.000%	1,707.16	114,950.16
12/01/2021	113,809.00	2.000%	1,140.94	114,949.94
3/01/2022	114,379.00	2.000%	571.90	114,950.90
Total	7,564,000.00	-	1,632,030.63	9,196,030.63 *

*Plus $10,200 one-percent administrative fee paid quarterly. Total fee paid over the life of the loan is $816,000.

IC-1
(4/6/00)

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"), acting on behalf of the WEST VIRGINIA INFRASTRUCTURE AND JOBS DEVELOPMENT COUNCIL (the "Council"), and the governmental agency designated below (the "Governmental Agency").

CITY OF MARTINSBURG
(Governmental Agency)

W I T N E S S E T H:

WHEREAS, pursuant to the provisions of Chapter 31, Article 15A of the Code of West Virginia, 1931, as amended (the "Act"), the Authority is empowered upon request of the Council to make loans to governmental agencies for the acquisition or construction of projects by such governmental agencies, 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 acquire, construct, improve, operate and maintain a project, as defined by the Act, and to finance the cost of acquisition and construction of 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 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 the Act and having available sufficient funds therefor, the Council has authorized the Authority 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 money in the Infrastructure Fund, subject to the Governmental Agency's satisfaction of certain legal and other requirements of the Council's 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," "cost," "Council," "governmental agency," "project," "waste water facility" and "water facility" have the definitions and meanings ascribed to them in the Act.

1.2 "Authority" means the West Virginia Water Development Authority, which is expected to be the original purchaser of the Bonds, acting in its administrative capacity pursuant to Section 10 of the Act and upon authorization from the Council.

1.3 "Consulting Engineers" means the professional engineer, licensed by the State, designated in the Application and any qualified successor thereto; provided, however, when a Loan is made for a Project financed, in part, by the Office of Abandoned Mine Lands, "Consulting Engineers" shall mean the West Virginia Division of Environmental Protection, or any successor thereto.

1.4 "Infrastructure Fund" means the West Virginia Infrastructure Fund established in accordance with Section 9 of the Act.

1.5 "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.

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

1.7 "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, all in accordance with the provisions of this Loan Agreement.

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

1.9 "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.

1.10 "Project" means the 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.

1.11 "System" means the 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.

1.12 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 and Council having found, to the extent applicable, that the Project is consistent with the Act.

2.2 Subject to the terms, conditions and provisions of this Loan Agreement and 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 or any interest therein is approved by the Authority and Council.

2.4 The Governmental Agency agrees that the Authority and the Council and their 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 the Council and their 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 and the Council 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 and the Council, acting by and through their directors or their 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 and the Council such documents and information as they 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 the Council and their 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 and shall verify or have verified such bonds prior to commencement of construction.

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 Council and the Authority and shall verify or have verified such insurance prior to commencement of construction. 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 are outstanding, business interruption insurance if available at a reasonable cost.

2.9 The Governmental Agency shall provide and maintain competent and adequate engineering services satisfactory to the Council and 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 engineer shall certify to the Authority, the Council 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 shall at all times provide operation and maintenance of the System in compliance with any and all State and federal standards. The Governmental Agency shall employ qualified operating personnel properly certified by the State 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 Council, 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 and Council.

ARTICLE III

Conditions to Loan;
Issuance of Local Bonds

3.1 The agreement of the Authority and Council to make the Loan is subject to the Governmental Agency's fulfillment, to the satisfaction of the Authority and the Council, 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 into 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 construction financing, 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 and the Council shall have received a certificate of the Consulting Engineers to such effect, the form of which certificate is attached hereto as Exhibit A;

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

(e) The Governmental Agency shall have obtained all requisite orders of and approvals from the Public Service Commission of West Virginia (the "PSC") and the Council 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 and the Council 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 and the Council, to such effect;

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

(g) The Governmental Agency shall have obtained any and all approvals of rates and charges required by State law and shall have taken any other action required to establish and impose such rates and charges (imposition of such rates and charges is not, however, required to be effective until completion of construction of the Project), with all requisite appeal periods having expired without successful appeal, and the Authority and the Council 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 and the Council, to such effect;

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

(i) The net proceeds of the Local Bonds, together with all moneys on deposit or to be simultaneously deposited (or, with respect to proceeds of grant anticipation notes or other indebtedness for which a binding purchase contract has been entered, to be deposited 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 projects and satisfactory to the Authority and the Council, to such effect, such certificate to be in form and substance satisfactory to the Authority and the Council, and evidence satisfactory to the Authority and the Council 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, the Council 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, the Council 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 Council for loans from the Infrastructure Fund to finance projects and that the obligation of the Authority to make any such loan is subject to the Council's authorization and the Governmental Agency's fulfilling all of the terms and conditions of this Loan Agreement on or prior to the Date of Loan Closing. The Governmental Agency specifically recognizes that the Authority will not purchase the Local Bonds unless and until sufficient funds are available in the Infrastructure Fund to purchase all the Local Bonds and that, prior to execution of this Loan Agreement, the Authority may commit to and purchase the revenue bonds of other governmental agencies for which it has sufficient funds available.

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 adopted or enacted, contain provisions and covenants in substantially the form as follows, unless the specific provision or covenant is modified or waived by the Council:

(a) That the gross revenues of the System shall always be used for purposes of the System. Such gross revenues shall be used monthly, in the order of priority listed below:

(i) to pay Operating Expenses of the System;

(ii) to the extent not otherwise limited by any outstanding loan resolution, indenture or other act or document and beginning on the date set forth in Schedule X, to provide debt service on the Local Bonds by depositing in a sinking fund one-third (1/3) of the interest payment next coming due on the Local Bonds and one-third (1/3) of the principal payment next coming due on the Local Bonds and, beginning three (3) months prior to the first date of payment of principal of the Local Bonds, if the reserve account for the Local Bonds (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 or surety) in an amount 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"), by depositing in the Reserve Account an amount not less than one-twelfth (1/12) of one-tenth (1/10) 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; and

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

Provided, that if the Governmental Agency has existing outstanding indebtedness which has greater coverage or renewal and replacement fund requirements, then the greater requirements will prevail until said existing indebtedness is paid in full.

(b) Covenants substantially as follows:

(i) That the Local Bonds shall be secured by a pledge of either the gross or net revenues of the System, as more fully set forth in Schedule X attached hereto and in the Local Act;

(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 is funded (whether by Local Bond proceeds, monthly deposits or otherwise) at an amount equal to 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 shall 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 Council and 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 and with the prior written consent of the Authority and the Council; 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 the Authority 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 and the Council, 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 Operating Expenses and debt service and reserve requirements;

(xii) That the Governmental Agency shall annually adopt a detailed, balanced budget of the estimated revenues and expenditures for operation and

maintenance of the System during the succeeding fiscal year and shall submit a copy of such budget to the Authority and the Council 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, advanced from time to time, 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) and/or (b) be used to pay (or redeem) bond anticipation notes or other interim financing 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 and the Council, 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 may not redeem any Local Bonds by it without the written consent of the Authority and the Council and otherwise in compliance with this Loan Agreement;

(xvi) That the West Virginia Municipal Bond Commission (the "Commission") shall serve as paying agent for the Local Bonds;

(xvii) That the Governmental Agency shall on the first day of each month (if the first day is not a business day, then the first business day of each month) deposit with the Commission the required interest, principal and reserve account payment. The Governmental Agency shall complete the Monthly Payment Form, attached hereto as Exhibit D and incorporated herein by reference, and submit a copy of said form along with a copy of the check or electronic transfer to the Authority by the 5th day of such calendar month;

(xviii) That, unless it qualifies for an exception to the provisions of Section 148 of the Internal Revenue Code of 1986, as amended, 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 Internal Revenue Code of 1986, as amended, a certificate with respect to its rebate calculations and, at any time, any additional information requested by the Authority;

(xix) 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 State's general obligation bonds or any bonds secured by the Local Bonds;

(xx) That the Governmental Agency shall have obtained the certificate of the Consulting Engineer in the form attached hereto as Exhibit A, 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 and the Council, the Project is adequate for the purposes for which it was designed, the funding plan as submitted to the Authority and the Council is sufficient to pay the costs of acquisition and construction of the Project and all permits required by federal and State laws for construction of the Project have been obtained;

(xxi) That the Governmental Agency shall, to the full extent permitted by applicable law and the rules and regulations of the PSC, 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;

(xxii) 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 Internal Revenue Code of 1986, as amended) from time to time as the Authority may request;

(xxiii) That the Governmental Agency shall submit all proposed change orders to the Council for written approval. The Governmental Agency shall obtain the written approval of the Council before expending any proceeds of the Local Bonds held in "contingency" as set forth in the final Schedule B attached to the certificate of the Consulting Engineer. The Governmental Agency shall obtain the written approval of the Council before expending any proceeds of the Local Bonds available due to bid/construction/project underruns; and

(xxiv) That the Governmental Agency shall list the funding provided by the Authority and the Council in any press release, publication, program bulletin, sign or other public communication that references the Project, including but not limited to any program document distributed in conjunction with any groundbreaking or dedication of the Project.

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, validity, 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 and the Council.

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

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

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

4.6 The Governmental Agency agrees to expend the net proceeds of the Local Bonds for the Project within 3 years of the issuance of the State's general obligation bonds unless otherwise agreed to by the Council.

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 and will take all such actions necessary to provide funds sufficient to produce the required sums set forth in the Local Act and in compliance with the provisions of Subsections 4.1(a) and 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 required sums set forth in the Local Act and this Loan Agreement, 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 (or where applicable, immediately file with the PSC for a rate increase) and take all such actions necessary to provide funds sufficient to produce the required sums set forth in the Local Act and this Loan Agreement.

5.3 In the event the Governmental Agency defaults in the payment due to the Authority pursuant to Section 4.2 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 the Act and State law, including, without limitation, the right to an appointment of a receiver.

ARTICLE VI

Other Agreements of the Governmental Agency

6.1 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 the Act or this Loan Agreement.

6.2 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.

6.3 Notwithstanding Section 6.2, 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.

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

6.5 The Governmental Agency hereby agrees to file with the Authority and the Council upon completion of acquisition and construction of the Project a schedule in substantially the form of Amended Schedule B 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, if any, may be 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 Schedules X and Y 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 and the Council.

7.3 The Authority shall take all actions required by the Council in making and enforcing this Loan Agreement.

7.4 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.

7.5 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.

7.6 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.

7.7 This Loan Agreement 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.

7.8 The Authority acknowledges that certain terms and requirements in this Loan Agreement may not be applicable when the Project is financed in part by the West Virginia Division of Environmental Protection, Office of Abandoned Mine Lands and under that circumstance those terms and requirements are specifically waived or modified as agreed to by the Authority and set forth in the Local Act.

7.9 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.

7.10 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 6.1 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, acting on behalf of the Council.

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 MARTINSBURG

(SEAL)

By: George Karos
Its: Mayor

Attest:

Date: 9.27.00

Sharon A. Zlic
Its: Recorder

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

(SEAL)

By: Daniel B. Yankosky
Its: Director

Attest:

Date: 9-27-00

Barbara B. Meadows
Its: Secretary-Treasurer

C0426139.1

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 as follows:

1. My firm is engineer for the acquisition and construction of _____ to the _____ system (the "Project") of _____ (the "Issuer"), to be constructed primarily in _____ County, West Virginia, which acquisition and construction are being permanently financed in part by the above-captioned bonds (the "Bonds") of the Issuer. Capitalized words not defined herein shall have the same meanings set forth in the bond _____ adopted or enacted by the Issuer on _____, and the Loan Agreement by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council"), dated _____.

2. The Bonds are being issued for the purposes of (i) _____, and (ii) paying certain issuance and other costs in connection therewith.

3. To the best of my knowledge, information and belief, (i) within the limits and in accordance with the applicable and governing contractual requirements relating to the Project, the Project will be constructed in general accordance with the approved plans, specifications and designs prepared by my firm and approved by [DEP/BPH/PSC] and any change orders approved by the Issuer, the Council and all necessary governmental bodies; (ii) the Project, as designed, is adequate for its intended purpose and has a useful life of at least _____ years if properly operated and maintained, excepting anticipated replacements due to normal wear and tear; (iii) the Issuer has received bids for the acquisition and construction of the Project which are in an amount and otherwise compatible with the plan of financing set

forth in the Schedule B attached hereto as Exhibit A and my firm[1] has ascertained that all successful bidders 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 for accuracy; (iv) the successful bidders received any and all addenda to the original bid documents; (v) the bid documents relating to the Project reflect the Project as approved by the [DEP/BPH/PSC] and the bid forms provided to the bidders contain all critical operational components of the Project; (vi) the successful bids include prices for every item on such bid forms; (vii) the uniform bid procedures were followed; (viii) the Issuer has obtained all permits required by the laws of the State of West Virginia and the United States necessary for the acquisition and construction of the Project and operation of the System; (ix) as of the effective date thereof, [2]the rates and charges for the System as adopted by the Issuer will be sufficient to comply with the provisions of the Loan Agreement; (x) 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, if any, irrevocably committed therefor, are sufficient to pay the costs of acquisition and construction of the Project set forth in the Schedule B attached hereto and approved by the Council; and (xi) attached hereto as Exhibit A is the final amended "Schedule B - Final Total Cost of Project, Sources of Funds and Costs of Financing" for the Project.

WITNESS my signature and seal on this ____ day of _____, ___.

[SEAL]

_____

By: _____
West Virginia License No. _____

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[1]If another responsible party, such as the Issuer's attorney, reviews the insurance and payment bonds, then insert the following: [and in reliance upon the opinion of _____, Esq.] and delete "my firm has ascertained that".

[2]If the Rule 42 Exhibit and/or rate structure was prepared by an accountant, then insert the following: "In reliance upon the certificate of _____ of even date herewith," at the beginning of (ix).

EXHIBIT B

[Opinion of Bond Counsel for Governmental Agency]

[To Be Dated as of Date of Loan Closing]

West Virginia Infrastructure and
Jobs Development Council
980 One Valley Square
Charleston, West Virginia 25301

West Virginia Water Development Authority
180 Association Drive
Charleston, West Virginia 25311

Ladies and Gentlemen:

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

We have examined a certified copy of proceedings and other papers relating to the authorization of (i) a loan agreement dated _____, _____, including all schedules and exhibits attached thereto (the "Loan Agreement"), between the Governmental Agency and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council"), and (ii) the issue of a series of revenue bonds of the Governmental Agency, dated _____, _____ (the "Local Bonds"), to be purchased by the Authority in accordance with the provisions of the Loan Agreement. The Local Bonds are issued in the principal amount of $_____, in the form of one bond, registered as to principal and interest to the Authority, with interest and principal payable quarterly on March 1, June 1, September 1 and December 1 of each year, beginning _____, 1, _____, and ending _____, 1, _____, as set forth in the "Schedule Y" attached to the Loan Agreement and incorporated in and made a part of the Local Bonds.

The Local Bonds are issued for the purposes of (i) _____, and (ii) 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 adopted or enacted by the Governmental Agency on _____, as supplemented by the supplemental resolution duly adopted by the Governmental Agency on _____ (collectively, the "Local Act"), pursuant to and under which Local Statute and Local Act the Local Bonds are authorized and issued, and the

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

3. The Governmental Agency is a duly organized and validly existing _____, with full power and authority to acquire and construct the Project, to operate and maintain the System, to adopt or enact the Local Act and to issue and sell the Local Bonds, all under the Local Statute and other applicable provisions of law.

4. The Local Act and all other necessary orders and resolutions have been legally and effectively adopted or enacted by the Governmental Agency and constitute valid and binding obligations of the Governmental Agency enforceable against the Governmental Agency in accordance with their terms. 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 have been duly authorized, issued, executed and delivered by the Governmental Agency to the Authority and are valid and legally enforceable and binding special obligations of the Governmental Agency, payable from the net or gross revenues of the System set forth in the Local Act and secured by a first lien on and pledge of the net or gross revenues of the System, all in accordance with the terms of the Local Bonds and the Local Act.

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

Very truly yours,

EXHIBIT C

[Form of Monthly Financial Report]
[Name of Governmental Agency]
[Name of Bond Issue]
Fiscal Year - __
Report Month: _____

ITEM	CURRENT MONTH	TOTAL YEAR TO DATE	BUDGET YEAR TO DATE	BUDGET YEAR MINUS YEAR TO DATE
1. Gross Revenues Collected				
2. Operating Expenses				
3. Other Bond Debt Payments (including Reserve Account Deposits)				
4. Bond Payments (include Reserve Account Deposits)				
5. Renewal and Replacement Fund Deposit				

WITNESSETH my signature this ___ day of _____, _____.

[Name of Governmental Agency]

By: _____
Authorized Officer

Instructions for Completing Monthly Financial Report

1. You will need a copy of the current fiscal year budget adopted by the Governmental Agency to complete Items 1 and 2. In Item 1, provide the amount of actual gross revenues for the current month and the total amount year to date in the respective columns. Divide the budgeted annual gross revenues by 12. For example, if gross revenues of $1,200 are anticipated to be received for the year, each month the base would be increased by $100 (1200/12). This is the incremental amount for the Budget Year to Date column.

2. In Item 2, provide the amount of actual operating expenses for the current month and the total amount year to date in the respective columns. The SRF administrative fee should be included in the operating expenses. Divide the budgeted annual operating expenses by 12. For example, if operating expenses of $900 are anticipated to be incurred for the year, each month the base would be increased by $75 (900/12). This is the incremental amount for the Budget Year to Date column.

3. In Item 3, provide the principal, interest and reserve account payments for all the outstanding bonds of the Governmental Agency other than this Loan.

4. In Item 4, provide the principal, interest and reserve account payments for this Loan. You need to call the Municipal Bond Commission for the exact amount of these payments and when they begin.

5. In Item 5, provide the amount deposited into the Renewal and Replacement Fund each month. This amount is equal to 2.5% of gross revenues minus the total reserve account payments included in Items 3 and 4. If gross revenues are $12,000, the Renewal and Replacement Fund should have an amount of $300 (2.5% of $12,000), LESS the amount of all reserve account payments in Items 3 & 4. The money in the Renewal and Replacement Fund should be kept separate and apart from all other funds of the Governmental Agency.

6. The Governmental Agency must complete the Monthly Financial Report and forward it to the Council by the 10th day of each month, commencing on the date contracts are executed for the construction of the Project and for 2 years following the completion of the Project. The Council will notify the Governmental Agency when the Monthly Financial Report no longer needs to be filed.

EXHIBIT D

[Monthly Payment Form]

West Virginia Water Development Authority
180 Association Drive
Charleston, WV 25311

Re: [Name of bond issue]

Ladies and Gentlemen:

The following deposits were made to the West Virginia Municipal Bond Commission on behalf of [Name of Governmental Agency] on [Date].

Sinking Fund:

Interest	$_____
Principal	$_____
Total:	$_____
Reserve Account:	$_____

Witness my signature this ___ day of_____.

[Name of Governmental Agency]

By: _____
Authorized Officer

Enclosure: copy of check(s)

SCHEDULE X

DESCRIPTION OF LOCAL BONDS

Principal Amount of Local Bonds	$3,000,000
Purchase Price of Local Bonds	$3,000,000

The Local Bonds shall bear no interest from the date of delivery to and including March 1, 2002. Commencing June 1, 2002, interest on the Local Bonds is payable quarterly, at the rate of 3% per annum. Commencing June 1, 2002, principal of the Local Bonds is payable quarterly. Quarterly payments will be made on March 1, June 1, September 1 and December 1 of each year as set forth on the Schedule Y attached hereto and incorporated herein by reference.

The Governmental Agency shall submit its payments monthly to the Commission which will make quarterly payments to the Authority at such address as is given to the Commission in writing by the Authority.

The Local Bonds are fully registered in the name of the Authority as to interest, if any, and principal and the Local Bonds shall grant the Authority a first lien on the gross or net revenues of the Governmental Agency's system as provided in the Local Act.

The Governmental Agency may prepay the Local Bonds in full at any time at the price of par but only with the Council's written consent. The Governmental Agency shall request approval from the Authority and Council in writing of any proposed debt which will be issued by the Governmental Agency on a parity with the Local Bonds which request must be filed at least 60 days prior to the intended date of issuance.

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

Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 1995, dated September 1, 1995, originally issued in the aggregate principal amount of $3,645,000.

SCHEDULE Y

City of Martinsburg (West Virginia)

Loan of $3,000,000
20 Years, 3% Interest Rate
Closing Date: September 27, 2000

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Interest	Total P+I
12/01/2000	-	-	-	-
3/01/2001	-	-	-	-
6/01/2001	-	-	-	-
9/01/2001	-	-	-	-
12/01/2001	-	-	-	-
3/01/2002	-	-	-	-
6/01/2002	27,505.00	3.000%	22,500.00	50,005.00
9/01/2002	27,711.00	3.000%	22,293.71	50,004.71
12/01/2002	27,919.00	3.000%	22,085.88	50,004.88
3/01/2003	28,128.00	3.000%	21,876.49	50,004.49
6/01/2003	28,339.00	3.000%	21,665.53	50,004.53
9/01/2003	28,552.00	3.000%	21,452.99	50,004.99
12/01/2003	28,766.00	3.000%	21,238.85	50,004.85
3/01/2004	28,982.00	3.000%	21,023.10	50,005.10
6/01/2004	29,199.00	3.000%	20,805.74	50,004.74
9/01/2004	29,418.00	3.000%	20,586.74	50,004.74
12/01/2004	29,638.00	3.000%	20,366.11	50,004.11
3/01/2005	29,861.00	3.000%	20,143.82	50,004.82
6/01/2005	30,085.00	3.000%	19,919.87	50,004.87
9/01/2005	30,310.00	3.000%	19,694.23	50,004.23
12/01/2005	30,538.00	3.000%	19,466.90	50,004.90
3/01/2006	30,767.00	3.000%	19,237.87	50,004.87
6/01/2006	30,997.00	3.000%	19,007.12	50,004.12
9/01/2006	31,230.00	3.000%	18,774.64	50,004.64
12/01/2006	31,464.00	3.000%	18,540.41	50,004.41
3/01/2007	31,700.00	3.000%	18,304.43	50,004.43
6/01/2007	31,938.00	3.000%	18,066.68	50,004.68
9/01/2007	32,177.00	3.000%	17,827.15	50,004.15
12/01/2007	32,419.00	3.000%	17,585.82	50,004.82
3/01/2008	32,662.00	3.000%	17,342.68	50,004.68
6/01/2008	32,907.00	3.000%	17,097.71	50,004.71
9/01/2008	33,154.00	3.000%	16,850.91	50,004.91
12/01/2008	33,402.00	3.000%	16,602.26	50,004.26
3/01/2009	33,653.00	3.000%	16,351.74	50,004.74
6/01/2009	33,905.00	3.000%	16,099.34	50,004.34
9/01/2009	34,160.00	3.000%	15,845.06	50,005.06
12/01/2009	34,416.00	3.000%	15,588.86	50,004.86
3/01/2010	34,674.00	3.000%	15,330.74	50,004.74
6/01/2010	34,934.00	3.000%	15,070.68	50,004.68
9/01/2010	35,196.00	3.000%	14,808.68	50,004.68
12/01/2010	35,460.00	3.000%	14,544.71	50,004.71
3/01/2011	35,726.00	3.000%	14,278.76	50,004.76
6/01/2011	35,994.00	3.000%	14,010.81	50,004.81
9/01/2011	36,264.00	3.000%	13,740.86	50,004.86
12/01/2011	36,536.00	3.000%	13,468.88	50,004.88
3/01/2012	36,810.00	3.000%	13,194.86	50,004.86

SCHEDULE Y

City of Martinsburg (West Virginia)

Loan of $3,000,000
20 Years, 3% Interest Rate
Closing Date: September 27, 2000

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Interest	Total P+I
6/01/2012	37,086.00	3.000%	12,918.78	50,004.78
9/01/2012	37,364.00	3.000%	12,640.64	50,004.64
12/01/2012	37,644.00	3.000%	12,360.41	50,004.41
3/01/2013	37,927.00	3.000%	12,078.08	50,005.08
6/01/2013	38,211.00	3.000%	11,793.62	50,004.62
9/01/2013	38,498.00	3.000%	11,507.04	50,005.04
12/01/2013	38,786.00	3.000%	11,218.31	50,004.31
3/01/2014	39,077.00	3.000%	10,927.41	50,004.41
6/01/2014	39,370.00	3.000%	10,634.33	50,004.33
9/01/2014	39,666.00	3.000%	10,339.06	50,005.06
12/01/2014	39,963.00	3.000%	10,041.56	50,004.56
3/01/2015	40,263.00	3.000%	9,741.84	50,004.84
6/01/2015	40,565.00	3.000%	9,439.87	50,004.87
9/01/2015	40,869.00	3.000%	9,135.63	50,004.63
12/01/2015	41,175.00	3.000%	8,829.11	50,004.11
3/01/2016	41,484.00	3.000%	8,520.30	50,004.30
6/01/2016	41,795.00	3.000%	8,209.17	50,004.17
9/01/2016	42,109.00	3.000%	7,895.71	50,004.71
12/01/2016	42,425.00	3.000%	7,579.89	50,004.89
3/01/2017	42,743.00	3.000%	7,261.70	50,004.70
6/01/2017	43,063.00	3.000%	6,941.13	50,004.13
9/01/2017	43,386.00	3.000%	6,618.16	50,004.16
12/01/2017	43,712.00	3.000%	6,292.76	50,004.76
3/01/2018	44,040.00	3.000%	5,964.92	50,004.92
6/01/2018	44,370.00	3.000%	5,634.62	50,004.62
9/01/2018	44,703.00	3.000%	5,301.85	50,004.85
12/01/2018	45,038.00	3.000%	4,966.58	50,004.58
3/01/2019	45,376.00	3.000%	4,628.79	50,004.79
6/01/2019	45,716.00	3.000%	4,288.47	50,004.47
9/01/2019	46,059.00	3.000%	3,945.60	50,004.60
12/01/2019	46,404.00	3.000%	3,600.16	50,004.16
3/01/2020	46,752.00	3.000%	3,252.13	50,004.13
6/01/2020	47,103.00	3.000%	2,901.49	50,004.49
9/01/2020	47,456.00	3.000%	2,548.22	50,004.22
12/01/2020	47,812.00	3.000%	2,192.30	50,004.30
3/01/2021	48,171.00	3.000%	1,833.71	50,004.71
6/01/2021	48,532.00	3.000%	1,472.42	50,004.42
9/01/2021	48,896.00	3.000%	1,108.43	50,004.43
12/01/2021	49,263.00	3.000%	741.71	50,004.71
3/01/2022	49,632.00	3.000%	372.24	50,004.24
Total	3,000,000.00	-	1,000,369.77	4,000,369.77

SCHEDULE Z

None.

WDA-LP II
(4/6/00)

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 MARTINSBURG (Series 2000 C)
(Governmental Agency)

WITNESSETH:

WHEREAS, pursuant to the provisions of Chapter 22C, Article 1 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 acquire, construct, improve, operate and maintain a water development project, as defined by the Act, and to finance the cost of acquisition and construction of 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, known as Loan Program II (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 bonds," "cost," governmental agency," "water development project," "wastewater facility" and "water facility" have the definitions and meanings ascribed to them in the Act.

1.2 "Consulting Engineers" means the professional engineer, licensed by the State, designated in the Application and any 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 Environmental Protection (or in the process of preparation by such Director), has been approved by the West Virginia Bureau for 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 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 and shall verify or shall have verified such bonds prior to commencement of construction.

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 and shall verify or shall have verified such insurance prior to commencement of construction. 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 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 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 shall at all times provide operation and maintenance of the System in compliance with any and all State and federal standards. The Governmental Agency shall employ qualified operating personnel properly certified by the State 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 into 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 construction financing, 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 General Resolution, and that such refinancing will not cause a violation of any covenant, representation or agreement of the Authority contained in the General Resolution or any tax or arbitrage certificate with respect to the exclusion of the interest on the Authority's water development revenue bonds from gross income of the holders 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") and the West Virginia Infrastructure and Jobs Development Council 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 Subsections 4.1(a) and 4.1(b)(ii) hereof, and the Authority shall have received a certificate of the accountant 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 from the Program 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 execution of this Loan Agreement, 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. Additionally, the Governmental Agency recognizes that the Authority will purchase the Local Bonds only with funds from the Program and not with funds from any other loan programs of the Authority.

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 adopted or enacted, contain provisions and covenants in substantially the form as follows, unless the specific provision or covenant is modified or waived by the Authority:

(a) That the gross revenues of the System shall always be used for purposes of the System. Such gross revenues will be used monthly, in the order of priority listed below:

(i) to pay Operating Expenses of the System;

(ii) to the extent not otherwise limited by any outstanding loan resolution, indenture or other act or document, as reflected on the Schedule X attached hereto, and beginning seven (7) months prior to the first date of payment of interest on the Local Bonds 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 for the Local Bonds (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 or surety or other security instrument) in an amount 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"), 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; and

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

Provided, that if the Governmental Agency has existing outstanding indebtedness which has greater coverage or renewal and replacement fund requirements, then the greater requirements will prevail until said existing indebtedness is paid in full.

(b) Covenants substantially as follows:

(i) That the Local Bonds shall be secured by a pledge of either the gross or net revenues of the System, as more fully set forth in the Local Act;

(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 is funded (whether by Local Bond proceeds, monthly deposits or otherwise) at an amount equal to 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 shall complete the Project, shall operate and maintain the System in good condition and, to the extent applicable, in compliance with, among other state and federal standards, the water quality standards established by the West Virginia Division of Environmental Protection (the "DEP") and the United States Environmental Protection Agency (the "EPA"), shall permit the DEP and 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, and shall, as a condition precedent to the Authority's making the Loan, have obtained, among other permits required, permits from the EPA and the DEP, if required;

(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 and with the prior written consent of the Authority; 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 the Authority 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 Operating Expenses and debt service and reserve requirements;

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

(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) and/or (b) be used to pay (or redeem) bond anticipation notes or other interim financing 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 except in compliance with the restrictions contained in this Loan Agreement;

(xvi) That, to the full extent permitted by applicable law and the rules and regulations of the PSC, the Governmental Agency shall 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;

(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 provide the Authority with annual financial information and such other information as is necessary for the Authority to meet its ongoing disclosure requirements;

(xix) That the Governmental Agency shall have obtained the certificate of the Consulting Engineer in the form attached hereto as Exhibit A, 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, the funding plan as submitted to the Authority is sufficient to pay the costs of acquisition and construction of the Project and all permits required by federal and State laws for construction of the Project have been obtained;

(xx) That the West Virginia Municipal Bond Commission (the "Commission") shall serve as paying agent for the Local Bonds;

(xxi) That the Governmental Agency shall on the first day of each month (if the first day is not a business day, then the first business day of each month) deposit with the Commission the required interest, principal and reserve account payment. The Governmental Agency shall complete the Monthly Payment Form, attached hereto as Exhibit D and incorporated herein by reference, and submit a copy of said form along with a copy of the check or electronic transfer to the Authority by the 5th day of such calendar month;

(xxii) That, unless it qualifies for an exception to the provisions of Section 148 of the Internal Revenue Code of 1986, as amended, 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 Internal Revenue Code of 1986, as amended, a certificate with respect to its rebate calculations and, at any time, any additional information requested by the Authority;

(xxiii) 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 Internal Revenue Code of 1986, as amended) from time to time as the Authority may request;

(xxiv) That the Governmental Agency shall obtain the written approval of the Authority before expending any proceeds of the Local Bonds available due to bid/construction/project underruns, including the "contingency" as set forth in the final Schedule A attached to the certificate of the Consulting Engineer;

(xxv) That the Governmental Agency shall list the funding provided by the Authority in any press release, publication, program bulletin, sign or other public communication that references the Project, including but not limited to any program document distributed in conjunction with any groundbreaking or dedication of the Project;

(xxvi) That, to the extent required by law, the Governmental Agency shall secure the approval of the Authority and all other state agencies having jurisdiction before applying for federal 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 of West Virginia; and

(xxvii) That, as a condition precedent to the Authority's making the Loan, the Governmental Agency shall deliver to the Authority a tax or arbitrage certificate satisfactory to the Authority.

The Governmental Agency hereby represents and warrants that the Local Act has been or shall be duly adopted or enacted 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, validity, 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 and will take all such actions necessary to provide funds sufficient to produce the required sums set forth in the Local Act and in compliance with the provisions of Subsections 4.1(a) and 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 required sums set forth in the Local Act and this Loan Agreement, 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 (or where applicable, immediately file with the PSC for a rate increase) and take all such actions necessary to provide funds sufficient to produce the required sums set forth in the Local Act and this Loan Agreement.

5.3 In the event the Governmental Agency defaults in any payment due to the Authority pursuant to Section 4.2 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 7 of the Act, including, without limitation, the right to impose, enforce and collect charges 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 the Governmental Agency in the terms and covenants of this Loan Agreement, 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 the Act or 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 System, 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, if any, may be 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 Schedules X and Y 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 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 MARTINSBURG
[Name of Governmental Agency]

(SEAL)

By: [signature]

Its: Mayor

Attest:

Date: September 27, 2000

[signature]

Its: Recorder

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

(SEAL)

By: [signature]
Its: Director

Attest:

Date: September 27, 2000

[signature]
Secretary-Treasurer

00832/00302
4/6/00

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 as follows:

1. My firm is engineer for the acquisition and construction of _____ to the _____ system (the "Project") of _____ (the "Issuer"), to be constructed primarily in _____ County, West Virginia, which acquisition and construction are being permanently financed in part by the above-captioned bonds (the "Bonds") of the Issuer. Capitalized words not defined herein shall have the same meanings set forth in the bond _____ adopted or enacted by the Issuer on _____, and the Loan Agreement by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), dated _____.

2. The Bonds are being issued for the purposes of (i) _____, and (ii) paying certain issuance and other costs in connection therewith.

3. To the best of my knowledge, information and belief, (i) within the limits and in accordance with the applicable and governing contractual requirements relating to the Project, the Project will be constructed in general accordance with the approved plans, specifications and designs prepared by my firm and approved by [DEP/BPH/PSC] and any change orders approved by the Issuer and all necessary governmental bodies; (ii) the Project, as designed, is adequate for its intended purpose and has a useful life of at least _____ years if properly operated and maintained, excepting anticipated replacements due to normal wear and tear; (iii) the Issuer has received bids for the acquisition and construction of the Project which are in an amount and otherwise compatible with the plan of financing set forth in the

Schedule A attached hereto as Exhibit A and my firm* has ascertained that all successful bidders 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 for accuracy; (iv) the successful bidders received any and all addenda to the original bid documents; (v) the bid documents relating to the Project reflect the Project as approved by the [DEP/BPH/PSC] and the bid forms provided to the bidders contain all critical operational components of the Project; (vi) the successful bids include prices for every item on such bid forms; (vii) the uniform bid procedures were followed; (viii) the Issuer has obtained all permits required by the laws of the State of West Virginia and the United States necessary for the acquisition and construction of the Project and operation of the System; (ix) as of the effective date thereof, **the rates and charges for the System as adopted by the Issuer will be sufficient to comply with the provisions of the Loan Agreement; (x) 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, if any, irrevocably committed therefor, are sufficient to pay the costs of acquisition and construction of the Project set forth in the Schedule A attached hereto; and (xi) attached hereto as Exhibit A is the final amended "Schedule A - Final Total Cost of Project, Sources of Funds and Costs of Financing" for the Project.

WITNESS my signature and seal on this ____ day of _____, ___.

[SEAL]

_____

By: _____
West Virginia License No. _____

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*If another responsible party, such as the Issuer's attorney, reviews the insurance and payment bonds, then insert the following: [and in reliance upon the opinion of _____, Esq.] and delete "my firm has ascertained that".

**If the Rule 42 Exhibit and/or rate structure was prepared by an accountant, then insert the following: "In reliance upon the certificate of _____ of even date herewith," at the beginning of (ix).

EXHIBIT B

[Opinion of Bond Counsel for Governmental Agency]

[To Be Dated as of Date of Loan Closing]

West Virginia Water Development Authority
180 Association Drive
Charleston, West Virginia 25311

Ladies and Gentlemen:

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

We have examined a certified copy of proceedings and other papers relating to the authorization of (i) a loan agreement dated _____, ____, 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 _____, ____ (the "Local Bonds"), to be purchased by the Authority in accordance with the provisions of the Loan Agreement. The Local Bonds are issued in the principal amount of $_____, in the form of one bond, registered as to principal and interest to the Authority, with interest payable semiannually on April 1 and October 1 of each year, commencing _____ 1, ____, at the rate of __% per annum, and with principal payable annually on October 1 of each year, commencing _____ 1, ____, all as set forth in the "Schedule Y" attached to the Loan Agreement and incorporated in and made a part of the Local Bonds.

The Local Bonds are issued for the purposes of (i) _____, and (ii) 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 adopted or enacted by the Governmental Agency on _____, as supplemented by the supplemental resolution duly adopted by the Governmental Agency on _____ (collectively, the "Local Act"), pursuant to and under which Local Statute and Local Act the Local Bonds are authorized and issued, and the Loan Agreement 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 validly existing _____, with full power and authority to acquire and construct the Project, to operate and maintain the System, to adopt or enact the Local Act and to issue and sell the Local Bonds, all under the Local Statute and other applicable provisions of law.

4. The Local Act and all other necessary orders and resolutions have been legally and effectively adopted or enacted by the Governmental Agency and constitute valid and binding obligations of the Governmental Agency enforceable against the Governmental Agency in accordance with their terms. 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 have been duly authorized, issued, executed and delivered by the Governmental Agency to the Authority and are valid and legally enforceable and binding special obligations of the Governmental Agency, payable from the net or gross revenues of the System set forth in the Local Act and secured by a first lien on and pledge of the net or gross revenues of the System, all in accordance with the terms of the Local Bonds and the Local Act.

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

Very truly yours,

EXHIBIT C

[Form of Monthly Financial Report]
[Name of Governmental Agency]
[Name of Bond Issue]
Fiscal Year - ___
Report Month: _____

ITEM	CURRENT MONTH	TOTAL YEAR TO TO DATE	BUDGET YEAR YEAR TO DATE	BUDGET YEAR MINUS YEAR TO DATE
1. Gross Revenues Collected				
2. Operating Expenses				
3. Other Bond Debt Payments (including Reserve Account Deposits)				
4. Bond Payments (include Reserve Account Deposits)				
5. Renewal and Replacement Fund Deposit				

Witnesseth my signature this __ day of _____, _____.

[Name of Governmental Agency]

By: _____
Authorized Officer

Instructions for Completing Monthly Financial Report

1. You will need a copy of the current fiscal year budget adopted by the Governmental Agency to complete Items 1 and 2. In Item 1, provide the amount of actual gross revenues for the current month and the total amount year to date in the respective columns. Divide the budgeted annual gross revenues by 12. For example, if gross revenues of $1,200 are anticipated to be received for the year, each month the base would be increased by $100 (1200/12). This is the incremental amount for the Budget Year to Date column.

2. In Item 2, provide the amount of actual operating expenses for the current month and the total amount year to date in the respective columns. The SRF administrative fee should be included in the operating expenses. Divide the budgeted annual operating expenses by 12. For example, if operating expenses of $900 are anticipated to be incurred for the year, each month the base would be increased by $75 (900/12). This is the incremental amount for the Budget Year to Date column.

3. In Item 3, provide the principal, interest and reserve account payments for all the outstanding bonds of the Governmental Agency other than this Loan.

4. In Item 4, provide the principal, interest and reserve account payments for this Loan. You need to call the Municipal Bond Commission for the exact amount of these payments and when they begin.

5. In Item 5, provide the amount deposited into the Renewal and Replacement Fund each month. This amount is equal to 2.5% of gross revenues minus the total reserve account payments included in Items 3 and 4. If gross revenues are $12,000, the Renewal and Replacement Fund should have an amount of $300 (2.5% of $12,000), LESS the amount of all reserve account payments in Items 3 & 4. The money in the Renewal and Replacement Fund should be kept separate and apart from all other funds of the Governmental Agency.

6. The Governmental Agency must complete the Monthly Financial Report and forward it to the Authority by the 10th day of each month, commencing on the date contracts are executed for the construction of the Project and for 2 years following the completion of the Project. The Authority will notify the Governmental Agency when the Monthly Financial Report no longer needs to be filed.

EXHIBIT D

[Monthly Payment Form]

West Virginia Water Development Authority
180 Association Drive
Charleston, WV 25311

Re: [Name of bond issue]

Ladies and Gentlemen:

The following deposits were made to the West Virginia Municipal Bond Commission on behalf of [Name of Governmental Agency] on [Date].

Sinking Fund:

Interest	$____
Principal	$____
Total:	$____
Reserve Account:	$____

Witness my signature this ___ day of_____.

[Name of Governmental Agency]

By: _____
Authorized Officer

Enclosure: copy of check(s)

SCHEDULE X

DESCRIPTION OF LOCAL BONDS

Principal Amount of Local Bonds	$1,976,352
Purchase Price of Local Bonds	$1,976,352

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 5.8 % per annum. Principal of the Local Bonds is payable on October 1 in each year as set forth on the Schedule Y attached hereto and incorporated herein by reference.

The Local Bonds are fully registered in the name of the Authority as to interest and principal and the Local Bonds shall grant the Authority a first lien on the gross or net revenues of the Governmental Agency's system as provided in the Local Act.

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

Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 1995, dated September 1, 1995, originally issued in the aggregate principal amount of $3,645,000.

City of Martinsburg (West Virginia)

WDA Loan (Loan Program II, 1999 Series A) of $1,976,352
5.8% Interest Rate
Closing Date: September 27, 2000

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Interest	Total P+I
10/01/2000	-	-	-	-
4/01/2001	-	-	58,587.86	58,587.86
10/01/2001	14,303.00	5.800%	57,314.21	71,617.21
4/01/2002	-	-	56,899.42	56,899.42
10/01/2002	15,132.00	5.800%	56,899.42	72,031.42
4/01/2003	-	-	56,460.59	56,460.59
10/01/2003	16,010.00	5.800%	56,460.59	72,470.59
4/01/2004	-	-	55,996.30	55,996.30
10/01/2004	16,938.00	5.800%	55,996.30	72,934.30
4/01/2005	-	-	55,505.10	55,505.10
10/01/2005	17,921.00	5.800%	55,505.10	73,426.10
4/01/2006	-	-	54,985.39	54,985.39
10/01/2006	18,960.00	5.800%	54,985.39	73,945.39
4/01/2007	-	-	54,435.55	54,435.55
10/01/2007	20,060.00	5.800%	54,435.55	74,495.55
4/01/2008	-	-	53,853.81	53,853.81
10/01/2008	21,224.00	5.800%	53,853.81	75,077.81
4/01/2009	-	-	53,238.32	53,238.32
10/01/2009	22,454.00	5.800%	53,238.32	75,692.32
4/01/2010	-	-	52,587.15	52,587.15
10/01/2010	23,757.00	5.800%	52,587.15	76,344.15
4/01/2011	-	-	51,898.20	51,898.20
10/01/2011	25,135.00	5.800%	51,898.20	77,033.20
4/01/2012	-	-	51,169.28	51,169.28
10/01/2012	26,593.00	5.800%	51,169.28	77,762.28
4/01/2013	-	-	50,398.09	50,398.09
10/01/2013	28,135.00	5.800%	50,398.09	78,533.09
4/01/2014	-	-	49,582.17	49,582.17
10/01/2014	29,767.00	5.800%	49,582.17	79,349.17
4/01/2015	-	-	48,718.93	48,718.93
10/01/2015	31,493.00	5.800%	48,718.93	80,211.93
4/01/2016	-	-	47,805.63	47,805.63
10/01/2016	33,320.00	5.800%	47,805.63	81,125.63
4/01/2017	-	-	46,839.35	46,839.35
10/01/2017	35,252.00	5.800%	46,839.35	82,091.35
4/01/2018	-	-	45,817.04	45,817.04
10/01/2018	37,297.00	5.800%	45,817.04	83,114.04
4/01/2019	-	-	44,735.43	44,735.43
10/01/2019	39,460.00	5.800%	44,735.43	84,195.43
4/01/2020	-	-	43,591.09	43,591.09
10/01/2020	41,749.00	5.800%	43,591.09	85,340.09
4/01/2021	-	-	42,380.37	42,380.37
10/01/2021	44,170.00	5.800%	42,380.37	86,550.37
4/01/2022	-	-	41,099.44	41,099.44
10/01/2022	46,732.00	5.800%	41,099.44	87,831.44
4/01/2023	-	-	39,744.21	39,744.21

City of Martinsburg (West Virginia)

WDA Loan (Loan Program II, 1999 Series A) of $1,976,352
5.8% Interest Rate
Closing Date: September 27, 2000

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Interest	Total P+I
10/01/2023	49,443.00	5.800%	39,744.21	89,187.21
4/01/2024	-	-	38,310.36	38,310.36
10/01/2024	52,310.00	5.800%	38,310.36	90,620.36
4/01/2025	-	-	36,793.37	36,793.37
10/01/2025	55,344.00	5.800%	36,793.37	92,137.37
4/01/2026	-	-	35,188.40	35,188.40
10/01/2026	58,554.00	5.800%	35,188.40	93,742.40
4/01/2027	-	-	33,490.33	33,490.33
10/01/2027	61,950.00	5.800%	33,490.33	95,440.33
4/01/2028	-	-	31,693.78	31,693.78
10/01/2028	65,544.00	5.800%	31,693.78	97,237.78
4/01/2029	-	-	29,793.01	29,793.01
10/01/2029	69,345.00	5.800%	29,793.01	99,138.01
4/01/2030	-	-	27,782.00	27,782.00
10/01/2030	73,367.00	5.800%	27,782.00	101,149.00
4/01/2031	-	-	25,654.36	25,654.36
10/01/2031	77,622.00	5.800%	25,654.36	103,276.36
4/01/2032	-	-	23,403.32	23,403.32
10/01/2032	82,124.00	5.800%	23,403.32	105,527.32
4/01/2033	-	-	21,021.72	21,021.72
10/01/2033	86,888.00	5.800%	21,021.72	107,909.72
4/01/2034	-	-	18,501.97	18,501.97
10/01/2034	91,927.00	5.800%	18,501.97	110,428.97
4/01/2035	-	-	15,836.09	15,836.09
10/01/2035	97,259.00	5.800%	15,836.09	113,095.09
4/01/2036	-	-	13,015.58	13,015.58
10/01/2036	102,900.00	5.800%	13,015.58	115,915.58
4/01/2037	-	-	10,031.48	10,031.48
10/01/2037	108,868.00	5.800%	10,031.48	118,899.48
4/01/2038	-	-	6,874.31	6,874.31
10/01/2038	115,182.00	5.800%	6,874.31	122,056.31
4/01/2039	-	-	3,534.03	3,534.03
10/01/2039	121,863.00	5.800%	3,534.03	125,397.03
Total	1,976,352.00	-	3,053,232.01	5,029,584.01

Ferris, Baker Watts, Incorporated
Public Finance

File = wdalns99.sf-Martinsburg- SINGLE PURPOSE
9/21/2000 3:08 PM

SCHEDULE Z

None.

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 13th day of June, 2000.

CASE NO. 00-0330-W-CN
CITY OF MARTINSBURG, a municipal utility.
Application for certificate of convenience and necessity to upgrade its water treatment facilities, distribution improvements, inter-connection with Hedgesville Public Service District and construct a new storage tank in Berkeley County.

COMMISSION ORDER

On March 1, 2000, the City of Martinsburg (City) filed a verified Application for a Certificate of Convenience and Necessity to construct two water treatment facilities, a storage tank and to make improvements to its distribution system. According to the Application, the project will be funded in two phases. Phase I consists of upgrading the existing treatment facilities with two new filtration plants, the Baltimore & Williams Plant and the Big Springs Plant. Phase II consists of a new storage tank and distribution lines, including an interconnection to provide 25,000 gallons of water per day to the Hedgesville Public Service District. The project will also enable the City to provide approximately 1,000,000 gallons of water to the Berkeley County Public Service District. The two phases are estimated to cost a total of approximately $18,100,000.00.

The proposed funding for the project is:

Phase I		$7,564,000 DWTRF Loan
		$ 563,069 WDA Loan
	Subtotal Phase I	$8,127,069
Phase II		$9,972,931 WDA Loan
	Subtotal Phase II	$9,972,931

Total	$18,100,000

An ordinance was enacted by the City in November, 1999 to cover Phase I. The proposed project is a joint effort between the City, Hedgesville Public Service District (Hedgesville) and Berkeley County Public Service District (BCPSD).

By Commission Order entered on March 1, 2000, the City was ordered to provide public notice of the filing by publishing a copy of the order as a Class I legal advertisement in a newspaper published and in general circulation in Berkeley County . On March 16, 2000, the City provided a copy of the affidavit of publication to the Commission, evidencing that the notice had been published in *The Journal*, as required for Phase I.

According to Commission Staff (Staff), the Phase I of the project will not require the passage of a new rate ordinance. The City passed an ordinance on November 12, 1999, to become effective upon notice from the project engineer of substantial completion. That municipal ordinance was reviewed by Commission Staff as RFA 98-122/W. *See*, Initial Joint Staff Memorandum, filed March 28, 2000.

On March 27, 2000, Staff, in its Initial Joint Staff Memorandum, recommended this case be referred to the Division of Administrative Law Judges for disposition.

On April 12, 2000, the Opequon Public Service District (Opequon) filed an objection to the City's application and a "Petition to Intervene".

On April 14,2000, Hedgesville filed a "Petition to Intervene and Motion to Deny Intervention of Opequon Public Service District."

On April 17, 2000, the City filed a response to Opequon's objection and "Petition to Intervene."

On April 26, 2000, the BCPSD petitioned the Commission to intervene in this proceeding in support of the City's application, and in opposition to the Petition to Intervene filed by Opequon.

On May 1, 2000, the Commission entered an order retaining this proceeding and establishing a procedural schedule. The Commission set a hearing date for Thursday, May 18, 2000, in Martinsburg, Berkeley County.

On May 2, 2000, the Commission entered an order granting intervener status to Opequon Public Service District, Hedgesville Public Service District and BCPSD.

Public Service Commission
of West Virginia
Charleston

On May 8, 2000, Opequon filed a "Notice of Withdrawal of Petition to Intervene."

A hearing was convened in this matter by the Commission on May 18, 2000, at which time the Commission granted Opequon's motion to withdraw its intervention. At the same time, Hedgesville and BCPSD requested that the Commission approve water purchase agreements which set out the terms and conditions for the Opequon and BCPSD to purchase water following the implementation of the project.

On June 6, 2000, the Water Development Authority (WDA) sent a letter to the Commission stating that it agrees to lend the City $563,069, for Phase I of the water project, and $9,972,93, for Phase II of the project, as requested, subject to the City's satisfaction of all conditions precedent set forth in the Loan Agreement between the WDA and the City.

In a Final Joint Staff Memorandum entered on June 7, 2000, Staff stated that it had reviewed the information submitted to date by the City in support of this project, which includes the details for Phase I. According to the Memorandum, the City anticipates that the engineering and financial information in support of Phase II will be submitted to the Commission in August or September, 2000. While Staff indicated it has not had the opportunity to review Phase II information in detail, it is in support of the project as a whole. Staff bases its opinion on information submitted in the City's filing with the West Virginia Infrastructure and Jobs Development Council (WVJDC). From an operational perspective, Staff is in agreement with the City regarding the need for the proposed project. The project will provide much needed capacity to areas of Berkeley County which lack sufficient capacity for economic development. In addition, Staff states that the proposed project will improve service quality to existing customers in several areas of the County, as well as provide a large centralized water source for the County by moving toward the regionalization of water treatment and distribution facilities in the County.

Staff further states that it understands that the proposed financing involves two separate bond closing dates: one in June, 2000, (Phase I) and the other in December, 2000 (Phase II). Although the engineering and financial detail for the total project has yet to be submitted in full, Staff is satisfied that the project is much- needed and will be a positive step toward solving many of the water concerns in Berkeley County. Staff recommends that Commission approval contain certain contingencies relating to the subsequent filing of detailed information related to the project. Specifically, Commission Staff recommends that the City's application for a Certificate be approved, with the following contingencies:

1. That the City file with the Commission all necessary engineering and financial information, including all applicable permits from the West Virginia Bureau of Public Health and the West Virginia Division of Environmental Protection regarding

Phase II, of the project prior to the start of any construction;

2. That the City enact, and subsequently file with the Commission, a rate ordinance that generates sufficient revenues for Phase II of the project;

3. That information addressed in Items 1 and 2 above be reviewed and approved by Commission Staff before any construction begins on Phase II;

4. That, should the project costs or scope change substantially, the City reopen this proceeding and seek Commission approval.

The Commission shall grant the Certificate for the project, subject to the contingencies relating to Phase II, to enable the City to obtain financial commitments. In order to have sufficient rates to finance Phase II of the project, the City must pass an additional rate ordinance. The ordinance will be required to establish new rates that are higher than those presently in effect and higher than the rates established by the City's Phase I ordinance passed in November, 1999. The Commission finds that customers will receive notice of the rates necessary for financing Phase II of the project when the required rate ordinance is under consideration by City Council. The Certificate granted herein is contingent upon City Council's final adoption of the required rates.

The Commission further finds that the Certificate should be subject to contingencies 1, 2, and 4 recommended by Staff.

FINDINGS OF FACT

1. On March 1, 2000, the City of Martinsburg (City) filed a verified Application for a Certificate of Convenience and Necessity to construct two water treatment facilities, a storage tank and to make improvements to its distribution system.

2. The project will be funded in two phases. Phase I consists of upgrading the existing treatment facilities with two new filtration plants, the Baltimore & Williams Plant and the Big Springs Plant. Phase II consists of a new storage tank and distribution lines, including an interconnection to provide 25,000 gallons of water per day to the Hedgesville Public Service District.

3. The project will also enable the City to provide approximately 1,000,000 gallons of water to the Berkeley County Public Service District. The two phases are estimated to cost a total of approximately $18,100,000.00.

Public Service Commission
of West Virginia
Charleston

4. The proposed funding for the project is:

Phase I		$7,564,000 DWTRF Loan
		$ 563,069 WDA Loan
	Subtotal Phase I	$8,127,069
Phase II		$9,972,931 WDA Loan
	Subtotal Phase II	$9,972,931
Total		$18,100,000

5. An ordinance has been enacted by the City, to cover Phase I.

6. By Commission Order entered on March 1, 2000, the City was ordered to provide public notice of the filing by publishing a copy of the order as a Class I legal advertisement in a newspaper published and in general circulation in Berkeley County . On March 16, 2000, the City provided a copy of the affidavit of publication to the Commission, evidencing that the notice had been published in *The Journal*, as required for Phase I.

7. Completion of Phase I will not require the passage of a new rate ordinance to complete Phase I.

8. On March 27, 2000, Staff, in its Initial Joint Staff Memorandum, recommended this case be referred to the Division of Administrative Law Judges for disposition.

9. On April 12, 2000, the Opequon Public Service District (Opequon)filed an objection to the City's application and a "Petition to Intervene".

10. On April 14,2000, Hedgesville filed a "Petition to Intervene and Motion to Deny Intervention of Opequon Public Service District."

11. On April 17, 2000, the City filed a response to Opequon's objection and "Petition to Intervene."

12. On April 26, 2000, the BCPSD petitioned the Commission to intervene in the above referenced proceeding in support of the application of the City, and in opposition to the Petition to Intervene filed by Opequon.

13. On May 1, 2000, the Commission entered an order retaining this proceeding and establishing a procedural schedule to process the matter. The Commission set a hearing date on Thursday, May 18, 2000, in Berkeley County.

14. On May 2, 2000, the Commission entered an order granting intervener status to Opequon, Hedgesville and BCPSD.

15. On May 8, 2000, Opequon filed a "Notice of Withdrawal of Petition to Intervene."

16. A hearing was convened in this matter by the Commission on May 18, 2000, at which time the Commission granted Opequon's motion to withdraw its intervention.

17. Hedgesville and BCPSD requested the Commission approve water purchase agreements which set out the terms and conditions for Opequon and BCPSD to purchase water following the implementation of the project.

18. On June 6, 2000, the WDA sent a letter to the Commission stating that it agrees to lend the City $563,069, for Phase I of the water project, and $9,972,93, for Phase II of the project, as requested, subject to the City's satisfaction of all conditions precedent set forth in the Loan Agreement between the WDA and the City.

19. In a Final Joint Staff Memorandum entered on June 7, 2000, Staff stated that it was in support of the project as a whole in its preliminary form.

20. Staff is in agreement with the City regarding the need for the proposed project. The project will provide much needed capacity to areas of Berkeley County which lack sufficient capacity for economic development.

21. The proposed project will improve service quality to existing customers in several areas of the County, as well as provide a large centralized water source for the County by moving toward the regionalization of water treatment and distribution facilities in the County.

22. The proposed financing involves two separate bond closing dates: one in June, 2000, (Phase I) and the other in December, 2000, (Phase II).

23. Staff recommends approving the certificate application with certain contingencies relating to the subsequent filing of detailed information related to the project. Specifically, Commission Staff recommends that the City's application be approved, with the following contingencies:

Public Service Commission
of West Virginia
Charleston

a. That the City file with the Commission all necessary engineering and financial information, including all applicable permits from the West Virginia Bureau of Public Health and the West Virginia Division of Environmental Protection regarding Phase II, of the project prior to the start of any construction;

b. That the City enact, and subsequently file with the Commission, a rate ordinance generating sufficient revenues for Phase II of the project;

c. That information addressed in Items 1 and 2 above be reviewed and approved by Commission Staff before any construction begins on Phase II;

d. That, should the project costs or scope change substantially, the City reopen this proceeding and seek Commission approval.

24. In order to have rates that are sufficient to finance Phase II of the project, the City Council will need to pass an additional rate ordinance. The ordinance is necessary to establish new rates that are higher than those adopted in November, 1999.

25. Customers will receive notice of the rates necessary for financing Phase II of the project when the required rate ordinance is under consideration by City Council.

CONCLUSIONS OF LAW

1. It is fair and reasonable to approve the water purchase agreements filed by Hedgesville Public Service District and Berkeley County Public Service District, which set out the terms and conditions for the Districts' to purchase water from the City following the implementation of the City's water project, without approving the terms and conditions contained therein.

2. It is fair and reasonable to grant the Certificate contingent upon submission by the City to the Commission of all necessary engineering and financial information including all applicable permits from the Bureau of Public Health and the West Virginia Division of Environmental Protection regarding Phase II of the project.

3. It is fair and reasonable to require that the Certificate granted herein shall be contingent on the passage, and final approval if necessary, of a rate ordinance which will sufficiently fund the financing (and operating) costs of Phase II.

Public Service Commission
of West Virginia
Charleston

4. It is fair and reasonable to require the City Council to provide notice of the increased rates to it customers at the time it is considering the additional rate ordinance.

ORDER

IT IS THEREFORE ORDERED that the City of Martinsburg's certificate application for its water project, to be completed in two phases, is hereby approved, with the following contingencies:

1. That the City file with the Commission all necessary engineering and financial information, including all applicable permits from the West Virginia Bureau of Public Health and the West Virginia Division of Environmental Protection regarding Phase II, of the project.

2. That the City enact, and subsequently file with the Commission, a rate ordinance generating sufficient revenues for Phase II of the project;

3. That, should the project costs or scope change substantially, the City shall petition for a reopening of this proceeding and seek Commission approval of the changes in costs or scope.

IT IS FURTHER ORDERED that the Commission's consent and approval is given for the utilities to enter into water purchase agreements filed by Hedgesville Public Service District and Berkeley County Public Service District which set out the terms and conditions for the Districts' to purchase water from the City.

IT IS FURTHER ORDERED that the foregoing approval shall not be deemed to approve the specific terms and conditions contained in the above mentioned water purchase agreements.

IT IS FURTHER ORDERED that upon entry of this order this case shall be removed from the Commission's docket of active cases.

IT IS FURTHER ORDERED that the Commission's Executive Secretary shall serve a copy of this order upon all parties of record by United States First Class Mail, and upon the Commission by hand delivery.

ARC

A True Copy, Teste:

Sandra Squire

Sandra Squire
Executive Secretary

BFE/lfg/pja
000330cb.wpd

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 22nd day of September, 2000.

CASE NO. 00-0330-W-CN

CITY OF MARTINSBURG
Application for a certificate of convenience and necessity to upgrade its water treatment facilities, distribution improvements, interconnection with Hedgesville Public Service District and to construct a new storage tank in Berkeley County.

ORDER

On March 1, 2000, the City of Martinsburg (City) filed a verified Application for a Certificate of Convenience and Necessity to construct two water treatment facilities, a storage tank and to make improvements to its distribution system. According to the Application, the project will be funded in two phases. Phase I consists of upgrading the existing treatment facilities with two new filtration plants, the Baltimore & Williams Plant and the Big Springs Plant. Phase II consists of a new storage tank and distribution lines, including an interconnection to provide 25,000 gallons of water per day to the Hedgesville Public Service District.

On June 13, 2000, the Commission granted the City a Certificate for the project, subject to certain contingencies.

On September 8, 2000, the City filed a petition to reopen this proceeding and to amend the previously granted certificate. The City is requesting approval of increased project costs and revised project financing due to the fact that bids for the project exceed the estimated budget. The anticipated Phase I project cost after receiving bids has been revised to $13,056,019, an increase of $4,928,950 over the previously approved amount of $8,127,069. The total Phase I project cost will now be financed as follows:

Source	Amount
Drinking Water Treatment Revolving Fund	$7,564,000
WDA loan	$1,976,352
Infrastructure Fund loan	$3.000,000
Martinsburg Contribution (to be recouped at Phase II closing)	$515,668
	$13,056,020

The City states that the project remains financially feasible in that the ordinance enacted to support this project will cover the increased cost and revised financing.

On September 21, 2000, Commission Staff filed its Initial and Final Joint Staff Memorandum recommending that the case be reopened and that the revised financing be approved.

The Commission shall reopen this case and approve the revised financing as submitted.

FINDINGS OF FACT

1. On March 1, 2000, the City of Martinsburg (City) filed a verified Application for a Certificate of Convenience and Necessity to construct two water treatment facilities, a storage tank and to make improvements to its distribution system.

2. On June 13, 2000, the Commission granted the City a Certificate for the project, subject to certain contingencies.

3. On September 8, 2000, the City filed a petition to reopen this proceeding and to amend the previously granted certificate for the purpose of gaining approval of increased project costs and revised project financing.

4. The anticipated Phase I project cost after receiving bids has been revised to $13,056,019, an increase of $4,928,950 over the previously approved amount of $8,127,069.

5. The total Phase I project cost will now be financed as follows:

Public Service Commission
of West Virginia
Charleston

Source	Amount
Drinking Water Treatment Revolving Fund	$7,564,000
WDA loan	$1,976,352
Infrastructure Fund loan	$3,000,000
Martinsburg Contribution (to be recouped at Phase II closing)	$515,668
	$13,056,020

6. On September 21, 2000, Commission Staff filed its Initial and Final Joint Staff Memorandum recommending that the case be reopened and that the revised financing be approved.

CONCLUSION OF LAW

It is fair and reasonable to grant the City of Martinsburg's petition to reopen this case and to approve the revised financing.

ORDER

IT IS THEREFORE ORDERED that the City of Martinsburg's petition to reopen this case is hereby granted.

IT IS FURTHER ORDERED that the City of Martinsburg's request for approval of increased project costs and revised financing for Phase I of is Certificate of Convenience and Necessity, granted on June 13, 2000, in Case No. 00-0330-W-CN, filed September 8, 2000, is hereby granted.

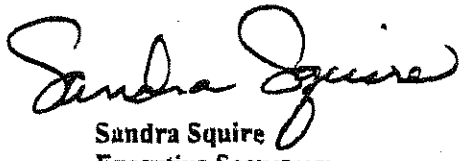
IT IS FURTHER ORDERED that the Order entered on June 13, 2000, remains in full force and effect except as herein modified.

IT IS FURTHER ORDERED that upon entry of this order this case shall be removed from the Commission's docket of active cases.

Public Service Commission
of West Virginia
Charleston

IT IS FURTHER ORDERED that the Commission's Executive Secretary shall serve a copy of this order upon all parties of record by United States First Class Mail, and upon the Commission by hand delivery.

A True Copy, Teste:



Sandra Squire
Executive Secretary

ARC
BFE/lfg
000330cc.wpd

CITY OF MARTINSBURG
COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS,

SERIES 2000A
(WEST VIRGINIA DWTRF PROGRAM)

SERIES 2000B
(WEST VIRGINIA INFRASTRUCTURE FUND)

SERIES 2000C
(WEST VIRGINIA WATER DEVELOPMENT AUTHORITY)

CROSS-RECEIPT FOR BONDS AND BOND PROCEEDS

The undersigned, Barbara B. Meadows, Secretary-Treasurer of West Virginia Water Development Authority (the "Authority"), for and on behalf of the Authority and George Karos, Mayor of the City of Martinsburg (the "Issuer"), for and on behalf of the Issuer, hereby certify as follows:

1. On the 27th day of September, 2000, the Authority received the entire original issue of (i) $7,564,000 in aggregate principal amount of the Issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 2000A (West Virginia DWTRF Program), numbered AR-1 (the "Series 2000A Bonds"), (ii) $3,000,000 in aggregate principal amount of the Issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 2000B (West Virginia Infrastructure Fund), numbered BR-1 (the "Series 2000B Bonds"), and (iii) $1,976,352 in aggregate principal amount of the Issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 2000C (West Virginia Water Development Authority), numbered CR-1 (the "Series 2000C Bonds") (the Series 2000A Bonds, the Series 2000B Bonds and the Series 2000C Bonds are referred to herein collectively as the "Series 2000 Bonds"), each issued as a single, fully registered Bond and each dated September 27, 2000.

2. At the time of such receipt of the Series 2000 Bonds upon original issuance, the same had been executed by George Karos, as Mayor of the Issuer, by his manual signature, by Mark Baldwin, as City Manager of the Issuer, by his manual signature, and by Sharon A. Flick, as Recorder of the Issuer, by her manual signature, and the official seal of the Issuer had been affixed upon each of the Series 2000 Bonds.

3. The Issuer has received and hereby acknowledges receipt from the Authority, as the original purchaser of the Series 2000 Bonds, of the proceeds of the Series 2000A Bonds in the aggregate principal amount of $664,237, being a portion of the principal amount of the Series 2000A Bonds, of $680,942, being a portion of the principal amount of the Series 2000B Bonds and $1,976,352, being all of the proceeds of the Series 2000C Bonds (each being 100% of par value), there being no interest accrued thereon. The balance of the proceeds of the Series 2000A Bonds will be advanced by the Authority and the Bureau for Public Health to the Issuer as the acquisition and construction of the Project progresses. The balance of the proceeds of the Series 2000B Bonds will

be advanced by the Authority and the West Virginia Infrastructure and Jobs Development Council to the Issuer as the acquisition and construction of the Project progresses.

IN WITNESS WHEREOF, Barbara B. Meadows duly signed and delivered this receipt on behalf of WEST VIRGINIA WATER DEVELOPMENT AUTHORITY and the CITY OF MARTINSBURG has caused this receipt to be duly executed and delivered by its Mayor, as of this 27th day of September, 2000.

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

By Barbara B Meadows
Its: Secretary-Treasurer

CITY OF MARTINSBURG

By George Karos
Its: Mayor

CITY OF MARTINSBURG
COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS,

SERIES 2000A
(WEST VIRGINIA DWTRF PROGRAM)

SERIES 2000B
(WEST VIRGINIA INFRASTRUCTURE FUND)

SERIES 2000C
(WEST VIRGINIA WATER DEVELOPMENT AUTHORITY)

DIRECTION TO AUTHENTICATE AND DELIVER BONDS

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

Ladies and Gentlemen:

There are delivered to you herewith:

(1) Bond No. AR-1, constituting the entire original issue of the City of Martinsburg Combined Waterworks and Sewerage System Revenue Bonds, Series 2000A (West Virginia DWTRF Program), in the principal amount of $7,564,000 (the "Series 2000A Bonds"); Bond No. BR-1, constituting the entire original issue of the City of Martinsburg Combined Waterworks and Sewerage System Revenue Bonds, Series 2000B (West Virginia Infrastructure Fund), in the principal amount of $3,000,000 (the "Series 2000B Bonds"); and Bond No. CR-1, constituting the entire original issue of the City of Martinsburg Combined Waterworks and Sewerage System Revenue Bonds, Series 2000C (West Virginia Water Development Authority), in the principal amount of $1,976,352 (the "Series 2000C Bonds"); each dated September 27, 2000 (collectively, the "Series 2000 Bonds"), executed by the Mayor, the City Manager and the Recorder of the City of Martinsburg (the "Issuer") and bearing the official seal of the Issuer, authorized to be issued under and pursuant to a Bond Ordinance and a Supplemental Resolution duly adopted by the Issuer (collectively, the "Local Act");

(2) A copy of the Local Act authorizing the issuance of the Series 2000 Bonds, duly certified by the Recorder of the Issuer;

(3) An executed Drinking Water Treatment Revolving Fund Loan Agreement by and between the West Virginia Water Development Authority (the

"Authority"), acting on behalf of the West Virginia Bureau for Public Health, and the Issuer, relating to the purchase of the Series 2000A Bonds;

(4) An executed Loan Agreement between the Authority, acting on behalf of the West Virginia Infrastructure and Jobs Development Council, and the Issuer, relating to the purchase of the Series 2000B Bonds;

(5) An executed Loan Agreement between the Authority and the Issuer, relating to the purchase of the Series 2000C Bonds; and

(6) Signed opinions of nationally recognized bond counsel regarding the validity of the Loan Agreements described above and the Series 2000 Bonds.

You are hereby requested and authorized to deliver the Series 2000A Bonds to the Authority upon payment to the account of the Issuer of the sum of $664,237, which represents a portion of the principal of the Series 2000A Bonds. You are also hereby requested and authorized to deliver the Series 2000B Bonds to the Authority upon payment to the Issuer of the sum of $680,942, representing a portion of the principal amount of the Series 2000B Bonds. You are also hereby requested and authorized to deliver the Series 2000C Bonds to the Authority upon payment to the Issuer of the sum of $1,976,352, representing the entire principal amount of the Series 2000C Bonds. Prior to such delivery of the Series 2000 Bonds, you will please cause the Series 2000 Bonds to be authenticated and registered by an authorized officer, as Bond Registrar, in accordance with the forms of Certificate of Authentication and Registration thereon.

Dated this 27th day of September, 2000.

CITY OF MARTINSBURG

By George Karos

Its: Mayor

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF MARTINSBURG
COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2000A
(WEST VIRGINIA DWTRF PROGRAM)

No. AR-1 **$ 7,564,000**

KNOW ALL MEN BY THESE PRESENTS: That CITY OF MARTINSBURG, a municipal corporation and political subdivision of the State of West Virginia in Berkeley County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the West Virginia Water Development Authority (the "Authority") or registered assigns the sum of SEVEN MILLION FIVE HUNDRED SIXTY-FOUR THOUSAND DOLLARS ($7,564,000), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as Exhibit A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing on June 1, 2002, as set forth on the "Debt Service Schedule" attached as Exhibit B hereto and incorporated herein by reference, with interest on each installment at the rate per annum set forth on said Exhibit B.

The interest and DWTRF Administrative Fee (as defined in the hereinafter described Bond Legislation) on this Bond shall be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing June 1, 2002, as set forth on Exhibit B attached hereto. Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent"). The interest and DWTRF Administrative Fee on this Bond are 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 the Registrar (as defined in the hereinafter described Bond Legislation) on the 15th day of the month next preceding an interest and DWTRF Administrative Fee 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 only 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 the West Virginia Bureau for Public Health ("BPH") and upon the terms and conditions prescribed by, and otherwise in compliance with, the Drinking Water Treatment Revolving Fund Loan Agreement between the Issuer and the Authority, acting on behalf of the BPH, dated September 27, 2000.

This Bond is issued (i) to permanently finance a portion of the costs of acquisition and construction of certain additions, betterments and improvements to the existing public combined waterworks and sewerage facilities of the Issuer (the "Project"); (ii) to fund a debt reserve service account for the Bonds and the Series 2000B Bonds described below; and (iii) to pay certain costs of issuance hereof and related costs. The existing public combined waterworks and sewerage facilities of the Issuer, the Project and any further additions, betterments or improvements thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 8, Article 20 and Chapter 16, Article 13C of the West Virginia Code of 1931, as amended (collectively, the "Act"), an Ordinance duly enacted by the Issuer on September 14, 2000, and effective September 25, 2000, and a Supplemental Resolution duly adopted by the Issuer on September 25, 2000 (collectively called the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other securities provided for the Bonds of this Series (the "Bonds") under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH (1) THE COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 1995, OF THE ISSUER, DATED SEPTEMBER 1, 1995, ISSUED IN THE ORIGINAL PRINCIPAL AMOUNT OF $3,645,000 (THE "SERIES 1995 BONDS"); (2) THE COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2000B (WEST VIRGINIA INFRASTRUCTURE FUND), OF THE ISSUER, DATED SEPTEMBER 27, 2000, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $3,000,000 (THE "SERIES 2000B BONDS"); AND (3) THE COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2000C (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), OF THE ISSUER, DATED SEPTEMBER 27, 2000, ISSUED IN THE ORIGINAL PRINCIPAL AMOUNT OF $1,976,352 (THE "SERIES 2000C BONDS").

This Bond is payable only from and secured by a pledge of the Gross Revenues (as defined in the Bond Legislation) to be derived from the System, on a parity with the pledge of the Gross Revenues in favor of the holders of the Series 1995 Bonds, the Series 2000B Bonds and the Series 2000C Bonds, and from moneys in the Reserve Account created under the Bond Legislation for the Bonds (the "Series 2000A Bonds Reserve Account"), and unexpended proceeds of the Bonds. Such Gross Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does

not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation, nor shall the Issuer be obligated to pay the same or the interest hereon, except from said special fund provided from the Gross Revenues, the moneys in the Series 2000A Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% (120% so long as the Series 1995 Bonds remain Outstanding) of the maximum amount payable in any year for principal of and interest on the Bonds, and all other obligations secured by a lien on or payable from such revenues on a parity with the Bonds, including the Series 1995 Bonds, Series 2000B Bonds and the Series 2000C Bonds, provided however, that when the Series 1995 Bonds are no longer Outstanding and so long as there exists in the Series 2000A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with the Bonds, including the Series 2000B Bonds and the Series 2000C Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

SPECIMEN

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

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

All money received from the sale of this Bond, after reimbursement and repayment of all amounts advanced for preliminary expenses as provided by law and the Bond Legislation, shall be applied solely to the payment of the Costs of the Project described in the Bond Legislation, and there shall be and hereby is created and granted a lien upon such moneys, until so applied, in favor of the registered 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 do exist, have happened, and have been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other obligations of the Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia and that a sufficient amount of the Gross Revenues of the System has been pledged to and will be set aside into said special fund by the Issuer for the prompt payment of the principal of and interest on this Bond.

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

IN WITNESS WHEREOF, CITY OF MARTINSBURG has caused this Bond to be signed by its Mayor and its City Manager and its corporate seal to be hereunto affixed and attested by its Recorder, and has caused this Bond to be dated September 27, 2000.

CITY OF MARTINSBURG

[SEAL]

George Karos

Mayor

SPECIMEN

City Manager

ATTEST:

SPECIMEN

Recorder

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2000A Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: September 27, 2000.

ONE VALLEY BANK, NATIONAL ASSOCIATION,
as Registrar

By Charlotte A. Morgan
Its Authorized Officer

EXHIBIT A

RECORD OF ADVANCES

	Amount	Date		Amount	Date
(1)	$ 664,237.00	September 27, 2000	(7)	$	
(2)	$		(8)	$	
(3)	$		(9)	$	
(4)	$		(10)	$	
(5)	$		(11)	$	
(6)	$		(12)	$	

Total $_____

SPECIMEN

EXHIBIT B

DEBT SERVICE SCHEDULE

SPECIMEN

City of Martinsburg (West Virginia)

DWTRF Loan of $7,564,000
20 Years, 2% Interest Rate, 1% Administrative Fee
Closing Date: September 27, 2000

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Interest	Total P+I
12/01/2000	-	-	-	-
3/01/2001	-	-	-	-
6/01/2001	-	-	-	-
9/01/2001	-	-	-	-
12/01/2001	-	-	-	-
3/01/2002	-	-	-	-
6/01/2002	77,130.00	2.000%	37,820.00	114,950.00
9/01/2002	77,516.00	2.000%	37,434.35	114,950.35
12/01/2002	77,904.00	2.000%	37,046.77	114,950.77
3/01/2003	78,293.00	2.000%	36,657.25	114,950.25
6/01/2003	78,685.00	2.000%	36,265.79	114,950.79
9/01/2003	79,078.00	2.000%	35,872.36	114,950.36
12/01/2003	79,473.00	2.000%	35,476.97	114,949.97
3/01/2004	79,871.00	2.000%	35,079.61	114,950.61
6/01/2004	80,270.00	2.000%	34,680.25	114,950.25
9/01/2004	80,671.00	2.000%	34,278.90	114,949.90
12/01/2004	81,075.00	2.000%	33,875.55	114,950.55
3/01/2005	81,480.00	2.000%	33,470.17	114,950.17
6/01/2005	81,888.00	2.000%	33,062.77	114,950.77
9/01/2005	82,297.00	2.000%	32,653.33	114,950.33
12/01/2005	82,709.00	2.000%	32,241.85	114,950.85
3/01/2006	83,122.00	2.000%	31,828.30	114,950.30
6/01/2006	83,538.00	2.000%	31,412.69	114,950.69
9/01/2006	83,955.00	2.000%	30,995.00	114,950.00
12/01/2006	84,375.00	2.000%	30,575.23	114,950.23
3/01/2007	84,797.00	2.000%	30,153.35	114,950.35
6/01/2007	85,221.00	2.000%	29,729.37	114,950.37
9/01/2007	85,647.00	2.000%	29,303.26	114,950.26
12/01/2007	86,075.00	2.000%	28,875.03	114,950.03
3/01/2008	86,506.00	2.000%	28,444.65	114,950.65
6/01/2008	86,938.00	2.000%	28,012.12	114,950.12
9/01/2008	87,373.00	2.000%	27,577.43	114,950.43
12/01/2008	87,810.00	2.000%	27,140.57	114,950.57
3/01/2009	88,249.00	2.000%	26,701.52	114,950.52
6/01/2009	88,690.00	2.000%	26,260.27	114,950.27
9/01/2009	89,134.00	2.000%	25,816.82	114,950.82
12/01/2009	89,579.00	2.000%	25,371.15	114,950.15
3/01/2010	90,027.00	2.000%	24,923.26	114,950.26
6/01/2010	90,477.00	2.000%	24,473.12	114,950.12
9/01/2010	90,930.00	2.000%	24,020.74	114,950.74
12/01/2010	91,384.00	2.000%	23,566.09	114,950.09
3/01/2011	91,841.00	2.000%	23,109.17	114,950.17
6/01/2011	92,300.00	2.000%	22,649.96	114,949.96
9/01/2011	92,762.00	2.000%	22,188.46	114,950.46
12/01/2011	93,226.00	2.000%	21,724.65	114,950.65
3/01/2012	93,692.00	2.000%	21,258.52	114,950.52

SPECIMEN

City of Martinsburg (West Virginia)

DWTRF Loan of $7,564,000
20 Years, 2% Interest Rate, 1% Administrative Fee
Closing Date: September 27, 2000

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Interest	Total P+I
6/01/2012	94,160.00	2.000%	20,790.06	114,950.06
9/01/2012	94,631.00	2.000%	20,319.26	114,950.26
12/01/2012	95,104.00	2.000%	19,846.11	114,950.11
3/01/2013	95,580.00	2.000%	19,370.59	114,950.59
6/01/2013	96,058.00	2.000%	18,892.69	114,950.69
9/01/2013	96,538.00	2.000%	18,412.40	114,950.40
12/01/2013	97,021.00	2.000%	17,929.71	114,950.71
3/01/2014	97,506.00	2.000%	17,444.60	114,950.60
6/01/2014	97,993.00	2.000%	16,957.07	114,950.07
9/01/2014	98,483.00	2.000%	16,467.11	114,950.11
12/01/2014	98,976.00	2.000%	15,974.69	114,950.69
3/01/2015	99,471.00	2.000%	15,479.81	114,950.81
6/01/2015	99,968.00	2.000%	14,982.46	114,950.46
9/01/2015	100,468.00	2.000%	14,482.62	114,950.62
12/01/2015	100,970.00	2.000%	13,980.28	114,950.28
3/01/2016	101,475.00	2.000%	13,475.43	114,950.43
6/01/2016	101,982.00	2.000%	12,968.05	114,950.05
9/01/2016	102,492.00	2.000%	12,458.14	114,950.14
12/01/2016	103,005.00	2.000%	11,945.68	114,950.68
3/01/2017	103,520.00	2.000%	11,430.66	114,950.66
6/01/2017	104,037.00	2.000%	10,913.06	114,950.06
9/01/2017	104,558.00	2.000%	10,392.87	114,950.87
12/01/2017	105,080.00	2.000%	9,870.08	114,950.08
3/01/2018	105,606.00	2.000%	9,344.68	114,950.68
6/01/2018	106,134.00	2.000%	8,816.65	114,950.65
9/01/2018	106,664.00	2.000%	8,285.98	114,949.98
12/01/2018	107,198.00	2.000%	7,752.66	114,950.66
3/01/2019	107,734.00	2.000%	7,216.67	114,950.67
6/01/2019	108,272.00	2.000%	6,678.00	114,950.00
9/01/2019	108,814.00	2.000%	6,136.64	114,950.64
12/01/2019	109,358.00	2.000%	5,592.57	114,950.57
3/01/2020	109,905.00	2.000%	5,045.78	114,950.78
6/01/2020	110,454.00	2.000%	4,496.26	114,950.26
9/01/2020	111,006.00	2.000%	3,943.99	114,949.99
12/01/2020	111,561.00	2.000%	3,388.96	114,949.96
3/01/2021	112,119.00	2.000%	2,831.15	114,950.15
6/01/2021	112,680.00	2.000%	2,270.56	114,950.56
9/01/2021	113,243.00	2.000%	1,707.16	114,950.16
12/01/2021	113,809.00	2.000%	1,140.94	114,949.94
3/01/2022	114,379.00	2.000%	571.90	114,950.90
Total	7,564,000.00	-	1,632,030.63	9,196,030.63 *

SPECIMEN

*Plus $10,200 one-percent administrative fee paid quarterly. Total fee paid over the life of the loan is $816,000.

City of Martinsburg (West Virginia)

DWTRF Loan of $7,564,000
20 Years, 2% Interest Rate, 1% Administrative Fee
Closing Date: September 27, 2000

DEBT SERVICE SCHEDULE

YIELD STATISTICS

Accrued Interest from 09/27/2000 to 09/27/2000	(215,994.22)
Bond Year Dollars	$92,401.23
Average Life	12.216 Years
Average Coupon	1.7662433%
Net Interest Cost (NIC)	1.7662433%
True Interest Cost (TIC)	2.0095156%
Bond Yield for Arbitrage Purposes	2.0095156%
All Inclusive Cost (AIC)	2.8768036%

IRS FORM 8038

Net Interest Cost	2.0000002%
Weighted Average Maturity	12.216 Years

SPECIMEN

ASSIGNMENT

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

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

Dated: _____, 20_____.

_____

In the presence of:

_____

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF MARTINSBURG
COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2000B
(WEST VIRGINIA INFRASTRUCTURE FUND)

No. BR-1 **$ 3,000,000**

KNOW ALL MEN BY THESE PRESENTS: That CITY OF MARTINSBURG, a municipal corporation and political subdivision of the State of West Virginia in Berkeley County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the West Virginia Water Development Authority (the "Authority") or registered assigns the sum of THREE MILLION DOLLARS ($3,000,000), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as Exhibit A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing on June 1, 2002, as set forth on the "Debt Service Schedule" attached as Exhibit B hereto and incorporated herein by reference, with interest on each installment at the rate per annum set forth on said Exhibit B, payable March 1, June 1, September 1 and December 1 of each year, commencing on June 1, 2002.

SPECIMEN

Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent"). The interest on this Bond is payable by check or draft of the Paying Agent mailed to the registered owner hereof at the address as it appears on the books of the Registrar (as defined in the hereinafter described Bond Legislation) on the 15th day of the month next preceding an interest payment date, or by such other method as shall be mutually agreeable so long as the Authority is the registered owner hereof.

This Bond may only 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 the West Virginia Infrastructure and Jobs Development Council (the "Council") and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement between the Issuer and the Authority, acting on behalf of the Council, dated September 27, 2000.

This Bond is issued (i) to permanently finance a portion of the costs of acquisition and construction of certain additions, betterments and improvements to the existing public combined waterworks and sewerage facilities of the Issuer (the "Project");

and (ii) to pay certain costs of issuance hereof and related costs. The existing public combined waterworks and sewerage facilities of the Issuer, the Project and any further additions, betterments or improvements thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 8, Article 20 and Chapter 31, Article 15A of the West Virginia Code of 1931, as amended (collectively, the "Act"), an Ordinance duly enacted by the Issuer on September 14, 2000, and effective September 25, 2000 and a Supplemental Resolution duly adopted by the Issuer on September 25, 2000 (collectively called the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other securities provided for the Bonds of this Series (the "Bonds") under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH (1) THE COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 1995, OF THE ISSUER, DATED SEPTEMBER 1, 1995, ISSUED IN THE ORIGINAL PRINCIPAL AMOUNT OF $3,645,000 (THE "SERIES 1995 BONDS"); (2) THE COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2000A (WEST VIRGINIA DWTRF PROGRAM), OF THE ISSUER, DATED SEPTEMBER 27, 2000, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $7,564,000 (THE "SERIES 2000A BONDS"); AND (3) THE COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2000C (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), OF THE ISSUER, DATED SEPTEMBER 27, 2000, ISSUED IN THE ORIGINAL PRINCIPAL AMOUNT OF $1,976,352 (THE "SERIES 2000C BONDS").

SPECIMEN

This Bond is payable only from and secured by a pledge of the Gross Revenues (as defined in the Bond Legislation) to be derived from the System, on a parity with the pledge of the Gross Revenues in favor of the holders of the Series 1995 Bonds, the Series 2000A Bonds and the Series 2000C Bonds, and from moneys in the Reserve Account created under the Bond Legislation for the Bonds (the "Series 2000B Bonds Reserve Account"), and unexpended proceeds of the Bonds. Such Gross Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation, nor shall the Issuer be obligated to pay the same or the interest hereon, except from said special fund provided from the Gross Revenues, the moneys in the Series 2000B Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and

maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% (120% so long as the Series 1995 Bonds remain Outstanding) of the maximum amount payable in any year for principal of and interest on the Bonds, and all other obligations secured by a lien on or payable from such revenues on a parity with the Bonds, including the Series 1995 Bonds, Series 2000A Bonds and the Series 2000C Bonds, provided however, that when the Series 1995 Bonds are no longer Outstanding and so long as there exists in the Series 2000B Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with the Bonds, including the Series 2000A Bonds and the Series 2000C Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

SPECIMEN

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

All money received from the sale of this Bond, after reimbursement and repayment of all amounts advanced for preliminary expenses as provided by law and the Bond Legislation, shall be applied solely to the payment of the Costs of the Project described in the Bond Legislation, and there shall be and hereby is created and granted a lien upon such moneys, until so applied, in favor of the registered 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 do exist, have happened, and have been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other obligations of the Issuer, does not exceed any limit prescribed by the Constitution or statutes

of the State of West Virginia and that a sufficient amount of the Gross Revenues of the System has been pledged to and will be set aside into said special fund by the Issuer for the prompt payment of the principal of and interest on this Bond.

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

IN WITNESS WHEREOF, CITY OF MARTINSBURG has caused this Bond to be signed by its Mayor and its City Manager and its corporate seal to be hereunto affixed and attested by its Recorder, and has caused this Bond to be dated September 27, 2000.

CITY OF MARTINSBURG

[SEAL]

Mayor

SPECIMEN

City Manager

ATTEST:

SPECIMEN

Recorder

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2000B Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: September 27, 2000.

ONE VALLEY BANK, NATIONAL ASSOCIATION,
as Registrar

By _____
Its Authorized Officer

EXHIBIT A

RECORD OF ADVANCES

	Amount	Date		Amount	Date
(1)	$ 680,942.00	September 27, 2000	(7)	$	
(2)	$		(8)	$	
(3)	$		(9)	$	
(4)	$		(10)	$	
(5)	$		(11)	$	
(6)	$		(12)	$	

Total $_____

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EXHIBIT B

DEBT SERVICE SCHEDULE

SPECIMEN

LITHO IN U.S.A.
©GOES 342

City of Martinsburg (West Virginia)

Loan of $3,000,000
20 Years, 3% Interest Rate
Closing Date: September 27, 2000

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Interest	Total P+I
12/01/2000	-	-	-	-
3/01/2001	-	-	-	-
6/01/2001	-	-	-	-
9/01/2001	-	-	-	-
12/01/2001	-	-	-	-
3/01/2002	-	-	-	-
6/01/2002	27,505.00	3.000%	22,500.00	50,005.00
9/01/2002	27,711.00	3.000%	22,293.71	50,004.71
12/01/2002	27,919.00	3.000%	22,085.88	50,004.88
3/01/2003	28,128.00	3.000%	21,876.49	50,004.49
6/01/2003	28,339.00	3.000%	21,665.53	50,004.53
9/01/2003	28,552.00	3.000%	21,452.99	50,004.99
12/01/2003	28,766.00	3.000%	21,238.85	50,004.85
3/01/2004	28,982.00	3.000%	21,023.10	50,005.10
6/01/2004	29,199.00	3.000%	20,805.74	50,004.74
9/01/2004	29,418.00	3.000%	20,586.74	50,004.74
12/01/2004	29,638.00	3.000%	20,366.11	50,004.11
3/01/2005	29,861.00	3.000%	20,143.82	50,004.82
6/01/2005	30,085.00	3.000%	19,919.87	50,004.87
9/01/2005	30,310.00	3.000%	19,694.23	50,004.23
12/01/2005	30,538.00	3.000%	19,466.90	50,004.90
3/01/2006	30,767.00	3.000%	19,237.87	50,004.87
6/01/2006	30,997.00	3.000%	19,007.12	50,004.12
9/01/2006	31,230.00	3.000%	18,774.64	50,004.64
12/01/2006	31,464.00	3.000%	18,540.41	50,004.41
3/01/2007	31,700.00	3.000%	18,304.43	50,004.43
6/01/2007	31,938.00	3.000%	18,066.68	50,004.68
9/01/2007	32,177.00	3.000%	17,827.15	50,004.15
12/01/2007	32,419.00	3.000%	17,585.82	50,004.82
3/01/2008	32,662.00	3.000%	17,342.68	50,004.68
6/01/2008	32,907.00	3.000%	17,097.71	50,004.71
9/01/2008	33,154.00	3.000%	16,850.91	50,004.91
12/01/2008	33,402.00	3.000%	16,602.26	50,004.26
3/01/2009	33,653.00	3.000%	16,351.74	50,004.74
6/01/2009	33,905.00	3.000%	16,099.34	50,004.34
9/01/2009	34,160.00	3.000%	15,845.06	50,005.06
12/01/2009	34,416.00	3.000%	15,588.86	50,004.86
3/01/2010	34,674.00	3.000%	15,330.74	50,004.74
6/01/2010	34,934.00	3.000%	15,070.68	50,004.68
9/01/2010	35,196.00	3.000%	14,808.68	50,004.68
12/01/2010	35,460.00	3.000%	14,544.71	50,004.71
3/01/2011	35,726.00	3.000%	14,278.76	50,004.76
6/01/2011	35,994.00	3.000%	14,010.81	50,004.81
9/01/2011	36,264.00	3.000%	13,740.86	50,004.86
12/01/2011	36,536.00	3.000%	13,468.88	50,004.88
3/01/2012	36,810.00	3.000%	13,194.86	50,004.86

SPECIMEN

City of Martinsburg (West Virginia)

Loan of $3,000,000
20 Years, 3% Interest Rate
Closing Date: September 27, 2000

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Interest	Total P+I
6/01/2012	37,086.00	3.000%	12,918.78	50,004.78
9/01/2012	37,364.00	3.000%	12,640.64	50,004.64
12/01/2012	37,644.00	3.000%	12,360.41	50,004.41
3/01/2013	37,927.00	3.000%	12,078.08	50,005.08
6/01/2013	38,211.00	3.000%	11,793.62	50,004.62
9/01/2013	38,498.00	3.000%	11,507.04	50,005.04
12/01/2013	38,786.00	3.000%	11,218.31	50,004.31
3/01/2014	39,077.00	3.000%	10,927.41	50,004.41
6/01/2014	39,370.00	3.000%	10,634.33	50,004.33
9/01/2014	39,666.00	3.000%	10,339.06	50,005.06
12/01/2014	39,963.00	3.000%	10,041.56	50,004.56
3/01/2015	40,263.00	3.000%	9,741.84	50,004.84
6/01/2015	40,565.00	3.000%	9,439.87	50,004.87
9/01/2015	40,869.00	3.000%	9,135.63	50,004.63
12/01/2015	41,175.00	3.000%	8,829.11	50,004.11
3/01/2016	41,484.00	3.000%	8,520.30	50,004.30
6/01/2016	41,795.00	3.000%	8,209.17	50,004.17
9/01/2016	42,109.00	3.000%	7,895.71	50,004.71
12/01/2016	42,425.00	3.000%	7,579.89	50,004.89
3/01/2017	42,743.00	3.000%	7,261.70	50,004.70
6/01/2017	43,063.00	3.000%	6,941.13	50,004.13
9/01/2017	43,386.00	3.000%	6,618.16	50,004.16
12/01/2017	43,712.00	3.000%	6,292.76	50,004.76
3/01/2018	44,040.00	3.000%	5,964.92	50,004.92
6/01/2018	44,370.00	3.000%	5,634.62	50,004.62
9/01/2018	44,703.00	3.000%	5,301.85	50,004.85
12/01/2018	45,038.00	3.000%	4,966.58	50,004.58
3/01/2019	45,376.00	3.000%	4,628.79	50,004.79
6/01/2019	45,716.00	3.000%	4,288.47	50,004.47
9/01/2019	46,059.00	3.000%	3,945.60	50,004.60
12/01/2019	46,404.00	3.000%	3,600.16	50,004.16
3/01/2020	46,752.00	3.000%	3,252.13	50,004.13
6/01/2020	47,103.00	3.000%	2,901.49	50,004.49
9/01/2020	47,456.00	3.000%	2,548.22	50,004.22
12/01/2020	47,812.00	3.000%	2,192.30	50,004.30
3/01/2021	48,171.00	3.000%	1,833.71	50,004.71
6/01/2021	48,532.00	3.000%	1,472.42	50,004.42
9/01/2021	48,896.00	3.000%	1,108.43	50,004.43
12/01/2021	49,263.00	3.000%	741.71	50,004.71
3/01/2022	49,632.00	3.000%	372.24	50,004.24
Total	3,000,000.00	-	1,000,369.77	4,000,369.77

SPECIMEN

City of Martinsburg (West Virginia)

Loan of $3,000,000
20 Years, 3% Interest Rate
Closing Date: September 27, 2000

DEBT SERVICE SCHEDULE

YIELD STATISTICS

Accrued Interest from 09/27/2000 to 09/27/2000	(128,500.00)
Bond Year Dollars	$37,628.99
Average Life	12.543 Years
Average Coupon	2.6585082%
Net Interest Cost (NIC)	2.6585082%
True Interest Cost (TIC)	3.0218640%
Bond Yield for Arbitrage Purposes	3.0218640%
All Inclusive Cost (AIC)	3.0218640%

IRS FORM 8038

Net Interest Cost	3.0000003%
Weighted Average Maturity	12.543 Years

SPECIMEN

ASSIGNMENT

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

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

Dated: _____, 20____.

_____

In the presence of:

_____

SPECIMEN

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF MARTINSBURG
COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2000C
(WEST VIRGINIA WATER DEVELOPMENT AUTHORITY)

No. CR-1 **$ 1,976,352**

KNOW ALL MEN BY THESE PRESENTS: That CITY OF MARTINSBURG, a municipal corporation and political subdivision of the State of West Virginia in Berkeley County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the West Virginia Water Development Authority (the "Authority") or registered assigns the sum of ONE MILLION NINE HUNDRED SEVENTY-SIX THOUSAND THREE HUNDRED FIFTY-TWO DOLLARS ($1,976,352), in annual installments on October 1 of each year, commencing on October 1, 2001, as set forth on the "Debt Service Schedule" 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.

SPECIMEN

The interest on each installment shall run from the original date of delivery of this Bond to the Authority and payment therefor, and until payment of such installment, and such interest shall be payable semiannually on April 1 and October 1 in each year, commencing April 1, 2001. Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent"). The interest on this Bond is payable by check or draft of the Paying Agent mailed to the registered owner hereof at the address as it appears on the books of the Registrar (as defined in the hereinafter described Bond Legislation) on the 15th day of the month next preceding an interest payment date, or by such other method as shall be mutually agreeable so long as the Authority is the registered owner hereof.

This Bond may only be redeemed prior to its stated date of maturity in whole or in part but only with the express written consent of the Authority and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement between the Issuer and the Authority, dated September 27, 2000.

This Bond is issued (i) to permanently finance a portion of the costs of acquisition and construction of certain additions, betterments and improvements to the existing public combined waterworks and sewerage facilities of the Issuer (the "Project"); (ii) to fund a debt service reserve account for the Bonds; and (iii) to pay certain costs of

issuance hereof and related costs. The existing public combined waterworks and sewerage facilities of the Issuer, the Project and any further additions, betterments or improvements thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 8, Article 20 and Chapter 22C, Article 1 of the West Virginia Code of 1931, as amended (collectively, the "Act"), an Ordinance duly enacted by the Issuer on September 14, 2000, and effective September 25, 2000, and a Supplemental Resolution duly adopted by the Issuer on September 25, 2000 (collectively called the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other securities provided for the Bonds of this Series (the "Bonds") under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH (1) THE COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 1995, OF THE ISSUER, DATED SEPTEMBER 1, 1995, ISSUED IN THE ORIGINAL PRINCIPAL AMOUNT OF $3,645,000 (THE "SERIES 1995 BONDS"); (2) THE COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2000A (WEST VIRGINIA DWTRF PROGRAM), OF THE ISSUER, DATED SEPTEMBER 27, 2000, ISSUED IN THE ORIGINAL PRINCIPAL AMOUNT OF $7,564,000 (THE "SERIES 2000A BONDS"); AND (3) THE COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2000B (WEST VIRGINIA INFRASTRUCTURE FUND), OF THE ISSUER, DATED SEPTEMBER 27, 2000, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $3,000,000 (THE "SERIES 2000B BONDS").

SPECIMEN

This Bond is payable only from and secured by a pledge of the Gross Revenues (as defined in the Bond Legislation) to be derived from the System, on a parity with the pledge of the Gross Revenues in favor of the holders of the Series 1995 Bonds, the Series 2000A Bonds and the Series 2000B Bonds, and from moneys in the Reserve Account created under the Bond Legislation for the Bonds (the "Series 2000C Bonds Reserve Account"), and unexpended proceeds of the Bonds. Such Gross Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation, nor shall the Issuer be obligated to pay the same or the interest hereon, except from said special fund provided from the Gross Revenues, the moneys in the Series 2000C Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services

rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% (120% so long as the Series 1995 Bonds remain Outstanding) of the maximum amount payable in any year for principal of and interest on the Bonds, and all other obligations secured by a lien on or payable from such revenues on a parity with the Bonds, including the Series 1995 Bonds, Series 2000A Bonds and the Series 2000B Bonds, provided however, that when the Series 1995 Bonds are no longer Outstanding and so long as there exists in the Series 2000C Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with the Bonds, including the Series 2000A Bonds and the Series 2000B Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

SPECIMEN

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

All money received from the sale of this Bond, after reimbursement and repayment of all amounts advanced for preliminary expenses as provided by law and the Bond Legislation, shall be applied solely to the payment of the Costs of the Project described in the Bond Legislation, and there shall be and hereby is created and granted a lien upon such moneys, until so applied, in favor of the registered 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 do exist, have happened, and have been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other obligations of the Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia and that a sufficient amount of the Gross Revenues of the

LITHO IN U.S.A.
©ODES 342

System has been pledged to and will be set aside into said special fund by the Issuer for the prompt payment of the principal of and interest on this Bond.

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

IN WITNESS WHEREOF, CITY OF MARTINSBURG has caused this Bond to be signed by its Mayor and its City Manager and its corporate seal to be hereunto affixed and attested by its Recorder, and has caused this Bond to be dated September 27, 2000.

CITY OF MARTINSBURG

[SEAL]

George Karos
Mayor

SPECIMEN

City Manager

ATTEST:

SPECIMEN

Recorder

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2000C Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: September 27, 2000.

ONE VALLEY BANK, NATIONAL ASSOCIATION,
as Registrar

By _____
Its Authorized Officer

EXHIBIT A

DEBT SERVICE SCHEDULE

SPECIMEN

LITHO IN U.S.A.
CODES 342

City of Martinsburg (West Virginia)

WDA Loan (Loan Program II, 1999 Series A) of $1,976,352
5.8% Interest Rate
Closing Date: September 27, 2000

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Interest	Total P+I
10/01/2000	-	-	-	-
4/01/2001	-	-	58,587.86	58,587.86
10/01/2001	14,303.00	5.800%	57,314.21	71,617.21
4/01/2002	-	-	56,899.42	56,899.42
10/01/2002	15,132.00	5.800%	56,899.42	72,031.42
4/01/2003	-	-	56,460.59	56,460.59
10/01/2003	16,010.00	5.800%	56,460.59	72,470.59
4/01/2004	-	-	55,996.30	55,996.30
10/01/2004	16,938.00	5.800%	55,996.30	72,934.30
4/01/2005	-	-	55,505.10	55,505.10
10/01/2005	17,921.00	5.800%	55,505.10	73,426.10
4/01/2006	-	-	54,985.39	54,985.39
10/01/2006	18,960.00	5.800%	54,985.39	73,945.39
4/01/2007	-	-	54,435.55	54,435.55
10/01/2007	20,060.00	5.800%	54,435.55	74,495.55
4/01/2008	-	-	53,853.81	53,853.81
10/01/2008	21,224.00	5.800%	53,853.81	75,077.81
4/01/2009	-	-	53,238.32	53,238.32
10/01/2009	22,454.00	5.800%	53,238.32	75,692.32
4/01/2010	-	-	52,587.15	52,587.15
10/01/2010	23,757.00	5.800%	52,587.15	76,344.15
4/01/2011	-	-	51,898.20	51,898.20
10/01/2011	25,135.00	5.800%	51,898.20	77,033.20
4/01/2012	-	-	51,169.28	51,169.28
10/01/2012	26,593.00	5.800%	51,169.28	77,762.28
4/01/2013	-	-	50,398.09	50,398.09
10/01/2013	28,135.00	5.800%	50,398.09	78,533.09
4/01/2014	-	-	49,582.17	49,582.17
10/01/2014	29,767.00	5.800%	49,582.17	79,349.17
4/01/2015	-	-	48,718.93	48,718.93
10/01/2015	31,493.00	5.800%	48,718.93	80,211.93
4/01/2016	-	-	47,805.63	47,805.63
10/01/2016	33,320.00	5.800%	47,805.63	81,125.63
4/01/2017	-	-	46,839.35	46,839.35
10/01/2017	35,252.00	5.800%	46,839.35	82,091.35
4/01/2018	-	-	45,817.04	45,817.04
10/01/2018	37,297.00	5.800%	45,817.04	83,114.04
4/01/2019	-	-	44,735.43	44,735.43
10/01/2019	39,460.00	5.800%	44,735.43	84,195.43
4/01/2020	-	-	43,591.09	43,591.09
10/01/2020	41,749.00	5.800%	43,591.09	85,340.09
4/01/2021	-	-	42,380.37	42,380.37
10/01/2021	44,170.00	5.800%	42,380.37	86,550.37
4/01/2022	-	-	41,099.44	41,099.44
10/01/2022	46,732.00	5.800%	41,099.44	87,831.44
4/01/2023	-	-	39,744.21	39,744.21

SPECIMEN

City of Martinsburg (West Virginia)

WDA Loan (Loan Program II, 1999 Series A) of $1,976,352
5.8% Interest Rate
Closing Date: September 27, 2000

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Interest	Total P+I
10/01/2023	49,443.00	5.800%	39,744.21	89,187.21
4/01/2024	-	-	38,310.36	38,310.36
10/01/2024	52,310.00	5.800%	38,310.36	90,620.36
4/01/2025	-	-	36,793.37	36,793.37
10/01/2025	55,344.00	5.800%	36,793.37	92,137.37
4/01/2026	-	-	35,188.40	35,188.40
10/01/2026	58,554.00	5.800%	35,188.40	93,742.40
4/01/2027	-	-	33,490.33	33,490.33
10/01/2027	61,950.00	5.800%	33,490.33	95,440.33
4/01/2028	-	-	31,693.78	31,693.78
10/01/2028	65,544.00	5.800%	31,693.78	97,237.78
4/01/2029	-	-	29,793.01	29,793.01
10/01/2029	69,345.00	5.800%	29,793.01	99,138.01
4/01/2030	-	-	27,782.00	27,782.00
10/01/2030	73,367.00	5.800%	27,782.00	101,149.00
4/01/2031	-	-	25,654.36	25,654.36
10/01/2031	77,622.00	5.800%	25,654.36	103,276.36
4/01/2032	-	-	23,403.32	23,403.32
10/01/2032	82,124.00	5.800%	23,403.32	105,527.32
4/01/2033	-	-	21,021.72	21,021.72
10/01/2033	86,888.00	5.800%	21,021.72	107,909.72
4/01/2034	-	-	18,501.97	18,501.97
10/01/2034	91,927.00	5.800%	18,501.97	110,428.97
4/01/2035	-	-	15,836.09	15,836.09
10/01/2035	97,259.00	5.800%	15,836.09	113,095.09
4/01/2036	-	-	13,015.58	13,015.58
10/01/2036	102,900.00	5.800%	13,015.58	115,915.58
4/01/2037	-	-	10,031.48	10,031.48
10/01/2037	108,868.00	5.800%	10,031.48	118,899.48
4/01/2038	-	-	6,874.31	6,874.31
10/01/2038	115,182.00	5.800%	6,874.31	122,056.31
4/01/2039	-	-	3,534.03	3,534.03
10/01/2039	121,863.00	5.800%	3,534.03	125,397.03
Total	1,976,352.00	-	3,053,232.01	5,029,584.01

SPECIMEN

City of Martinsburg (West Virginia)

WDA Loan (Loan Program II, 1999 Series A) of $1,976,352
5.8% Interest Rate
Closing Date: September 27, 2000

DEBT SERVICE SCHEDULE

YIELD STATISTICS

Bond Year Dollars	$52,641.93
Average Life	26.636 Years
Average Coupon	5.8000001%
Net Interest Cost (NIC)	5.8000001%
True Interest Cost (TIC)	5.7999277%
Bond Yield for Arbitrage Purposes	5.7999277%
All Inclusive Cost (AIC)	5.7999277%

IRS FORM 8038

Net Interest Cost	5.8000001%
Weighted Average Maturity	26.636 Years

SPECIMEN

ASSIGNMENT

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

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

Dated: _____, 20____.

SPECIMEN

_____

In the presence of:

_____

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Camden P. Siegrist
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E-mail Address:
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September 27, 2000

West Virginia Bureau for Public Health
815 Quarrier Street, Suite 418
Charleston, West Virginia 25301-2616

West Virginia Water Development Authority
180 Association Drive
Charleston, West Virginia 25311-1511

RE: City of Martinsburg
Combined Waterworks and Sewerage System Revenue Bonds,
Series 2000A (West Virginia DWTRF Program)

Ladies and Gentlemen:

We have acted as Bond Counsel in connection with the issuance by the City of Martinsburg (the "Local Entity"), a municipal corporation and political subdivision of the State of West Virginia, of its $7,564,000 Combined Waterworks and Sewerage System Revenue Bonds, Series 2000A (West Virginia DWTRF Program), dated the date hereof (the "Local Bonds").

We have examined a certified copy of proceedings and other papers relating to (i) the authorization of a loan agreement dated September 27, 2000, including all schedules and exhibits attached thereto (the "Loan Agreement"), between the Local Entity and the West Virginia Water Development Authority (the "Authority"), acting under the direction of the West Virginia Bureau for Public Health (the "BPH") and (ii) the issuance of the Local Bonds, which are to be purchased by the Authority in accordance with the provisions of the Loan Agreement. The Local Bonds are in the principal amount of $7,564,000, issued initially in the form of one bond, registered as to principal and interest to the Authority, with interest and principal payable quarterly on March 1, June 1, September 1

and December 1 of each year, beginning June 1, 2002 and ending March 1, 2022, all as set forth in "Schedule Y" attached to the Loan Agreement and incorporated in and made a part of the Local Bonds.

The Local Bonds are issued for the purposes of (i) paying a portion of the costs of acquisition and construction of certain additions, betterments and improvements to the existing public combined waterworks and sewerage system of the Local Entity (the "Project"), (ii) funding a debt service reserve account for the Local Bonds and the Local Entity's Combined Waterworks and Sewerage System Revenue Bonds, Series 2000B (West Virginia Infrastructure Fund), and (iii) paying certain issuance and other costs in connection therewith.

We have also examined the applicable provisions of Chapter 8, Article 20 and Chapter 16, Article 13C of the Code of West Virginia, 1931, as amended (collectively, the "Local Statute"), and the Bond Ordinance duly enacted by the Local Entity on September 14, 2000, and effective September 25, 2000, as supplemented by a Supplemental Resolution duly adopted by the Local Entity on September 25, 2000 (collectively, the "Local Act"), pursuant to and under which Local Statute and Local Act the Local Bonds are authorized and issued, and the Loan Agreement has been undertaken. The Local Bonds are subject to redemption prior to maturity to the extent, at the time, under the conditions and subject to the limitations set forth in the Local Act and the Loan Agreement.

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

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

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

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

4. The Local Entity has legally and effectively enacted the Local Act and all other necessary orders and resolutions have been duly and effectively enacted by the Local Entity in

connection with the issuance and sale of the Local Bonds and constitute valid and binding obligations of the Local Entity enforceable against the Local Entity in accordance with their terms. 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 have been duly authorized, issued, executed and delivered by the Local Entity to the Authority and are valid and legally enforceable special obligations of the Local Entity, payable from the Gross Revenues of the System referred to in the Local Act and secured by a first lien on and pledge of the Gross Revenues of said System, on a parity with (i) the Local Entity's outstanding Combined Waterworks and Sewerage System Revenue Bonds, Series 2000B (West Virginia Infrastructure Fund), dated the date hereof, issued in the original principal amount of $3,000,000, (ii) the Local Entity's outstanding Combined Waterworks and Sewerage System Revenue Bonds, Series 2000C (West Virginia Water Development Authority), dated the date hereof, issued in the original principal amount of $1,976,352, and (iii) the Local Entity's outstanding Combined Waterworks and Sewerage System Refunding Bonds, Series 1995, dated September 1, 1995, issued in the original principal amount of $3,645,000, all in accordance with the terms of the Local Bonds and the Local Act.

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

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

We have examined the executed and authenticated Local Bond No. AR-1, and are of the opinion that the form of said Bond and its execution and authentication are regular and proper.

Very truly yours,

BOWLES RICE McDAVID GRAFF & LOVE, PLLC

Bowles Rice McDavid Graff & Love, PLLC

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Telephone (202) 682-3711

E-mail Address:
csiegris@bowlesrice.com

September 27, 2000

West Virginia Infrastructure and
Jobs Development Council
980 One Valley Square
Charleston, West Virginia 25301

West Virginia Water Development Authority
180 Association Drive
Charleston, West Virginia 25311-1511

RE: City of Martinsburg
Combined Waterworks and Sewerage System Revenue Bonds,
Series 2000B (West Virginia Infrastructure Fund)

Ladies and Gentlemen:

We have acted as Bond Counsel in connection with the issuance by the City of Martinsburg (the "Governmental Agency"), a municipal corporation and political subdivision of the State of West Virginia, of its $3,000,000 Combined Waterworks and Sewerage System Revenue Bonds, Series 2000B (West Virginia Infrastructure Fund), dated the date hereof (the "Local Bonds").

We have examined a certified copy of proceedings and other papers relating to (i) the authorization of a loan agreement dated September 27, 2000, including all schedules and exhibits attached thereto (the "Loan Agreement"), between the Governmental Agency and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council") and (ii) the issuance of the Local Bonds, which are to be purchased by the Authority in accordance with the provisions of the Loan Agreement. The Local Bonds are in the principal amount of $3,000,000, issued initially in the form of one bond, registered as to principal and interest to the Authority, with interest and principal payable quarterly on March 1, June 1,

September 1 and December 1 of each year, beginning June 1, 2002 and ending March 1, 2022, as set forth in "Schedule Y" attached to the Loan Agreement and incorporated in and made a part of the Local Bonds.

The Local Bonds are issued for the purposes of (i) paying a portion of the costs of acquisition and construction of certain additions, betterments and improvements to the existing combined waterworks and sewerage system of the Governmental Agency (the "Project"), and (ii) paying certain issuance and other costs in connection therewith.

We have also examined the applicable provisions of Chapter 8, Article 20 and Chapter 31, Article 15A of the Code of West Virginia, 1931, as amended (collectively, the "Local Statute"), and the Bond Ordinance duly enacted by the Governmental Agency on September 14, 2000, and effective September 25, 2000, as supplemented by a Supplemental Resolution duly adopted by the Governmental Agency on September 25, 2000 (collectively, the "Local Act"), pursuant to and under which Local Statute and Local Act the Local Bonds are authorized and issued, and the Loan Agreement 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.

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

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

1. The 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 the Council and cannot be amended so as to affect adversely the rights of the Authority or the Council or diminish the obligations of the Governmental Agency without the consent of the Authority and the Council.

3. The Governmental Agency is a duly organized and presently existing municipal corporation and political subdivision of the State of West Virginia, with full power and authority to construct and acquire the Project, to operate and maintain the System referred to in the Loan Agreement, to enact the Local Act 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 orders and resolutions have been duly and effectively enacted by the Governmental Agency in connection with the issuance and sale of the Local Bonds and constitute valid and binding obligations of the Governmental Agency enforceable against the Governmental Agency in accordance with their terms. 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 have been duly authorized, issued, executed and delivered by the Governmental Agency to the Authority and are valid and legally enforceable special obligations of the Governmental Agency, payable from the Gross Revenues of the System referred to in the Local Act and secured by a first lien on and pledge of the Gross Revenues of said System, on a parity with (i) the Governmental Agency's outstanding Combined Waterworks and Sewerage System Revenue Bonds, Series 2000A (West Virginia DWTRF Program), dated the date hereof, issued in the original principal amount of $7,564,000, (ii) the Governmental Agency's outstanding Combined Waterworks and Sewerage System Revenue Bonds, Series 2000C (West Virginia Water Development Authority), dated the date hereof, issued in the original principal amount of $1,976,352, and (iii) the Governmental Agency's outstanding Combined Waterworks and Sewerage System Refunding Bonds, Series 1995, dated September 1, 1995, issued in the original principal amount of $3,645,000, all in accordance with the terms of the Local Bonds and the Local Act.

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

7. Under existing laws, regulations, rulings and judicial decisions of the United States of America, as presently written and applied, the interest on the Local Bonds (a) is excludable from gross income of the owners thereof for federal income tax purposes pursuant to the Code and (b) is not an item of tax preference for purposes of the federal alternative minimum tax imposed upon individuals and corporations under the Code. It should be noted, however, that interest on the Local Bonds is included in the adjusted current earnings of certain corporation for purposes of computing the alternative minimum tax that may be imposed with respect to corporations. The opinions set forth

above are subject to the condition that the Governmental Agency comply, on a continuous basis, with all requirements of the Code that must be satisfied subsequent to the issuance of the Local Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The Governmental Agency has covenanted to comply with each such requirement. Failure to comply with certain of such requirements may cause the inclusion of interest on the Local Bonds in gross income for federal income tax purposes to be retroactive to the date of issuance of the Local Bonds. We express no opinion regarding other federal tax consequences arising with respect to the Local Bonds.

8. Based upon the certifications of the Issuer set forth in the Certificate as to Arbitrage and under existing laws, regulations, rulings and judicial decisions of the United States of America, as presently written and applied, the proceeds of the Local Bonds are not subject to the arbitrage rebate requirements set forth in Section 148(f) of the Code. The opinion set forth above is subject to the condition that the Issuer comply, on a continuing basis, with all requirements of the Code relating to the applicable exceptions to rebate. The Issuer has covenanted to comply with all such requirements. Failure to comply with such requirements could cause proceeds of the Local Bonds to be subject to such arbitrage rebate requirements retroactive to the date of issuance of the Local Bonds.

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

We have examined the executed and authenticated Local Bond No. BR-1, and are of the opinion that the form of said Bond and its execution and authentication are regular and proper.

Very truly yours,

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September 27, 2000

West Virginia Water Development Authority
180 Association Drive
Charleston, West Virginia 25311-1511

RE: City of Martinsburg
Combined Waterworks and Sewerage System Revenue Bonds,
Series 2000C (West Virginia Water Development Authority)

Ladies and Gentlemen:

We have acted as Bond Counsel in connection with the issuance by the City of Martinsburg (the "Governmental Agency"), a municipal corporation and political subdivision of the State of West Virginia, of its $1,976,352 Combined Waterworks and Sewerage System Revenue Bonds, Series 2000C (West Virginia Water Development Authority), dated the date hereof (the "Local Bonds").

We have examined a certified copy of proceedings and other papers relating to (i) the authorization of a loan agreement dated September 27, 2000, 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 issuance of the Local Bonds, which are to be purchased by the Authority in accordance with the provisions of the Loan Agreement. The Local Bonds are in the principal amount of $1,976,352, issued initially in the form of one bond, registered as to principal and interest to the Authority, with interest payable semiannually on April 1 and October 1 of each year, commencing April 1, 2001, at the rate of 5.8% per annum and with principal payable annually on October 1 of each year, commencing October 1, 2001, all as set forth in "Schedule Y" attached to the Loan Agreement and incorporated in and made a part of the Local Bonds.

The Local Bonds are issued for the purposes of (i) paying a portion of the costs of acquisition and construction of certain additions, betterments and improvements to the existing

combined waterworks and sewerage system of the Governmental Agency (the "Project"), (ii) funding a debt service reserve account for the Local Bonds, and (iii) paying certain issuance and other costs in connection therewith.

We have also examined the applicable provisions of Chapter 8, Article 20 and Chapter 22C, Article 1of the Code of West Virginia, 1931, as amended (collectively, the "Local Statute"), and the Bond Ordinance duly enacted by the Governmental Agency on September 14, 2000, and effective September 25, 2000, as supplemented by a Supplemental Resolution duly adopted by the Governmental Agency on September 25, 2000 (collectively, the "Local Act"), pursuant to and under which Local Statute and Local Act the Local Bonds are authorized and issued and the Loan Agreement 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.

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

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

1. The 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 and political subdivision of the State of West Virginia, with full power and authority to construct and acquire the Project, to operate and maintain the System referred to in the Loan Agreement, to enact the Local Act 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 orders and resolutions have been duly and effectively enacted by the Governmental Agency in connection with the issuance and sale of the Local Bonds and constitute valid and binding obligations of the Governmental Agency enforceable against the Governmental Agency in accordance with their terms. 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 have been duly authorized, issued, executed and delivered by the Governmental Agency to the Authority and are valid and legally enforceable special obligations of the Governmental Agency, payable from the Gross Revenues of the System referred to in the Local Act and secured by a first lien on and pledge of the Gross Revenues of said System, on a parity with (i) the Governmental Agency's outstanding Combined Waterworks and Sewerage System Revenue Bonds, Series 2000A (West Virginia DWTRF Program), dated the date hereof, issued in the original principal amount of $7,564,000, (ii) the Governmental Agency's outstanding Combined Waterworks and Sewerage System Revenue Bonds, Series 2000B (West Virginia Infrastructure Fund), dated the date hereof, issued in the original principal amount of $3,000,000, and (iii) the Governmental Agency's outstanding Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 1995, dated September 1, 1995, issued in the original principal amount of $3,645,000, all in accordance with the terms of the Local Bonds and the Local Act.

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

7. Under existing laws, regulations, rulings and judicial decisions of the United States of America, as presently written and applied, the interest on the Local Bonds (a) is excludable from gross income of the owners thereof for federal income tax purposes pursuant to the Code and (b) is not an item of tax preference for purposes of the federal alternative minimum tax imposed upon individuals and corporations under the Code. It should be noted, however, that interest on the Local Bonds is included in the adjusted current earnings of certain corporation for purposes of computing the alternative minimum tax that may be imposed with respect to corporations. The opinions set forth in the preceding sentences are subject to the condition that the Governmental Agency comply, on a continuous basis, with all requirements of the Code that must be satisfied subsequent to the issuance of the Local Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The Governmental Agency has covenanted to comply with each such requirement. Failure to comply with certain of such requirements may cause the inclusion of interest on the Local Bonds in gross income for federal income tax purposes to be retroactive to the date of issuance of the Local Bonds. We express no opinion regarding other federal tax consequences arising with respect to the Local Bonds.

8. Based upon the certifications of the Issuer set forth in the Certificate as to Arbitrage and under existing laws, regulations, rulings and judicial decisions of the United States of America, as presently written and applied, the proceeds of the Local Bonds are not subject to the arbitrage rebate requirements set forth in Section 148(f) of the Code. The opinion set forth above is subject to the condition that the Issuer comply, on a continuing basis, with all requirements of the Code relating to the applicable exceptions to rebate. The Issuer has covenanted to comply with all such requirements. Failure to comply with such requirements could cause proceeds of the Local Bonds to be subject to such arbitrage rebate requirements retroactive to the date of issuance of the Local Bonds.

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

We have examined the executed and authenticated Local Bond No. CR-1, and are of the opinion that the form of said Bond and its execution and authentication are regular and proper.

Very truly yours,

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September 27, 2000

City of Martinsburg
232 North Queen Street
Martinsburg, West Virginia 25402

West Virginia Water Development Authority
180 Association Drive
Charleston, West Virginia 25311-1511

West Virginia Bureau for Public Health
815 Quarrier Street, Suite 418
Charleston, West Virginia 25301-2616

West Virginia Infrastructure and
Jobs Development Council
980 One Valley Square
Charleston, West Virginia 25301

RE: City of Martinsburg
Combined Waterworks and Sewerage System Revenue Bonds,
Series 2000A (West Virginia DWTRF Program)
Series 2000B (West Virginia Infrastructure Fund)
Series 2000C (West Virginia Water Development Authority)

Ladies and Gentlemen:

We are counsel to the City of Martinsburg, a municipal corporation and political subdivision of the State of West Virginia, in Berkeley County, West Virginia (the "Issuer"). As such counsel, we have examined a copy of (i) the Drinking Water Treatment Revolving Fund Loan Agreement dated September 27, 2000, by and between the West Virginia Water Development Authority (the "Authority"), acting under the direction of the West Virginia Bureau for Public Health ("BPH") and the Issuer with respect to the above-referenced series of bonds designated Series 2000A (West Virginia DWTRF Program); (ii) the Loan Agreement dated September 27, 2000, by and between the

Authority, acting on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council") and the Issuer with respect to the above-referenced series of bonds designated Series 2000B ("West Virginia Infrastructure Fund"); (iii) the Loan Agreement dated September 27, 2000, by and between the Authority and the Issuer with respect to the above-referenced series of bonds designated Series 2000C (West Virginia Water Development Authority) (the Loan Agreements described in (i) through (iii) are referred to herein as the "Loan Agreements"); (iv), the Bond Ordinance duly enacted by the Issuer on September 14, 2000, and put into effect following a public hearing on September 25, 2000, as supplemented and amended by a Supplemental Resolution adopted by the Issuer on September 25, 2000 (collectively, the "Local Act"); and (v) other documents, papers, agreements, instruments and certificates relating to the above-captioned Bonds of the Issuer (collectively, the "Bonds"). Terms used in said Local Act and the above-described Loan Agreements and not otherwise defined herein have the same meanings herein.

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 Issuer is duly created and validly existing as a municipal corporation and political subdivision of the State of West Virginia, and the Mayor, City Manager, Recorder and members of the Council of the Issuer have been duly and properly elected or appointed as applicable, have taken the requisite oaths, and are authorized to act on behalf of the Issuer in their respective capacities.

2. The Loan Agreements have been duly authorized, executed and delivered by the Issuer, and assuming due authorization, execution and delivery by the Authority constitute the valid and binding agreements of the Issuer, enforceable in accordance with their respective terms.

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

4. The execution and delivery of the Bonds and the Loan Agreements and the consummation of the transactions contemplated by the Bonds, the Loan Agreements, and the Local Act, and the carrying out of the terms thereof, do not and will not in any material respect conflict with or constitute on the part of the Issuer a breach of or default under any ordinance, resolution, agreement, document or instrument to which the Issuer is a party or by which the Issuer or its properties are bound or any existing law, regulation, rule, order or decree to which the Issuer is subject.

5. The Issuer has received, or there have been entered, all permits, licenses, approvals, consents, exemptions, orders, certificates and authorizations necessary for the creation and

existence of the Issuer, the issuance of the Bonds, the acquisition and construction of the Project, the operation of the System and the imposition of rates and charges, including, without limitation, all requisite orders, consents, certificates and approvals from the Council and the Issuer 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, provided that no opinion is given with respect to any required approvals of the Public Service Commission of West Virginia and your attention is directed to the opinion of Jackson & Kelly PLLC which opines with respect to this matter. The opinion set forth in this paragraph is given subject to the following matters:

(a) The lease with Capitol Cement Corporation whereby the Issuer is to lease a part of the real estate upon which the Big Springs water treatment plant is to be located has not yet been signed by Capitol Cement Corporation or the Issuer, but is in the final stages of negotiation and is expected to be finalized and recorded in the Berkeley County Clerk's office within two weeks. It is the opinion of the undersigned that in the event Capitol Cement Corporation and the Issuer do not reach agreement on the lease that the Issuer has the legal authority to obtain the necessary property from the Capitol Cement Corporation by condemnation (eminent domain).

(b) This opinion is given with the understanding and representation that the easements acquired though this date are those easements sufficient to enable the completion of Phase 1 of the project, that is the construction of the water plants and water tower. The Issuer has not yet obtained the easements for Phase 2 of the project for which a closing will be held at a later date, Phase 2 of the project to include easements for installation and maintenance of the water lines.

(c) This opinion is given with the understanding and representation that the Issuer will have to satisfy the site plan review requirements and storm water management requirements of the Berkeley County, West Virginia Planning Commission.

6. There is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body, pending or threatened, wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated by the Loan Agreements, the Bonds, the Local Act, the acquisition and construction of the Project, the operation of the System or the validity of the Bonds or the collection or pledge of the Gross Revenues therefor, subject to and with the exception to the matters set forth in paragraph 5 sections (a), (b) and (c) of this opinion.

This opinion may be relied upon by all counsel to the transaction as if specifically addressed thereto.

Very truly yours,

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September 27, 2000

West Virginia Infrastructure and Jobs Development Council
980 One Valley Square
Charleston, WV 25301

West Virginia Bureau for Public Health
Office of Environmental Health Services
815 Quarrier Street, Suite 418
Charleston, West Virginia 25301

West Virginia Water Development Authority
180 Association Drive
Charleston, West Virginia 25311

Re: City of Martinsburg Water System Improvements

Ladies and Gentlemen:

This firm represents the City of Martinsburg, West Virginia (the "Issuer") with regard to a proposed project to construct City of Martinsburg Water System Improvements (the "Project"), and provides this final title opinion on behalf of the Issuer to satisfy the requirements of the West Virginia Infrastructure and Jobs Development Council (the "WVIJDC"), West Virginia Bureau For Public Health (the "BPH") and West Virginia Water Development Authority (the "WVWDA") for the Project. Please be advised of the following:

1. We are of the opinion that the Issuer is a duly created and validly existing municipality possessed with all the powers and authority granted to municipalities under the laws of the State of West Virginia to construct, operate and maintain the Project as approved by the WVIJDC, the BPH and the WVWDA.

2. The Issuer has obtained all necessary permits and approvals for the construction of the Project, subject to and except for the further site plan review requirements and storm water management requirements of the Berkeley County, West Virginia, Planning Commission.

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

4. We have examined the records on file in the Office of the Clerk of the County Commission of Berkeley County, West Virginia, the county in which the Project is to be located, and, in our opinion, the Issuer has acquired legal title or such other estate or interest in all of the necessary site components for the Project, including all easements and/or rights of way, sufficient to assure undisturbed use and possession for the purpose of construction, operation and maintenance for the estimated life of the Project, subject to and with the exception of the following: the lease with Capitol Cement Corporation whereby the City of Martinsburg is to lease a part of the real estate upon which the Big Springs water treatment plant is to be located has not yet been signed by Capitol Cement Corporation or the City of Martinsburg, but is in the final stages of negotiation and is expected to be finalized and recorded in the Berkeley County Clerk's office within two weeks. It is the opinion of the undersigned that in the event Capitol Cement Corporation and the City of Martinsburg do not reach agreement on the lease that the City of Martinsburg has the legal authority to obtain the necessary property from the Capitol Cement Corporation by condemnation (eminent domain).

This opinion is given with the understanding and representation that the easements acquired though this date are those easements sufficient to enable the completion of Phase 1 of the project, that is the construction of the water plants and water tower. The City of Martinsburg has not yet obtained the easements for Phase 2 of the project for which a closing will be held at a later date, Phase 2 of the project to include easements for installation and maintenance of the water lines.

5. All deeds, easements and rights of way which have been acquired to date by the Issuer have been duly recorded in the Office of the Clerk of the County Commission of Berkeley County to protect the legal title to and interest of the Issuer.

If you have any questions regarding any of the information contained in this final title opinion, or need anything further, please do not hesitate to let me know.

Very truly yours,

BOWLES RICE MCDAVID GRAFF & LOVE PLLC

Bowles Rice McDavid Graff & Love, PLLC

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MEMBER OF LEX MUNDI,
THE WORLD'S LEADING ASSOCIATION
OF INDEPENDENT LAW FIRMS.

September 27, 2000

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West Virginia Bureau for Public Health
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West Virginia Infrastructure and
Jobs Development Council
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Charleston, West Virginia 25301

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RE: City of Martinsburg
Combined Waterworks and Sewerage System Revenue Bonds,
Series 2000A (West Virginia DWTRF Program)
Series 2000B (West Virginia Infrastructure Fund)
Series 2000C (West Virginia Water Development Authority)

Ladies and Gentlemen:

We are special counsel to the City of Martinsburg, a municipal corporation and political subdivision of the State of West Virginia, in Berkeley County, West Virginia (the "Issuer"), and have

represented the Issuer in connection with the proceedings before the Public Service Commission of West Virginia (the "PSC") relating to the Project to be financed in part with proceeds of the above-referenced Bonds of the Issuer (the "Bonds").

As such counsel, we are of the opinion as follows:

The Issuer has received the Commission Order of the PSC entered June 13, 2000, in Case No. 00-0330-W-CN, granting to the Issuer a certificate of public convenience and necessity for the Project and approving the financing for the Project, the time for appeal of which has expired prior to the date hereof without any appeal. The Issuer has also received the Commission Order of the PSC entered September 22, 2000, in said case, approving additional costs and borrowing for the Project. The time for appeal of such Commission Order has not expired prior to the date hereof. However, the parties to such Commission Order have stated that they will not appeal such Commission Order. Such Commission Order is not subject to any appeal, further hearing, reopening or rehearing by any customer, protestant, intervenor or other person not a party to the original application.

This opinion may be relied upon by all counsel to the transaction as if specifically addressed thereto.

Very truly yours,

Jackson & Kelly PLLC

CITY OF MARTINSBURG
COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS,

SERIES 2000A
(WEST VIRGINIA DWTRF PROGRAM)

SERIES 2000B
(WEST VIRGINIA INFRASTRUCTURE FUND)

SERIES 2000C
(WEST VIRGINIA WATER DEVELOPMENT AUTHORITY)

GENERAL CERTIFICATE OF ISSUER AND ATTORNEY ON:

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

We, the undersigned MAYOR, CITY MANAGER, and the undersigned RECORDER of the City of Martinsburg, in Berkeley County, West Virginia (the "Issuer"), and the undersigned ATTORNEY for the Issuer, hereby certify in connection with the $7,564,000 aggregate principal amount of the City of Martinsburg Combined Waterworks and Sewerage System Revenue Bonds, Series 2000A (West Virginia DWTRF Program) (the "Series 2000A Bonds"), the $3,000,000

aggregate principal amount of the City of Martinsburg Combined Waterworks and Sewerage System Revenue Bonds, Series 2000B (West Virginia Infrastructure Fund) (the "Series 2000B Bonds") and the $1,976,352 aggregate principal amount of the City of Martinsburg Combined Waterworks and Sewerage System Revenue Bonds, Series 2000C (West Virginia Water Development Authority) (the "Series 2000C Bonds") (collectively, the "Bonds"), as follows:

1. TERMS: All capitalized words and terms used in this General Certificate and not otherwise defined shall have the same meaning as in the Bond Ordinance of the Issuer duly enacted September 14, 2000 and effective September 25, 2000, as supplemented and amended by the Supplemental Resolution duly adopted by the Issuer on September 25, 2000 (collectively, the "Local Act").

2. NO LITIGATION: No controversy or litigation of any nature is now pending or threatened, restraining, enjoining or affecting in any manner the issuance, sale or delivery of the Bonds, the acquisition or construction of the Project, the operation of the System, the receipt of the Gross Revenues or in any way contesting or affecting the validity of the Bonds or any proceedings of the Issuer taken with respect to the issuance or sale of the Bonds, the pledge or application of the Gross Revenues or any other moneys or security provided for the payment of the Bonds or the existence or the powers of the Issuer insofar as they relate to the authorization, sale and issuance of the Bonds, the acquisition and construction of the Project, the operation of the System, or such pledge or application of moneys and security or the collection of the Gross Revenues or pledge thereof.

3. GOVERNMENTAL APPROVALS, BIDDING AND AWARD OF CONTRACT: All applicable and necessary approvals, permits, exemptions, consents, authorizations, registrations and certificates required by law for the acquisition and construction of the Project, the operation of the System, including, without limitation, the imposition of rates and charges, and the issuance of the Bonds have been duly and timely obtained and remain in full force and effect. Competitive bids for the acquisition and construction of the Project were solicited in accordance with Chapter 5, Article 22, Section 1 of the Code of West Virginia of 1931. The Issuer has awarded the construction contract, in two separate contracts, for the Project to the lowest bidders therefor, being Ross & Kennedy and Conewago (the "Contractors"). The Issuer has on or prior to this date issued a notice of award to the Contractors for the Project and the Issuer contemplates entering into a construction contract with the Contractors for the Project on or before September 30, 2000.

4. NO ADVERSE FINANCIAL CHANGE; INDEBTEDNESS: There has been no adverse change in the financial condition of the Issuer since the approval and execution and delivery by the Issuer of the Loan Agreements. The Issuer has met all conditions prescribed in the Loan Agreements and will provide the financial, legal and managerial capabilities necessary to complete and operate the Project

The Issuer is in compliance with all requirements of the Prior Ordinance. Other than as described below, there are no outstanding debt obligations of the Issuer which are secured by the Gross Revenues of the System. The Issuer does have outstanding its Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 1995, dated September 1, 2000, issued in the original aggregate principal amount of $3,645,000 (the "Prior Bonds"). All payments required to be made on the Prior Bonds are current and the Issuer has met the requirements of the Prior Ordinance for the issuance of the Bonds on parity with the Prior Bonds. The Issuer has obtained a certificate of an Independent Certified Public Accountant stating that the parity tests of the Prior Bonds are met.

The Bonds are on parity with the Prior Bonds with respect to liens, pledge and source of and security for payment.

5. CERTIFICATION OF COPIES OF DOCUMENTS: The copies of the below-listed documents hereto attached or delivered herewith or heretofore delivered are true, correct and complete copies of the originals of the documents of which they purport to be copies, and such original documents are in full force and effect and have not been repealed, rescinded, amended, altered, supplemented or changed in any way unless modifications appears from later documents also listed below:

Bond Ordinance
Supplemental Resolution
Loan Agreements
Public Service Commission Orders
Infrastructure Council Approval
City Charter
Oaths of Office of Officers and Councilmembers
Rate Ordinance
Minutes on Adoption of Rate Ordinance
Affidavit of Publication of Rate Ordinance
Minutes on Adoption of Bond Ordinance, Pubic Hearing Thereon
and Supplemental Resolution
Affidavit of Publication of Abstract of Bond Ordinance
and Notice of Public Hearing
Consent of MBIA as Insurer of Prior Bonds
NPDES Permit

6. INCUMBENCY AND OFFICIAL NAME: The proper corporate title of the Issuer is "City of Martinsburg." The Issuer is a municipal corporation in Berkeley County, West Virginia, and is presently existing under the laws of, and a political subdivision of, the State of West Virginia. The governing body of the Issuer is its Council consisting of a Mayor and 7 Council

members all duly elected or appointed as applicable, qualified and acting, whose names and dates of commencement and termination of current terms of office are as follows:

Name	Office	Date of Commencement of Office	Date of Termination of Office
George Karos	Mayor	July 1, 2000	June 30, 2004
Christopher A. Baker	Council Member	July 1, 2000	June 30, 2004
Richard L. Yauger	Council Member	July 1, 2000	June 30, 2004
Max G. Parkinson	Council Member	July 1, 2000	June 30, 2004
Roger Lewis	Council Member	July 1, 2000	June 30, 2004
Glenville Twigg	Council Member	July 1, 2000	June 30, 2004
Donald Anderson	Council Member	July 1, 2000	June 30, 2004
Gregg Wachtel	Council Member	July 1, 2000	June 30, 2004

The duly appointed and active City Manager and Recorder of the Issuer are Mark S. Baldwin and Sharon A. Flick, respectively. The duly appointed and acting counsel to Issuer is Oakley Seibert, Martinsburg, West Virginia.

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

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

9. CONTRACTORS' INSURANCE, ETC.: All contractors have been required to maintain Worker's Compensation, public liability and property damage insurance, and builder's risk insurance where applicable, in accordance with the Local Act. All insurance for the System required by the Local Act is in full force and effect. The System is not presently covered by a policy of flood insurance or business interruption insurance, but will be if such coverage is available at reasonable cost.

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

11. RATES: The Issuer has duly enacted a rate ordinance on November 12, 1998, in Ordinance No. 98-04, setting rates and charges for the services of the System and said rate ordinance is in full force and effect. Such rates and charges will become effective upon completion of the Project.

12. SIGNATURES AND DELIVERY: On the date hereof, the undersigned Mayor and City Manager did officially sign all of the Bonds of the aforesaid issue, consisting of a single Bond for each series, all dated September 27, 2000, by their manual signatures, and the undersigned Recorder did officially cause the official seal of the Issuer to be affixed upon each of said Bonds and to be attested by her manual signature, and the Registrar did officially authenticate and deliver the Bonds to a representative of the Authority as the original purchaser of the Bonds under the respective Loan Agreements. Said official seal is also impressed above the signatures appearing on this certificate.

13. BOND PROCEEDS: On the date hereof, the Issuer received from the Authority and the BPH the sum of $664,237.00, being the first advance at 100% of par value of the principal amount of the Series 2000A Bonds. On the date hereof, the Issuer received from the Authority and the Council the sum of $680,942.00, being the first advance at 100% of par value of the principal amount of the 2000B Bonds. The balance of the principal amount of the Series 2000A Bonds and the Series 2000B Bonds will be advanced to the Issuer as the acquisition and the construction of the Project progresses. On the date hereof, the Issuer received from the Authority the agreed purchase price of Series 2000C Bonds, being $1,976,352(100% of par value), there being no interest accrued thereon.

14. PUBLICATION AND PUBLIC HEARING ON BOND ORDINANCE: Upon adoption of the Bond Ordinance, an abstract thereof, determined by the Governing Body to contain sufficient information as to give notice of the contents thereof, was published once each week for 2 successive weeks, with not less than 6 full days between each publication, the first such publication occurring not less than 10 days before the date stated below for the public hearing, in the The Journal, a newspaper of general circulation in the City of Martinsburg together with a notice to all persons concerned, stating that the Bond Ordinance had been adopted and that the Issuer contemplated the issuance of the Bonds described in such Bond Ordinance, stating that any person interested may appear before the Council at the public hearing held at a public meeting of Council on the 25th day of September, 2000, at 6:00 p.m., in the Council Chambers of the Martinsburg City Hall and present protests, and stating that a certified copy of the Bond Ordinance was on file at the office of the Recorder of the Issuer for review by interested parties during the office hours of the Issuer. At such hearing all objections and suggestions were heard by the Governing Body and the Bond Ordinance became finally adopted, enacted and effective as of the date of such public hearing, and remains in full force and effect.

15. PRIVATE USE OF FACILITIES: The Issuer shall at all times take, and refrain from taking, and shall not fail to take, any and all actions to assure the initial and continued tax-exempt status of the Series 2000B Bonds and the Series 2000C Bonds and the interest thereon. Less than 10% of the proceeds of such Bonds will be used, directly or indirectly, for any private business use, and less than 10% of the payment of principal of, or the interest on, such issue, under the terms of such issue or any underlying arrangement, is, directly or indirectly, secured by any interest in property used or to be used for a private business use, payments in respect of such property, or to be derived from payments (whether or not to the Issuer) in respect of property, or borrowed money, used or to be used for a private business use. None of the proceeds of such Bonds will be used, directly or indirectly, for any private business use which is not related to the governmental use of the proceeds of such Bonds, including the disproportionate related business use of the proceeds of such Bonds, and none of the payment of principal of, or interest on, such issue, under the terms of such issue or any underlying arrangement, is, directly or indirectly, secured by an interest in property used or to be used for a private business use, payments in respect of such property, or to be derived from payments (whether or not to the Issuer) in respect of property, or borrowed money, used or to be used for a private business use with respect to such private business use, which is not related to any government use of such proceeds, including the disproportionate related business use of the issue of such Bonds. None of the proceeds of the issue of such Bonds will be used, directly or indirectly, to make or finance loans to persons other than governmental units. For purposes of this paragraph, private business use means use, directly or indirectly, in a trade or business carried on by any person, including related persons, other than a governmental unit, other than use as a member of the general public. All of the foregoing have been and are to be determined in accordance with and within the meaning of the Internal Revenue Code of 1986, as amended (including any amendments and successor provisions and the rules and regulations thereunder, the "Code").

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

17. IRS INFORMATION RETURN: On the date hereof, the undersigned Mayor did officially execute properly completed IRS Form 8038-G in connection with the Series 2000B Bonds and the Series 2000C Bonds and will cause each such executed Form 8038-G to be filed in a timely manner pursuant to Section 149(e) of the Code with the Internal Revenue Service Center, Ogden, Utah. The information contained in each such executed Form 8038-G is true, correct and complete.

18. SPECIMEN BONDS: Delivered concurrently herewith are a true and accurate specimens of the Bonds.

19. CONFLICT OF INTEREST: No councilmember, officer or employee of the Issuer has a substantial financial interest, direct, indirect or by reason of ownership of stock in any corporation, in any contract with the Issuer or in the sale of any land, materials, supplies or services to the Issuer or to any contractor supplying the Issuer, relating to the Bonds, the Local Act 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.

20. PUBLIC SERVICE COMMISSION ORDERS: The Issuer has received the Commission Order of the Public Service Commission of West Virginia (the "PSC") entered on June 13, 2000, in Case No. 00-0330-W-CN, granting to the Issuer a certificate of public convenience and necessity for the Project and approving the financing for the Project, the time for appeal of which has expired prior to the date hereof without any appeal. On September 22, the Issuer received from the PSC the Commission Order in said Case No. 00-0330-W-CN approving additional project costs and borrowing for the Project. The time for appeal of such Commission Order has not expired prior to the date hereof. However, the parties to such Commission Order have stated that they will not appeal such Commission Order. The Issuer hereby certifies that it will not appeal such Commission Order. Such Commission Order is not subject to any appeal, further hearing, reopening or rehearing by any customer, protestant, intervenor or other person not a party to the original application.

21. LEASE: The Issuer will enter into a lease (the "Lease") with Capitol Cement Corporation (the "Corporation"), pursuant to which the Issuer will lease from the Corporation a part of the real estate upon which the Big Springs water treatment plant is to be located. The Issuer is in the final stages of negotiation with the Corporation and anticipates having an executed Lease with the Corporation within 2 weeks. The Issuer hereby certifies that it will file condemnation proceedings and obtain a right of entry prior to commencement of construction of the Project against the Corporation if the Lease is not executed.

WITNESS our signatures and the official seal of the CITY OF MARTINSBURG on this 27th day of September, 2000.

[CORPORATE SEAL]

SIGNATURE	OFFICIAL TITLE
	Mayor
	City Manager
	Recorder
	Counsel to Issuer

CITY OF MARTINSBURG
COMBINED WATERWORKS AND SEWERAGE SYSTEM
REVENUE BONDS, SERIES 2000A
(WEST VIRGINIA DWTRF PROGRAM)

CERTIFICATE AS TO USE OF PROCEEDS

The undersigned Mayor of the City of Martinsburg in Berkeley County, West Virginia (the "Issuer"), being one of the officials of the Issuer duly charged with the responsibility for the issuance of $7,564,000 Combined Waterworks and Sewerage System Revenue Bonds, Series 2000A (West Virginia DWTRF Program), of the Issuer, dated September 27, 2000 (the "Bonds"), hereby certify as follows:

1. I am one of the officers of the Issuer duly charged with the responsibility of issuing the Bonds. I am familiar with the facts, circumstances and estimates herein certified and duly authorized to execute and deliver this certificate on behalf of the Issuer. Capitalized terms used herein and not otherwise defined herein shall have the same meanings set forth in the Bond Ordinance duly enacted by the Issuer on September 14, 2000, and effective September 25, 2000, as supplemented and amended by a Supplemental Resolution adopted September 25, 2000 (collectively, the "Bond Ordinance"), authorizing the Bonds.

2. This certificate may be relied upon as the certificate of the Issuer.

3. This certificate is based upon facts, circumstances, estimates and expectations of the Issuer in existence on September 27, 2000, the date on which the Bonds are being physically delivered in exchange for an initial advance of $664,237, being a portion of the principal amount of the Bonds, and to the best of my knowledge and belief, the expectations of the Issuer set forth herein are reasonable.

4. In the Bond Ordinance pursuant to which the Bonds are issued, the Issuer has covenanted that it shall not take, or permit or suffer to be taken, any action with respect to Issuer's use of the proceeds of the Bonds which would cause any bonds, the interest on which is exempt from federal income taxation under Section 103(a) of the Internal Revenue Code of 1986, as amended, and the temporary and permanent regulations promulgated thereunder or under any predecessor thereto (collectively, the "Code"), issued by the West Virginia Water Development Authority (the "Authority") or the West Virginia Bureau for Public Health (the "BPH") or the West Virginia Infrastructure and Jobs Development Council, as the case may be, from which the proceeds of the Bonds are derived, to lose their status as tax-exempt bonds. The Issuer hereby covenants to take all actions necessary to comply with such covenant.

5. The Bonds were sold on September 27, 2000, to the Authority, pursuant to a loan agreement dated September 27, 2000, by and between the Issuer and the Authority, acting under the direction of the BPH, for an aggregate purchase price of $7,564,000 (100% of par), at which time, the Issuer received $664,237 from the Authority and the BPH, being the first advance

of the principal amount of the Bonds. No accrued interest has been or will be paid on the Bonds. The balance of the principal amount of the Bonds will be advanced to the Issuer as acquisition and construction of the Project progresses.

6. The Bonds are being delivered simultaneously with the delivery of this certificate and are issued for the purposes of (i) paying a portion of the costs of acquisition and construction of certain extensions, additions, betterments and improvements to the existing public combined waterworks and sewerage system of the Issuer (the "Project"); (ii) funding a debt service reserve fund for the Bonds and for the Issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 2000B (West Virginia Infrastructure Fund) (the "Series 2000B Bonds") and (iii) paying certain costs of issuance of the Bonds and related costs.

7. Within 30 days after the delivery of the Bonds, the Issuer shall enter into agreements which require the Issuer to expend in excess of 5% of the aggregate principal amount of the Bonds on the Project, constituting a substantial binding commitment. The acquisition and construction of the Project and the allocation of proceeds of the Bonds to expenditures for costs of the Project shall commence immediately and shall proceed with due diligence to completion, and with the exception of proceeds constituting capitalized interest, if any, and proceeds, if any, deposited in the respective Reserve Accounts for the Bonds and the Series 2000B Bonds, 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 March 1, 2002. The acquisition and construction of the Project is expected to be completed by January 22, 2002.

8. The total cost of the Project is estimated at $13,056,020. Sources and uses of funds for the Project are as follows:

SOURCES	
Proceeds of the Bonds	$ 7,564,000
Proceeds of Series 2000B Bonds	3,000,000
Proceeds of Series 2000C Bonds	1,976,352
Contribution by Issuer	515,668
Total Sources	$13,056,020
USES	
Costs of the Project	$12,247,267
Capitalized Interest	-0-
Fund Reserve Accounts	788,753
Costs of Issuance	20,000
Total Uses	$13,056,020

9. Pursuant to Article V of the Bond Ordinance, the following special funds or accounts have been created or continued in connection with the Bonds:

(1) Revenue Fund;

(2) Depreciation Fund;

(3) Operation and Maintenance Fund;

(4) Series 2000A Bonds Construction Trust Fund;

(5) Series 2000A Bonds Sinking Fund; and

(6) Series 2000A Bonds Reserve Account.

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

(1) Bond proceeds in the amount of $-0- will be deposited in the Series 2000 A Bonds Sinking Fund as capitalized interest and applied to payment of interest on the Bonds during acquisition and construction of the Project and for a period not to exceed six months following completion thereof.

(2) Bond proceeds in the amount of $459,802 will be deposited in the Series 2000A Bonds Reserve Account and $200,019 will be deposited in the Series 2000B Bonds Reserve Account.

(3) The balance of the proceeds of the Bonds will be deposited in the Series 2000A Bonds Construction Trust Fund as received from time to time and applied solely to payment of costs of the Project, including costs of issuance of the Bonds and related costs.

11. Moneys held in the Series 2000A Bonds Sinking Fund will be used solely to pay principal of and interest, if any, on the Bonds and will not be available to meet costs of acquisition and construction of the Project. All investment earnings on moneys in the Series 2000A Bonds Sinking Fund and Series 2000A Bonds Reserve Account, if any, will be withdrawn therefrom and deposited into the Series 2000A Bonds Construction Trust Fund during construction of the Project, and following completion of the Project, will be deposited, not less than once each year, in the Revenue Fund, and such amounts will be applied as set forth in the Bond Ordinance.

12. Work with respect to the acquisition and construction of the Project will proceed with due diligence to completion. The acquisition and construction of the Project is expected to be completed within 16 months of the date hereof.

13. The Issuer will take such steps as requested by the Authority to ensure that the Authority's bonds meet the requirements of the Code.

14. With the exception of the amount deposited in the Series 2000A Bonds Sinking Fund for payment of interest, if any, on the Bonds and the amount deposited in the Series 2000A Bonds Reserve Account and the Series 2000B Bonds Reserve Account, all of the proceeds of the Bonds will be expended on the Project within 18 months from the date of issuance thereof.

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

16. The amount designated as costs of issuance of the Bonds consists only of costs which are directly related to and necessary for the issuance of the Bonds.

17. All property financed with the proceeds of the Bonds will be owned and held by (or on behalf of) a qualified governmental unit.

18. No proceeds of the Bonds will be used, directly or indirectly, in any trade or business carried on by any person who is not a governmental unit.

19. The original proceeds of the Bonds will not exceed the amount necessary for the purposes of the issue.

20. The Issuer shall use the Bond proceeds solely for the costs of the Project, and the Project will be operated solely for a public purpose as a local governmental activity of the Issuer.

21. The Bonds are not federally guaranteed.

22. The Issuer has retained the right to amend the Bond Ordinance authorizing the issuance of the Bonds if such amendment is necessary to assure that the Bonds remain public purpose bonds.

23. The Issuer has either (a) funded the Series 2000A Bonds Reserve Account at the maximum amount of principal and interest which will mature and become due on the Bonds in the then current or any succeeding year with the proceeds of the Bonds, or (b) created the Series 2000A Bonds Reserve Account which will be funded with equal payments made on a monthly basis over a 10-year period until such Series 2000A Bonds Reserve Account hold an amount equal to the maximum amount of principal and interest which will mature and become due on the Bonds in the then current or any succeeding year. Moneys in the Series 2000A Bonds Reserve Account and the Series 2000A Bonds Sinking Fund will be used solely to pay principal of and interest on the Bonds and will not be available to pay costs of the Project.

24. Except for the Series 2000B Bonds and the Series 2000C Bonds, there are no other obligations of the Issuer which (a) are to be issued at substantially the same time as the Bonds, (b) are to be sold pursuant to a common plan of financing together with the Bonds and (c) will be

paid out of substantially the same sources of funds of funds or will have substantially the same claim to be paid out of substantially the same sources of funds as the Bonds.

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

26. The Issuer will comply with instructions as may be provided by the Authority, at any time, regarding use and investment of proceeds of the Bonds, rebates and rebate calculations.

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

WITNESS my signature on this 27th day of September, 2000.

CITY OF MARTINSBURG

George Karos

Mayor

CITY OF MARTINSBURG
COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS,

SERIES 2000B
(WEST VIRGINIA INFRASTRUCTURE FUND)

SERIES 2000C
(WEST VIRGINIA WATER DEVELOPMENT AUTHORITY)

CERTIFICATE AS TO ARBITRAGE

I, George Karos, Mayor of the City of Martinsburg, in Berkeley County, West Virginia (the "Issuer"), being one of the officials of the Issuer duly charged with the responsibility for the issuance of $3,000,000 aggregate principal amount of Combined Waterworks and Sewerage System Revenue Bonds, Series 2000B (West Virginia Infrastructure Fund) of the Issuer, dated September 27, 2000 (the "Series 2000B Bonds") and $1,976,352 aggregate principal amount of Combined Waterworks and Sewerage System Revenue Bonds, Series 2000C (West Virginia Water Development Authority) of the Issuer, dated September 27, 2000 (the "Series 2000C Bonds"), (collectively, 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 the temporary and permanent regulations promulgated thereunder or under any predecessor thereto (the "Code"). I am one of the officers of the Issuer duly charged with the responsibility of issuing the Bonds. I am familiar with the facts, circumstances and estimates herein certified and am duly authorized to execute and deliver this certificate on behalf of the Issuer.

2. This certificate may be relied upon as the certificate of the Issuer.

3. The Issuer has not been notified by the Internal Revenue Service of any listing or proposed listing of it as an issuer the certification of which may not be relied upon by holders of obligations of the Issuer or that there is any disqualification of the Issuer by the Internal Revenue Service because a certification made by the Issuer contains a material misrepresentation.

4. This certificate is based upon facts, circumstances, estimates and expectations of the Issuer in existence on September 27, 2000, the date on which the Bonds are to be physically delivered in exchange for the first advance of $680,942 on the Series 2000B Bonds, being more than 5% of the issue price thereof, and all of the issue price of the Series 2000C Bonds, and to the best of my knowledge and belief, the expectations of the Issuer set forth herein are reasonable.

5. In the Bond Ordinance enacted by the Issuer on September 14, 2000, effective September 25, 2000, as supplemented and amended by the Supplemental Resolution adopted by the

Issuer on September 25, 2000 (collectively, the "Local Act") pursuant to which the Bonds are issued, the Issuer has covenanted 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 Bonds which would cause the 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 Bonds) so that the interest on the Bonds will be and remain excluded from gross income for federal income tax purposes, and will not take any actions which would adversely affect such exclusion. The Issuer has, therefore, covenanted to not intentionally use any of the proceeds of the Bonds to acquire higher yielding investments or to replace funds which were used directly or indirectly to acquire higher yielding investments, except as otherwise allowed under Sections 103 and 148 of the Code.

6. Terms not otherwise defined herein shall have the meanings assigned to them under the Local Act.

7. The Bonds were sold on September 27, 2000 to the West Virginia Water Development Authority (the "Authority") for an aggregate purchase price of $3,000,000 with respect to the Series 2000B Bonds, the first advance of $680,942 with respect to such Series 2000B Bonds having been made on the date hereof, and $1,976,352 with respect to the Series 2000C Bonds (100% of par), there being no accrued interest paid thereon. The balance of the principal amount of the Series 2000B Bonds will be advanced to the Issuer as acquisition and construction of the Project progresses.

8. The Bonds are being delivered simultaneously with the delivery of this certificate and are issued for the purposes of (i) paying a portion of the costs of acquisition and construction of certain additions, betterments and improvements to the combined waterworks and sewerage system of the Issuer (the "Project"); (ii) funding (with proceeds of the Series 2000C Bonds) a debt service reserve account for the Series 2000C Bonds; and (iii) paying costs of issuance of the Bonds.

9. The Issuer shall, within 30 days following delivery of the Bonds, enter into agreements which require the Issuer to expend in excess of 5% of the aggregate principal amount of the Bonds on the Project, constituting a substantial binding commitment. Acquisition, construction and equipping of the Project and the allocation of proceeds of the Bonds to expenditures for costs 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 March 1, 2002 except as otherwise required for rebate to the United States under Section 148(f) of the Code. Construction of the Project is expected to be completed by January 22, 2002.

10. The total cost of the Project (including all costs of issuance of the Bonds) is estimated at $13,056,020. Sources and uses of funds for the Project are as follows:

SOURCES	
Gross Proceeds of Series 2000A Bonds	$ 7,564,000
Gross Proceeds of Series 2000B Bonds	3,000,000
Gross Proceeds of Series 2000C Bonds	1,976,352
Contribution by Issuer	515,668
Total Sources	$ 13,056,020

USES	
Construction of Project	$ 10,593,335
Engineering Costs	1,158,729
Legal Costs	50,000
Administrative Costs	40,000
Sites, Easements and Right-of-Ways	70,000
Debt Service Reserve Funds*	788,753
Contingency	335,203
Costs of Issuance	20,000
Total Uses	$ 13,056,020

The amount of Project costs is estimated to be at least equal to the gross proceeds of the Bonds and the contribution by the Issuer stated above. Except for the proceeds of the Bonds and the Series 2000A Bonds and the contribution by the Issuer stated above, no other funds of the Issuer will be available to meet costs of the Project, which would constitute "replacement proceeds" within the meaning of Treas. Reg. § 1.148-1(c), inasmuch as (i) the Issuer does not reasonably expect that the term of the Bonds is longer than is reasonably necessary for the governmental purposes of the Issuer, (ii) the weighted average maturity of the Bonds does not exceed 120% of the average expected economic life of the Project, and (iii) there are no amounts that have a sufficiently direct nexus to the Bonds or to the governmental purpose of the Bonds to conclude that the amounts would have been used for that governmental purpose if the proceeds of the Bonds were not used or to be used for that governmental purpose.

11. Pursuant to Article V of the Local Act, the following special funds or accounts have been created (or continued if previously established by the Prior Ordinance):

(1) Revenue Fund;

(2) Depreciation Fund;

(3) Operation and Maintenance Fund;

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* Proceeds of the Series 2000A Bonds in the amount of $459,802 will be deposited in the Series 2000A Bonds Reserve Account; proceeds of the Series 2000A Bonds in the amount of $200,019 will be deposited in the Series 2000B Bonds Reserve Account; and proceeds of the Series 2000C Bonds in the amount of $128,932 will be deposited in the Series 2000C Bonds Reserve Account.

(4) Earnings Fund;

(5) Rebate Fund;

(6) Series 2000A Bonds Construction Trust Fund;

(7) Series 2000B Bonds Construction Trust Fund;

(8) Series 2000C Bonds Construction Trust Fund;

(9) Series 1995 Bonds Sinking Fund;

(10) Within the Series 1995 Bonds Sinking Fund, the Series 1995 Bonds Reserve Account;

(11) Series 1995 Bonds Redemption Account;

(12) Series 2000A Bonds Sinking Fund;

(13) Within the Series 2000A Bonds Sinking Fund, the Series 2000A Bonds Reserve Account;

(14) Series 2000B Bonds Sinking Fund;

(15) Within the Series 2000B Bonds Sinking Fund, the Series 2000B Bonds Reserve Account;

(16) Series 2000C Bonds Sinking Fund; and

(17) Within the Series 2000C Bonds Sinking Fund, the Series 2000C Bonds Reserve Account.

12. Pursuant to Article VI of the Local Act, the proceeds of the Bonds will be deposited as follows:

(1) Proceeds of the Series 2000B Bonds in the amount of $-0- will be deposited in the Series 2000B Bonds Reserve Account.

(2) Proceeds of the Series 2000C Bonds in the amount of $128,932 will be deposited in the Series 2000C Bonds Reserve Account.

(3) The first advance of the proceeds of the Series 2000B Bonds in the amount of $680,942 will be deposited in the Series 2000B Bonds Construction Trust Fund and then immediately applied to pay issuance costs of $20,000 and the

balance of $660,942 will be immediately paid to the Issuer to reimburse the Issuer for costs of the Project incurred prior to the issuance of the Bonds. The balance of the proceeds of the Series 2000B Bonds will be advanced as the Project progresses and deposited in the Series 2000B Bonds Construction Fund and expended for the costs of the Project.

(4) The balance of the proceeds of the Series 2000C Bonds will be deposited in the Series 2000C Bonds Construction Trust Fund and applied solely to the payment of costs of the Project.

Amounts in the Series 2000B Bonds Construction Trust Fund and the Series 2000C Bonds Construction Fund, if invested, will be invested without yield limitation for a period necessary to complete the Project, not to exceed three years, except as otherwise set forth herein. All of such moneys are necessary for such purposes.

Except for (i) a de minis amount not to exceed $100,000 as described in Treas. Reg. § 1.150-2(f)(1) and (ii) "preliminary expenditures" as defined in Treas. Reg. § 1.150-2(f)(2), in an amount not to exceed 20% of the aggregate issue price of the Bonds from which such reimbursement is to be made, none of the proceeds of the Bonds will be used to reimburse the Issuer for costs of the Project previously incurred and paid by the Issuer with its own or other funds prior to the date which is 60 days before February 10, 2000, which is the date the Issuer declared its official intent to be reimbursed from proceeds of the Bonds.

13. Moneys held in the Series 2000B Sinking Fund and the Series 2000C Sinking Fund will be used solely to pay principal of and interest on the Series 2000B Bonds and the Series 2000C Bonds, respectively, and will not be available to meet costs of acquisition and construction of the Project. Except to the extent transferred to the Rebate Fund at the request of the Issuer, all investment earnings on moneys in the Series 2000B Bonds Sinking Fund, the Series 2000C Bonds Sinking Fund, the Series 2000B Bonds Reserve Account and the Series 2000C Bonds Reserve Account will be withdrawn therefrom, not less than once each year, and, during construction of the Project, deposited into the respective Bond Construction Trust Funds, and following completion of construction of the Project, will be deposited in the Revenue Fund, and such amounts will be applied in full, first to the next ensuing interest payment due on the respective series of Bonds and then to the next ensuing principal payments due thereon.

14. Except for the Series 2000B Bonds Sinking Fund, the Series 2000C Bonds Sinking Fund, the Series 2000B Bonds Reserve Account and the Series 2000C Bonds Reserve Account, there are no other funds or accounts established or held by the Issuer which are reasonably expected to be used to pay debt service on the Bonds, or which are pledged as collateral for the Bonds and for which there is a reasonable assurance that amounts therein will be available to pay debt service on the Bonds, if the Issuer encounters financial difficulties. The Issuer does not expect that moneys in the Rebate Fund or the Depreciation Fund will be used or needed for payments upon the Bonds and, because such amounts may be expended for other purposes, there is no reasonable assurance that such amounts would be available to meet debt service if the Issuer encounters financial difficulties; thus, such amounts may be invested without yield limitation. Except as

provided herein, no funds which have been or will be used to acquire directly or indirectly securities, obligations, annuity contracts, investment-type property or any residential rental property for family units which is not located within the jurisdiction of the Issuer and which is not acquired to implement a court ordered or approved desegregation plan producing a yield in excess of the yield on the Bonds, have been or will be pledged to payment of the Bonds. Less than 10% of the proceeds of the Bonds, if any, will be deposited in the Series 2000B Bonds Reserve Account, the Series 2000C Bonds Reserve Account or any other reserve or replacement fund. The amounts deposited in the Series 2000B Bonds Reserve Account and the Series 2000C Bonds Reserve Account from time to time by the Issuer will not exceed the maximum annual principal and interest on the respective series of Bonds and will not exceed 125% of average annual principal and interest on the respective series of Bonds. Amounts in the Series 2000B Bonds Reserve Account and the Series 2000C Bonds Reserve Account, not to exceed 10% of the proceeds of the respective series of Bonds, if invested, will be invested without yield limitation. The establishment of the Series 2000B Bonds Reserve Account and the Series 2000C Bonds 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.

15. The Issuer expects to enter into a contract within 30 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 5% of the aggregate principal amount of the Bonds.

16. Work with respect to the acquisition and construction of the Project will proceed with due diligence to completion. Acquisition and construction is expected to be completed within 16 months of the date hereof.

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

18. With the exception of the amount deposited in the Series 2000B Bonds Sinking Fund and the Series 2000C Bonds Sinking Fund for payment of interest on the Bonds and amounts deposited in the Series 2000B Bonds Reserve Account and the Series 2000C Bonds Reserve Account, if any, all of the proceeds of the Bonds will be expended on the Project within 18 months from the date of issuance thereof.

19. The Series 2000B Sinking Fund and the Series 2000C Bonds Sinking Fund (other than the Series 2000B Bonds Reserve Account and the Series 2000C Bonds Reserve Account, respectively, therein) are intended primarily to achieve a proper matching of payments of debt service on the Bonds each year. The Series 2000B Bonds Sinking Fund and the Series 2000C Bonds Sinking Fund (other than the Series 2000B Bonds Reserve Account and the Series 2000C Bonds Reserve Account, respectively, therein) will be depleted at least once a year except for a reasonable carryover amount not in excess of the greater of 1/12th of annual debt service on the Bonds or 1 year's interest earnings on the Series 2000B Bonds Sinking Fund and the Series 2000C Bonds Sinking Fund (other than the Series 2000B Bonds Reserve Account and the Series 2000C Bonds Sinking Fund, respectively, therein). Except as otherwise allowed, any money deposited in the Series 2000B Bonds Sinking Fund and the Series 2000C Sinking Fund for payment of the principal

of or interest on the Bonds (other than the Series 2000B Bonds Reserve Account and the Series 2000C Bonds Sinking Fund, respectively, therein), will be spent within a 13-month period beginning on the date of receipt and will be invested without yield limitation.

20. All the proceeds of the Series 2000C Bonds which will be used for the payment of costs of the Project will be expended for such purposes within three years of June 15, 1999. All of the proceeds of the Series 2000B Bonds which will be used for the payment of the costs of the Project will be expended for such purposes within three years of May 25, 1999.

21. 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.

22. 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.

23. The Issuer shall file Form 8038-G for each series of the Bonds in a timely fashion with the Internal Revenue Service Center, Ogden, Utah.

24. 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 the lesser of 5% of the proceeds of Bonds or $5,000,000 have been or will be used to make or finance loans to, any person who is not a governmental unit.

25. The original proceeds of the Bonds will not exceed the amount necessary for the purposes of the issues, except to the extent any such proceeds are required for rebate to the United States.

26. The Issuer shall use the Bond proceeds solely for the Project, and the Project will be operated solely for a public purpose as a local governmental activity of the Issuer.

27. The Issuer shall not permit at any time or times any of the proceeds of the Bonds or any other funds of the Issuer to be used directly or indirectly in a manner which would result in the exclusion of the Bonds from treatment afforded by Section 103(a) of the Code by reason of classification of the Bonds as "private activity bonds" within the meaning of the Code. The Issuer will take all actions necessary to comply with the Code and the Treasury Regulations promulgated or to be promulgated thereunder in order to ensure the interest on the Bonds is excludable from gross income for federal income tax purposes.

28. The Bonds are not, and will not be, in whole or part, directly or indirectly, federally guaranteed within the meaning of Section 149(b) of the Code.

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

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

30. The Issuer has retained the right to amend the Local Act if such amendment is necessary to assure compliance with Section 148(f) of the Code or as may otherwise be necessary to assure the exclusion of interest on the Bonds from the gross income of the holders thereof.

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

32. The Issuer has created the Series 2000B Bonds Reserve Account, which will be funded on the date hereof with a portion of the proceeds of the Series 2000A Bonds, and the Series 2000C Bonds Reserve Account which will be funded on the date hereof with proceeds of the Series 2000C Bonds, each in an amount equal to the maximum amount of principal and interest which will mature and become due on the respective series of Bonds in the then current or any succeeding year. Moneys in the Series 2000B Bonds Reserve Account and the Series 2000C Bonds Reserve Account will be used solely to pay principal of and interest on the respective series of Bonds when moneys in the Series 2000B Bonds Sinking Fund and the Series 2000C Bonds Sinking Fund are insufficient therefor and will not be available to pay costs of the Project.

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

34. The Issuer 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 Issuer covenants and agrees to comply with the rebate requirements of the Code if not exempted therefrom, and with all other requirements of the Code necessary, proper or desirable to maintain the tax-exempt status of the Bonds and the interest thereon. In addition, the Issuer has covenanted to comply with all Regulations from time to time in effect and applicable to the Bonds as may be necessary in order to fully comply with Section 148(f) of the Code, and has covenanted 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 the Local Act.

Unless exempted therefrom, the Issuer has further covenanted to calculate, annually, the rebatable arbitrage, determined in accordance with Section 148(f) of the Code. Upon completion of each such annual calculation, unless otherwise agreed by the Authority, the Issuer shall deposit, or cause to be deposited, in the Rebate Fund such sums as are necessary to cause the aggregate amount on deposit in the Rebate Fund to equal the sum determined to be subject to rebate to the United States, which shall be paid from investment earnings on the underlying fund or account established under the Local Act and on which such rebatable arbitrage was earned or from other lawfully available sources. The Issuer has further covenanted to 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. The Issuer shall remit payments to the United States in the time and at the address prescribed by the Regulations as the same may be from time to time in effect with such reports and statements as may be prescribed by such Regulations. In the event that, for any reason, amounts in the Rebate Fund are insufficient to make the payments to the United States which are required, the Issuer shall assure that such payments are made by the Issuer to the United States, on a timely basis, from any funds lawfully available therefor.

36. The Bonds are a fixed yield issue. No interest or other amount payable on any of the Bonds (other than in the event of an unanticipated contingency) is determined by reference to (or by reference to an index that reflects) market interest rate or stock or commodity prices after the date of issuance.

37. None of the Bonds has a yield-to-maturity more than one-fourth of one percent higher than the yield on the Bonds determined by assuming the Bonds are retired on the date that when used in computing the yield on the Bonds produces the lowest yield.

38. No portion of the proceeds of the Bonds will be used, directly or indirectly, to replace funds which were used, directly or indirectly, to acquire higher yielding instruments, all within the meaning of Section 148 of the Code.

39. Except for the Series 2000A Bonds, there are no other obligations of the Issuer which (a) are to be issued at substantially the same time as the Bonds, (b) are to be sold pursuant to a common plan of financing together with the Bonds and (c) will be paid out of substantially the same sources of funds or will have substantially the same claim to be paid out of substantially the same sources of funds as the Bonds.

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

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

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

43. Bowles Rice McDavid Graff & Love, PLLC is entitled to rely upon the representations, expectations, covenants, certifications and statements contained herein in rendering its opinions regarding the exclusion from gross income for federal income tax purposes of interest on the Bonds.

IN WITNESS WHEREOF, I have set my hand this 27th day of September, 2000.

CITY OF MARTINSBURG

By _____

Its: Mayor

CITY OF MARTINSBURG
COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS,

SERIES 2000A
(WEST VIRGINIA DWTRF PROGRAM)

SERIES 2000B
(WEST VIRGINIA INFRASTRUCTURE FUND)

SERIES 2000C
(WEST VIRGINIA WATER DEVELOPMENT AUTHORITY)

CERTIFICATE OF CONSULTING ENGINEER

I, Peter J. H. Thomson , Registered Professional Engineer, West Virginia License No. 013863, of Chester Engineers, Inc., Consulting Engineers, Inc., having offices in Martinsburg, West Virginia, hereby certify as follows:

1. My firm is engineer for the acquisition and construction of certain additions, betterments and improvements to the waterworks portion of the existing combined waterworks and sewerage system (the "Project") of the City of Martinsburg (the "Issuer") to be constructed in Berkeley County, West Virginia, which construction and acquisition are being permanently financed in part by the above-captioned bonds (collectively, the "Bonds") of the Issuer. The Bonds will be purchased by the West Virginia Water Development Authority. Capitalized words not defined herein shall have the meaning set forth in the Bond Ordinance enacted by the Issuer on September 14, 2000, and put into effect following a public hearing held on September 25, 2000, the Drinking Water Treatment Revolving Fund Loan Agreement (the "DWTRF Loan Agreement") by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), acting on behalf of the West Virginia Bureau for Public Health (the "BPH"), dated September 27, 2000, providing for the purchase of the above-described Series 2000A Bonds, the Loan Agreement (the "Infrastructure Loan Agreement") by and between the Issuer and the Authority, acting on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council"), dated September 27, 2000, providing for the purchase of the above-described Series 2000B Bonds, and the Loan Agreement (the "WDA Loan Agreement") by and between the Issuer and the Authority, dated September 27, 2000, providing for the purchase of the above-described Series 2000C Bonds.

2. The Bonds are being issued for the purposes of paying a portion of the costs of the acquisition and construction the Project, (ii) funding reserve accounts for the respective series of Bonds, and (iii) paying costs of issuance and related costs.

3. To the best of my knowledge, information and belief (i) within the limits and in accordance with the applicable and governing contractual requirements relating to the Project, the Project will be constructed in general accordance with the approved plans, specifications and designs

prepared by my firm and approved by the BPH and any change orders approved by the Issuer, the BPH and the Council and all necessary governmental bodies; (ii) the Project, as designed, is adequate for its intended purpose and has a useful life of at least 40 years, if properly operated and maintained, excepting anticipated replacements due to normal wear and tear; (iii) the Issuer has received bids for the acquisition and construction of the Project which are in an amount and otherwise compatible with the plan of financing set forth in the Schedule B attached hereto as Exhibit A, and my firm has ascertained that all successful bidders 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 for accuracy; (iv) the successful bidders received any and all addenda to the original bid documents; (v) the bid documents relating to the Project reflect the Project as approved by the BPH and the bid forms provided to the bidders contain all critical operational components of the Project; (vi) the successful bids include prices for every item on such bid forms; (vii) the uniform bid procedures were followed; (viii) the Issuer has obtained all permits required by the laws of the State of West Virginia and the United States necessary for the acquisition and construction of the Project and the operation of the System; (ix) as of the effective date thereof, the rates and charges for the System as adopted by the Issuer will be sufficient to comply with the provisions of the DWTRF Loan Agreement, the Infrastructure Loan Agreement and the WDA Loan Agreement; (x) 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, if any, irrevocably committed therefor, are sufficient to pay the costs of acquisition and construction of the Project set forth in Schedule B attached hereto approved by the BPH, the Council and the Authority; and (xi) attached hereto as Exhibit A is the final amended "Schedule B - Total Cost of Project; Sources of Funds and Cost of Financing" for the Project.

WITNESS my signature and seal on this 27th day of September, 2000.

CHESTER ENGINEERS, INC.

By_____

Peter J. H. Thomson
Its: Project Manager

West Virginia License No. 013863

[SEAL]

EXHIBIT A

FINAL AMENDED SCHEDULE B

WEST VIRGINIA INFRASTRUCTURE AND JOBS DEVELOPMENT COUNCIL

SCHEDULE B
City of Martinsburg
Water Improvements Project

FINAL TOTAL COST OF PROJECT, SOURCES OF FUNDS, AND COST OF FINANCING

A. Cost of Project	Total	DWTRF	IJDC	WDA	Issuer's Funds (1)
1. Construction (Based on Actual Bids)	$ 10,593,335	$ 6,904,179	$ 2,176,939	$ 1,512,217	
2. Engineering Costs	$ 1,158,729		$ 643,061		$ 515,668
3. Legal Costs	$ 50,000		$ 50,000		
4. Administrative Costs	$ 40,000		$ 40,000		
5. Site, Easement, & ROW Costs	$ 70,000		$ 70,000		
6. Contingency	$ 335,203			$ 335,203	
7. Total Lines 1 through 6	$ 12,247,267	$ 6,904,179	$ 2,980,000	$ 1,847,420	$ 515,668
B. Sources of Funds					
8. Federal Grants	$ -				
9. State Grants	$ -				
10. City Contribution (1)	$ 515,668				$ 515,668
11. Total Line 9 through 10	$ 515,668	$ -	$ -	$ -	$ 515,668
12. Net Proceeds Required from Bond Issue (Line 7 minus line 11)	$ 11,731,599	$ 6,904,179	$ 2,980,000	$ 1,847,420	$ -
C. Cost of Financing					
13. Funded Reserve Account (2)	$ 788,753	$ 659,821		$ 128,932	
14. Bond Counsel	$ 20,000		$ 20,000		
15. Total Cost of Funding (Lines 13 and 14)	$ 808,753	$ 659,821	$ 20,000	$ 128,932	
16. Size of Bond Issue (Line 15 plus Line 12)	$ 12,540,352	$ 7,564,000	$ 3,000,000	$ 1,976,352	$ -

CITY OF MARTINSBURG

CHESTER ENGINEERS, INC

DATE

9/25/00
DATE

(1) To be reimbursed under Phase II

(2) Funded Reserve amounts funded financed by DWTRF includes $459,802 for funding Series 2000A Bonds Reserve Account and $200,019 for funding Series 2000B Bonds Reserve Account.

WEST VIRGINIA INFRASTRUCTURE AND JOBS DEVELOPMENT COUNCIL

SCHEDULE B
City of Martinsburg
Water Improvements Project

FINAL TOTAL COST OF PROJECT, SOURCES OF FUNDS, AND COST OF FINANCING

A. Cost of Project	**Total**	**DWTRF**	**IJDC**	**WDA**	**Issuer's Funds (1)**
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5. Site, Easement, & ROW Costs	$ 70,000		$ 70,000		
6. Contingency	$ 335,203			$ 335,203	
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B. Sources of Funds					
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CITY OF MARTINSBURG

CHESTER ENGINEERS, INC

DATE

9/25/00
DATE

(1) To be reimbursed under Phase II

(2) Funded Reserve amounts funded financed by DWTRF includes $459,802 for funding Series 2000A Bonds Reserve Account and $200,019 for funding Series 2000B Bonds Reserve Account.

CERTIFICATE DESIGNATING AUTHORIZED SIGNATORIES FOR CONSULTING ENGINEER

TO:

Jefferson Security Bank
Martinsburg, West Virginia

RE: City of Martinsburg Combined Waterworks and Sewerage System Revenue Bonds, Series 2000A (West Virginia DWTRF Program), Series 2000B (West Virginia Infrastructure Fund) and Series 2000C (West Virginia Water Development Authority)

TO WHOM IT MAY CONCERN:

The following individual(s) is/are designated as Authorized Signatories of the Consulting Engineers for the purpose of signing on the Requisition forms for the above-referenced Bonds:

Peter J. H. Thomson
David W. Choate

Witness my signature this 27th day of September, 2000.

CHESTER ENGINEERS, INC.

By:_____
Its: Authorized Officer

COX
NICHOLS
HOLLIDA

CERTIFIED PUBLIC ACCOUNTANTS
AND CONSULTANTS, LLP

September 27, 2000

$12,540,352
City of Martinsburg, West Virginia
Combined Waterworks and Sewerage System Revenue Bonds,
Series 2000A (West Virginia DWTRF Program)
Series 2000B (West Virginia Infrastructure Fund) and
Series 2000C (West Virginia Water Development Authority)

West Virginia Division of
Environmental Protection
Charleston, West Virginia

West Virginia Infrastructure and
Jobs Development Council
Charleston, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

City of Martinsburg
Martinsburg, West Virginia

Ladies and Gentlemen:

Based upon the rates and charges set forth in Ordinance No. 98-04 of the City of Martinsburg, West Virginia (the "Issuer"), entered November 12, 1998, the current and anticipated operation and maintenance expenses of the Issuer's combined waterworks and sewerage system (the "System") and the current number and type of customers of the Issuer as enumerated in the Water Class Cost of Service Study dated December 21, 1999 by the Public Service Commission of West Virginia, it is our opinion that such rates and charges will be sufficient to provide revenues which, together with other revenues of the System of the Issuer, will pay all repair, operation and maintenance expenses of the System and leave a balance each year equal to not less than the sum of (i) 120% of the maximum amount required in any year for debt service on the Issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 2000A (West Virginia DWTRF Program), Series 2000B (West Virginia Infrastructure Fund) and Series 2000C (West Virginia Water Development Authority) (collectively, the "Bonds"), and all other obligations secured by or payable from the revenues of the System, on a parity with the Bonds, including the Issuer's Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 1995 (the "Series 1995 Bonds"), (ii) all amounts payable under a Financial Guaranty Agreement, and (iii) the amount, if any, required to be deposited in the Reserve Account in order to satisfy the Reserve Account Requirement.

MEMBERS: AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

201 E. Burke Street
P.O. Box 1207
Martinsburg, West Virginia 25402-1207
Phone: 304/263-0891 • Fax: 304/263-0997
E-Mail: mbo@cnhcpa.com

It is further our opinion that both (i) the Net Revenues actually derived, subject to the adjustments hereinafter described, from the System during the Fiscal Year preceding the date of issuance of the Bonds, and (ii) the estimated increased annual Net Revenues to be received in the next succeeding year following the date of issuance of the Bonds, will not be less than 120% of the maximum annual Debt Service on the Bonds, and all other obligations secured by or payable from the revenues of the System, on a parity with the Bonds, including the Series 1995 Bonds, provided that we have not included the $515,668 contribution to the project by the Issuer in the debt service coverage computation. The Net Revenues actually derived from the System during the preceding Fiscal Year and the estimated increased annual Net Revenues to be received in the next succeeding year, as such terms are used in the immediately preceding sentence, have been adjusted by taking into consideration the increased rates and charges set forth in the aforesaid Ordinance No. 98-04 previously enacted by the City, the time for appeal of which has expired (without successful appeal) prior to the issuance of the Bonds. Capitalized terms used herein and not otherwise defined herein shall have the meaning set forth in the Bond Ordinance enacted by the City on August 31, 1995 which authorized the issuance of the Series 1995 Bonds.

Very truly yours,

Cox Nichols Hollida, CPAs
and Consultants, LLP

Cox Nichols Hollida, CPAs
and Consultants, LLP

CHARTER
OF THE
CITY OF
MARTINSBURG
WEST VIRGINIA

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ARTICLE I. INCORPORATION

Sec. 1. Generally.

The inhabitants of the portion of the County of Berkeley, in the State of West Virginia, within the limits of the City of Martinsburg, as they now are, including all annexations heretofore made, or as they may hereafter be, including all annexations hereafter made, shall be and continue a municipal corporation by the name and style of "The City of Martinsburg", and as such, and by that name, shall have perpetual succession.
(Ord. of 5–9–66)

ARTICLE II. CORPORATE LIMITS

Sec. 2. Generally.

The corporate limits of the City of Martinsburg shall be as fixed in Article I and may be more particularly delineated by metes and bounds by ordinance which may be adopted by the City Council.
(Ord. of 5–9–66)

ARTICLE III. WARDS

Sec. 3. Division of City.

Within twelve months after the adoption of this Article the Council of the City of Martinsburg shall be, and it is hereby required, to redistrict and reapportion the City into five (5) wards each to have within its boundaries, as nearly as shall be practicable, an equal or one–fifth (1/5) proportion of the population of the City, which wards shall be compact and all parts of which shall be contiguous; and further required to reapportion and redistrict the voting precincts of the City in a like manner and so as to conform to the said ward boundaries; and further required to redistrict and reapportion both wards and precincts on a like basis again in the year 1973 and at least once each ten years thereafter; and from the time of said first redistricting and reapportionment, the City shall consist of five (5) wards. Council shall, by ordinance, delineate the boundaries of such precincts and wards from time to time in accordance with this Article, and upon the annexation and incorporation of any additional territory, Council shall forthwith, by ordinance, designate into which ward or wards and/or precinct or precincts the annexed or incorporated territory shall be placed. Provided, however, that until the redistricting and reapportionment, as hereinabove set forth, has been accomplished, Article III as in effect at the time of adoption of this Article shall remain in force and effect and all municipal officers elected at the general municipal election held in the year 1966 shall remain in office until the next general election held in the year 1968 and the qualification of their successors. (Acts 1915, Municipal Charters, ch. 6, Sec. 3; Acts 1933, ch. 125; Ord. of 5–9–66)

ARTICLE IV. MUNICIPAL AUTHORITIES

Sec. 4. Enumeration; composition of Council; vote of Mayor.

The municipal authorities of the City of Martinsburg shall be the Mayor, two Councilmen from each of the five wards and two Councilmen elected from the City at large, who shall constitute the Council; the Mayor shall have a right to vote in the deliberation of the Council whenever, and only whenever, there shall have been a tie vote cast by the Council without him participating in said tie vote. (Acts 1915, Municipal Charters, ch. 6, Sec. 4; Acts 1933, ch. 125; Ord. of 5–9–66)

ARTICLE V. OFFICERS GENERALLY

Sec. 5. Enumeration.

In addition to the municipal authorities mentioned in Article IV of this Charter, the City of Martinsburg shall have a Treasurer, Recorder and Auditor, City Attorney, Commissioner of Streets, City Manager, Chief of the Fire Department and Building Inspector, Health Commissioners, and such other officers as the Council may from time to time create or employ.
(Ord. of 5-9-66)

Sec. 5.1. Qualifications, duties, and responsibilities of City Manager.

a. The City Manager shall be chosen by the Council solely on the basis of his executive and administrative qualifications. The choice shall not be limited to inhabitants of the City or State. The City Manager shall be administrative head of the municipal government and shall be responsible for the efficient administration of all departments.

b. The City Manager shall be appointed for an indefinite period. He shall be removable by the majority vote of the whole membership of Council. If removed at any time after six months, he may demand written charges and a public hearing on the same before the Council prior to the date on which his final removal shall take effect. But during such hearing the Council may suspend him from office. During the absence, suspension, or disability of the City Manager the Council shall designate some properly qualified person to perform the duties of the office.

c. The powers and duties of the City Manager shall be:

(1) To see that the laws and ordinances are enforced.

(2) To appoint all officers and employees of the City, except members of the City Council and such officers as Council is hereby authorized to elect and employ, or cause to be employed, to wit: the City Manager, the City Recorder, the Judge of the Police Court and the Auditor; but all appointees or employees shall be upon merit and fitness alone.

(3) To exercise supervision and control over all departments and divisions created herein or that hereafter may be created by the Council, except the Council and other officers by it appointed.

(4) To attend all meetings of Council with the right to take part in discussion, but having no vote.

(5) To recommend to the Council for adoption such measures as he may deem necessary or expedient.

(6) To keep Council fully advised as to the financial conditions and needs of the City.

(7) To approve for payment all vouchers prepared by the City Recorder, when the expenditure has been authorized by Council by proper appropriation, and the payment is otherwise proper to be made.

(8) To supervise the conduct and performance of the duties of other officers and employees of the City, except the members of the City Council, reporting to such Council any failure of performance of duty by any of the other appointees of such Council, and enforcing the proper performance of their duties by the officers appointed by him and by the City Council, to the end that the City's business shall be efficiently and economically transacted; and

(9) The City Manager shall act as purchasing agent and purchase all supplies and materials for all departments of the City government, and make sale of all property of the City not needed or suitable for the public use (when and after such sale has been authorized by the City Council) in such manner as the Council may direct: provided, however, that he shall not make any contract involving an expenditure in excess of two thousand dollars ($2,000.00) without first obtaining assent of Council so to do, which said assent shall be made a matter of record and properly entered upon the journal or minute book by the City Recorder; he shall submit to contractors for competitive bids, on forms approved by Council, all proposals for construction work to be done for or by the City and all improvements to be made for or by the City; all supplies to be used by the City and all materials purchased by the City for construction of any public improvements or for any other City purpose, shall be done, performed, made and purchased on competitive bids. All proposals for such shall be upon precise specifications, and notice of the requirements of the City shall be given to dealers in supplies and materials of the kind required who by reason of location are best able to furnish same at lower prices. All bids and offers shall be filed and preserved in the office of the City Recorder. In purchasing limited quantities of materials or supplies, or in case of an emergency, the City Manager may purchase or contract the expenditure in a sum not exceeding two thousand dollars ($2,000.00) without the assent of Council or the delay necessary to secure competitive bids or offers to supply same.

Council shall have the power and right to reject any or all bids or estimates for construction or improvements and may cause such work to be done, or improvements to be made otherwise than upon competitive bids, when in their opinion such bids are excessive.

(Ord. of 10-10-91.)

(10) To perform such other duties as may be prescribed by this Charter or be required of him by ordinance or resolution of the Council.

(11) The City Manager shall devote his whole working time to the performance of the duties of his office, and while occupying such office shall not engage, directly or indirectly, or be actively interested in any business other than the performance of his duty concerning the affairs of the City of Martinsburg.

(12) The City Manager shall have authority to grant, in writing, to the officers so appointed the power necessary or proper for the purposes above mentioned; to define their duties in writing, to allow them reasonable compensation (said compensation to be approved by Council), and to require and take from them such bonds, obligations or other writings as shall be necessary or proper to insure the faithful performance of their several duties.

(Ord. of 5-9-66)

(13) The City Manager is responsible for the collection of all taxes due the City and in the determination of the correctness of any tax returns or assessments of taxes due the City, and the City Manager or his designee shall have the power to examine any books, papers, documents, records, memoranda, inventories, or equipment bearing upon matters required to be included in the tax return, and require that said books, papers, documents, records, memoranda, inventories, or equipment bearing upon matters required to be included in the tax return be produced for review, and may make test checks of tax yields.

(Ord. 93-1. Passed 1-11-93.)

ARTICLE VI. CORPORATE POWERS

Sec. 6. To be exercised by Council.

All of the corporate powers of said City shall be exercised by the said Council or under its authority.

Sec. 7. Powers as corporation generally.

The Mayor and Councilmen, when elected and qualified as hereinafter provided, shall have possession and exercise corporate powers as a body politic by the name of "The City of Martinsburg" and shall have perpetual succession and a common seal and by that name may sue and be sued, plead and [be] impleaded, and may purchase and hold or sell real estate and personal property necessary to enable them to discharge its corporate duties, needful or convenient for the good order, government and welfare of said corporation.

Sec. 8. Powers of City generally.

The municipal authorities of said City, acting under the powers and in the manner herein specified, shall have and are hereby granted power:

(1) Resurvey of City. To have said City resurveyed;

(2) Opening, etc., streets and alleys. To open, vacate, broaden, widen and repair streets and alleys; and in so doing to exercise the right of eminent domain to the fullest extent, including the right to condemn across the property of common carriers, including railroad yards;

(3) Curbing and paving, etc., streets, etc., generally. To curb and pave streets, sidewalks and gutters for public use, and to alter, improve, repair and light the same;

(4) Construction, etc., of public sewers and laterals. And to construct and maintain public sewers and laterals and shall in all cases have power to assess upon and collect from the property benefited thereby such part of the expense thereof as shall be fixed by ordinance, except as hereinafter provided;

(5) Control and care of streets, etc., generally. To have control of all streets, avenues, roads and alleys for public use in said City and to have the same kept in good order, free from obstruction on or over them;

(6) Control of bridges and traffic thereon. To have the right to control all bridges within said City and traffic passing thereover;

(7) Width of streets, etc. To regulate and determine the width of streets, sidewalks, roads and alleys;

(8) Curbing and paving of sidewalks, etc. To order and direct the curbing and paving of sidewalks and footways for public use in said City, to be done and kept in good order by the owners of adjacent property;

(9) Construction, etc., of buildings, etc., generally. To control the construction and repairing of all houses, bridges, culverts, sewers and to prescribe and enforce all regulations affecting the erecting, repairing or removal of all buildings and structures and to require permits to be obtained for such buildings, and plans and specifications thereof to be first submitted to the Building Inspector, and to prescribe and enforce regulations controlling the erection of such buildings, and to secure the safety and health of the public;

(10) Opening, etc., of ditches, etc. To control the opening and construction of ditches, drains, sewers, cesspools and gutters; to deepen, widen and clear the same of stagnant water and filth, and to determine at whose expense the same shall be done;

(11) Building, etc., station houses, etc. To build and maintain station houses, police stations and police courts, and regulate the management thereof;

(12) Purchase, etc., of public grounds, squares and parks. To purchase, lay off, appropriate and control public grounds, squares and parks, either within or without the City limits as hereinafter defined, and when the Council determines that any real estate is necessary to be acquired by said City for any such purpose or for any public purpose, the power of eminent domain is hereby conferred upon said City; and it shall have the right to institute condemnation proceedings against the owners in the same manner and to the same extent and upon the same conditions as such power is conferred upon public corporations by Chapter 48 of the Code of West Virginia of the Edition of 1906;

(13) City buildings. To provide, contract for and take care of all buildings and structures deemed proper for the use of said City;

(14) Set back, etc. To provide for and regulate the building of all houses or other structures and to determine the distance that they shall be built from the street or alley;

(15) Unsafe walls, etc. To cause the removal of unsafe walls or buildings;

(16) Injury or annoyance from dangerous, etc., things. To prevent injury or annoyance to the business of individuals from anything dangerous, offensive or unwholesome;

(17) Abatement of nuisances. To abate or cause to be abated all nuisances;

(18) Keeping of gunpowder, etc. To regulate the keeping of all gunpowder and all other combustibles;

(19) Cemeteries; interments. To provide and maintain proper places for the burial of the dead; to regulate interments therein upon such terms and conditions as to price and otherwise as may be determined;

(20) Shade, etc., trees. To provide for shade and ornamental trees and the protection or removal of the same;

(21) Draining of lots. To provide for draining of lots by proper drains and ditches;

(22) Fire protection regulations. To make proper regulations for guarding against danger or damage from fire;

(23) Poor. To provide for the poor of the City;

(24) Fire companies and equipment. To organize and maintain fire companies and to provide necessary apparatus, engines and implements for the same, to levy taxes on persons, property and licenses;

(25) Revenue and expenses. To provide revenue for the City and appropriate the same to its expenses;

(26) Valuation and assessment of property, etc. To provide for the valuation of property as often as may be deemed proper and for the assessment of taxable persons and property;

(27) Rules for transaction of business, etc. To adopt rules for the transaction of business and for the government and regulation of its corporate bodies;

(28) Promotion of welfare, etc. To promote the general welfare of the City and to protect the person and property of citizens therein;

(29) Appointment and bonding of officers. To appoint such officers as they may deem proper and require and take from them bonds with such security and in such penalty as may be determined, conditioned for the faithful discharge of their duties;

(30) Weighing and transportation of produce, etc. To regulate and provide for the weighing of produce and other articles sold in said City; to regulate the transportation thereof through the streets;

(31) Markets. To establish and regulate markets; to prescribe the time for holding the same and what shall be sold only in such markets, and to acquire and hold property for market purposes if deemed proper;

(32) Signs, etc., in, on or over streets, etc. To regulate the placing of signs, billboards, posters and advertisements, and other obstructions, in, on, or over the streets, alleys and sidewalks of said City;

(33) Preservation of the peace, etc. To preserve and protect the peace and order and health of the City and its inhabitants;

(34) Places for holding elections. To appoint and fix places for holding City elections;

(35) Gas works and electric light works. To erect, own, lease, regulate, authorize or prohibit the erection of gas works, electric light works in or near the City, and to operate the same and to sell the products thereof, and to do all things necessary and incident to the conduct of such business;

(36) Preservation of purity of water, etc. To provide for and preserve the purity of the water and the health of the City;

(37) Ordinances for protection of health, decency, morality and order. To prescribe and enforce ordinances for the purpose of protecting the health, decency, morality and order of the City and its inhabitants, and to punish violations of such ordinances, even if the offenses under and against such ordinances shall also constitute offenses under the laws of the State of West Virginia or the common law;

(38) Rights, etc., under certain statutes. To have and exercise all the rights, privileges, and powers provided by Chapter 47 of the Code of West Virginia of the Edition of 1906, and amendments thereof not inconsistent with this Act [Charter], and shall retain, keep and succeed to all rights, privileges, property, interest, claim and demands, heretofore acquired by, vested in or transferred to the said City of Martinsburg, or heretofore to the Corporation of Martinsburg. (Acts 1915, Municipal Charters, ch. 6, Sec. 12; Acts 1921, Municipal Charters, ch. 14)

Sec. 8.1. Crossing and bridge levy.

The Council shall have authority to lay a special levy in addition to all other levies, not exceeding five cents (5¢) on each hundred dollars ($100.00) valuation, known as the "crossing and bridge levy", for the purpose of raising funds to pay City's share of the expense of eliminating grade crossings within the City, and for the building or repairing of bridges within the City, and no part of said fund shall be expended for any other purpose. (Acts 1921, Municipal Charters, ch. 14)

Sec. 9. Adoption and enforcement of ordinances, etc.

To carry into effect these enumerated powers and all other powers conferred upon said City, expressly or by implication in this and other acts of the legislature, the municipal authorities of said City shall have power in the manner heretofore prescribed to adopt and enforce all needful orders, bylaws and ordinances not contrary to the laws and constitution of this State, and to prescribe, impose and enforce reasonable fines and penalties, including imprisonment, and with the consent of the County Court of Berkeley County, entered of record, shall have the right to use the jail of said County for any purpose necessary to the administration of its affairs.

ARTICLE VII. QUALIFICATIONS OF VOTERS

Sec. 10. Persons entitled to vote in City elections.

Every person qualified by law to vote for a member of the legislature of this State, and who shall have been a resident of the territory within said City, as bounded by this Act [Charter], at least one year preceding the date of election, and in the territory in the ward, in which he offers to vote, at least ten days, and a bona fide resident of the election precinct in which he offers to vote, shall be entitled to vote at all elections held by the voters of such City or the corporate authorities thereof.

Sec. 11. Ordinance as to registration.

The Council shall by ordinance provide such regulations for the registration of voters as may be rendered necessary by State laws.

ARTICLE VIII. ELECTIONS GENERALLY

Sec. 12. When held; election officials; precincts; special elections; Board of Canvassers.

The first General Election held under this Act (Charter) shall be held on the second Tuesday in June in the year 1968, and on the same day every two years thereafter thru the General Election to be held on the second Tuesday in June of 1966. Thereafter, such General Elections shall be held on the second Tuesday of June every fourth year beginning with the General Election to be held on the second Tuesday of June, 2000, and all subsequent General Elections shall be held in such manner as is, or shall be prescribed as law.

No more than two election commissioners shall be of the same political party, and the clerks and challengers shall be one each of two political parties.

The Council may at any time change the names and boundaries of precincts, may create more precincts in each ward and may arrange all or any of the precincts in any wards, but shall be so made as to have as nearly as practicable not more than six hundred voters residing in any one precinct, and it shall be the duty of the Council to arrange said precincts, if after any election more than six hundred votes be cast at the precinct, so that the new precinct will, as far as practicable, contain not more than six hundred voters each.

Special elections for any purpose must be authorized by the Council and called by the Mayor. Notices of all special elections must be given by publication in a newspaper of general circulation, published in the City of Martinsburg, at least thirty days before the date fixed for such special election and by posting such notices in such manner as the Council may prescribe.

The Council shall sit on the second day after every election as a Board of Canvassers, each member of the Council having one vote; and as such Board of Canvassers, they shall canvass, ascertain, publish and declare the result of any election held; and the Circuit Court of Berkeley County shall have power to control proceedings of said Board of Canvassers by mandamus and prohibition. The said Board shall keep in a separate book a record of its proceedings, and shall take down and record any evidence, motion, or paper filed, or offered by any candidate, which book and record shall be open to the public and shall be kept in the custody of the Recorder.
(Ord. 92-5. Passed 4-2-92.)

ARTICLE IX. ELECTION OF OFFICERS

Sec. 13. Election and term of Mayor.

On the second Tuesday in June, 1994, there shall be elected by the qualified voters of the City, a Mayor, who shall hold his office from the first day of July succeeding in the year in which he is elected for a term of two years, and until his successor is elected and qualified. On the second Tuesday in June, 1996, and on the same day every four years thereafter, there shall be elected by the qualified voters of the City, a Mayor, who shall hold his office from the first day of July succeeding in the year in which he is elected for a term of four years, and until his successor is elected and qualified.
(Ord. 92-5. Passed 4-2-92.)

Sec. 14. Persons eligible to the office of Mayor.

No person shall be eligible to the office of Mayor except a citizen entitled to vote at the election at which he is elected, and any person elected to said office who shall be or become an officer or employee of any person, firm or corporation holding any franchise or contract under or with said City shall not qualify or enter upon the performance of the duties thereof, but such office shall become vacant and shall be filled by a qualified person as provided herein for any other vacancies.
(Ord. 92-5. Passed 4-2-92.)

Sec. 15. Election and term of Councilmen.

On the second Tuesday in June, 1994, there shall be elected one Councilman from each ward of the City, as constituted under the Charter. One Councilman so elected, in each of said five wards shall hold his office for the term of two years from the first day of July, 1994. Those councilmen elected from each ward for a four year term who began serving their term of office on July 1, 1992, shall serve out their term of office thru June 30, 1996. On the second Tuesday in June, 1996, there shall be elected one (1) Councilmen from each ward of the City, as constituted under the Charter; One Councilman so elected, in each of such five wards shall hold his office for the term of four years from the first day of July 1996. At each election thereafter, five Councilmen, that is to say, one from each ward, shall be elected by the qualified voters thereof for the term of four years from the first day of July following his election.

On the second Tuesday in June, 1994, there shall be elected two Councilmen at large, by the qualified voters of the entire City, for the term of two years from the first day of July, 1994. On the second Tuesday in June, 1996, there shall be elected two Councilmen at large, by the qualified voters of the entire City, for the term of four years from the first day of July, 1996, and at each election thereafter two Councilmen at large shall be elected by the qualified voters of the entire City for the term of four years from the first day of July following their election.
(Ord. 92-5. Passed 4-2-92.)

Sec. 16. Persons eligible to office of Councilmen.

Councilmen must be residents at the time of their election and voters in the ward from which they are elected, and in the case of Councilmen at large, voters and residents of the City and any person elected to said office who shall remove from said ward, or said City, shall not qualify or enter upon the performance of the duties thereof, such office shall become vacant and shall be filled by a qualified person as provided herein for other vacancies. And the Circuit Court of Berkeley County is hereby given jurisdiction by mandamus or quo warranto at the suit of any taxpayer in the City to declare and enforce such vacancy.
(Ord. 92-5. Passed 4-2-92.)

Sec. 16.1 Nomination of candidates for elective offices of Mayor and City Council.

(a) Petition. Any one or more qualified (registered) voters of the City of Martinsburg may be nominated for Mayor or City Council, but no person may accept nomination for more than one office during the same election. Such nominations shall be by one petition or by separate petitions, each nomination requiring the following total number of qualified signatures for the respective office:

(1) Mayor: Fifty (50) signatures of qualified registered voters and residents of the City of Martinsburg, said persons signing the petition to be residents of the City of Martinsburg and registered voters of the City of Martinsburg as of the date they sign the petition.

(2) Ward Council Persons: Twenty-five (25) signatures of qualified registered voters of the City of Martinsburg and residents of the City of Martinsburg who are also residents of the Ward of the person being nominated by the subject petition, all of said requirements of the person signing the petition to have been met as of the date of signing the petition.

(3) At-Large Council Persons: Twenty-five (25) signatures of qualified registered voters of the City of Martinsburg and residents of the City of Martinsburg, said persons signing the petition to be residents of the City of Martinsburg and registered voters of the City of Martinsburg as of the dates they sign the petition.

No qualified registered voter and resident of the City of Martinsburg may sign more than one nominating petition for Mayor, more than one nominating petition for a ward council person, or more than two nominating petitions for at-large council persons, subject to the further qualification and restriction that in regard to the nominating petitions for at-large council persons, a qualified registered voter and resident of the City of Martinsburg may sign only one nominating petition for a particular candidate, but may sign two separate nominating petitions for two different candidates. If a qualified registered voter and resident signs more nominating petitions than allowed under the provision of this section, his or her signature shall be void except as to the first filed of the petitions signed by said person in regard to the nominations for Mayor or ward council position, and shall be void except as to the first two nominating petitions signed for at-large council- person. The signatures to a nominating petition need not all be affixed on one paper, but to each separate paper of a petition there shall be attached a certificate executed by its circulator stating the number of signers of the paper, that each signature on it was affixed in his or her presence and that he or she believes each signature to be the genuine signature of the person whose name it purports to be. The signatures shall be executed in ink or indelible pencil. Each signer shall indicate next to his or her signature the date of his or her signing and the place of his or her residence.

(b) Filing and Acceptance. All separate papers compromising a nominating petition shall be assembled and filed with the City Recorder as one instrument and not earlier than March 1, and no later than March 31, of the year of the election. No nominating petition shall be accepted unless accompanied by a signed acceptance of the nomination, said acceptance to be signed by the persons so nominated. (Amended 6-2-99.)

(c) Procedure After Filing. Within ten days after the filing of a nominating petition, the City Recorder shall notify the candidate and the person who filed the petition whether or not it satisfies the requirements prescribed by this Charter. If a petition is found insufficient, the City Recorder shall return it immediately to the person who filed it with a statement certifying wherein it is found insufficient. Within the regular time for filing petitions, such a petition may be amended and filed again as a new petition or a different petition may be filed for the same candidate. The City Recorder shall keep on file all petitions found sufficient at least until the expiration of the term for which the candidates are nominated in those petitions.

(d) Form of Petitions. A nominating petition for the office of member of Council shall be substantially in the following form:

NOMINATING PETITION

We, the undersigned qualified voters and residents of the City of Martinsburg hereby nominate _____, whose residence is _____ , for (Mayor) (Council Person At-Large) (Council Person for Ward _____ _____to be voted for at the election to be held on the _____ day of June ___ ___; and we individually certify that we are qualified voters and residents of the City of Martinsburg and of the _____ ward and that we have not signed nominating petitions for any other candidates for the office of Mayor (_____ Ward Council Person) or (that we have not signed nominating petitions for more than two different persons for the office of Council Person At-Large).

Name	Street Number and City	Date of Signing

(spaces for signatures and required data)

CERTIFICATE OF CIRCULATOR

The undersigned is the circulator of this petition paper, which contains _____ signatures. Each signature affixed thereto was made in my presence and is, I believe, the genuine signature of the person whose name it purports to be.

Signature of circulator _____
Address _____

Date _____

ACCEPTANCE OF NOMINATION

I hereby accept the nomination for a member of the City Council and agree to serve if elected.

Signature _____
Date _____

Sec. 16.1A.

(a) **Names on Ballots.**

(1) The full names of all candidates nominated for Mayor or for membership in the City Council, except those who have withdrawn, died or become ineligible, shall be placed on the official ballots with party designation or symbol under a heading reading: "Nominees for Mayor" and "Nominees for Councilmember" and also stating the ward in which the nominee is a candidate or if the nominee is an at-large candidate. If there are two or more nominees for Mayor or for the same ward Council position, the voter shall be instructed to vote for only one of them. If there are three or more nominees for the at-large City Council position, the voter shall be instructed to vote for no more than two of them. The failure of a voter to cast a ballot for any nominee for Mayor or from a ward or at-large Council position shall not invalidate the voter's votes cast for nominees for any other office.

(2) If two or more candidates for the same office have the same surname or surnames so similar as to be likely to cause confusion, their residence addresses shall be placed with their names on the ballot.

(3) The names on the ballots shall be listed in the numerical order of the wards, followed by the names of the Council at-large nominees, and the ballots shall otherwise be in accordance with the requirements of general law. The names of the candidates for Mayor shall be listed first on the ballot.

Sec. 16.1B. Except as otherwise provided in this Charter, the provisions of general law with respect to the method and time for the filing of certificates of candidacy, nominating candidates, conducting regular and special Municipal elections, and determining and certifying the results of such elections, so far as applicable, shall apply to elections held under this Charter.

Sec. 16.2. Executive committee; election thereof.

At such general election, the voters of each political party, in each ward, shall elect one male and one female member of the party's executive committee of the City, and the voters of each political party, in the City, shall elect one male and female member, at large of the party's executive committee.

Candidates for such executive committee shall file a certificate with the City Recorder declaring themselves candidates for such office at the same time and in the same manner as set out in Section 16.1 for the nomination of candidates for the offices of Mayor and Council. Nominees for Executive Committee positions are not required to file nominating petitions signed by other persons in order to be nominated for Executive Committee membership. Such candidates shall be residents and voters of the ward, or City, respectively, from which they seek election.
(Amended 6-14-94)

ARTICLE X. INTEREST OF OFFICERS IN CITY CONTRACTS

Sec. 17. Prohibited.

If any officer, or Councilman, shall in any way become personally interested in any contract for labor, work, material or articles of any kind, done, performed or purchased for said City in any contract awarded after competitive bids, to which
said City shall be a party, he shall be deemed guilty of a misdemeanor and shall be fined not to exceed five hundred dollars ($500.00) or imprisoned not to exceed three months, or both fined and imprisoned at the discretion of the court, and the judgment of conviction shall operate to vacate his office, and the judgment shall so state, and it shall also operate to render such contract void and no money shall be paid thereon. Jurisdiction to try, determine and sentence for a violation of this section is hereby conferred upon the Circuit Court of Berkeley County.

ARTICLE XI. OATH OF MAYOR

Sec. 18. Generally.

The Mayor before taking his seat or performing any of the duties of such office shall take and subscribe an oath or affirmation that he possesses the qualifications prescribed by this Act [Charter], to hold such office, and is not subject to any of the disqualifications prescribed therein, and that he will support the Constitution of the United States and the Constitution of this State, and honestly discharge the duties of his office to the best of his skill and judgment, which oath shall be filed and preserved with other papers and books of the City.

ARTICLE XII. OATHS OF OFFICERS OTHER THAN MAYOR

Sec. 19. Generally.

The Treasurer, Recorder and Auditor and members of the Council, and all other officers elected or appointed under this Act [Charter], shall take and subscribe an oath or affirmation in the time, manner, form and effect prescribed for by the Mayor.

ARTICLE XIII. VACANCIES

Sec. 20. Filling vacancy in office of Mayor or City office appointed by Mayor.

If a vacancy shall occur in the office of the Mayor, the Council shall, as soon as practicable, fill the vacancy by the appointment of some qualified person. If any vacancy occurs in a City office appointed by the Mayor, then such vacancy shall be filled by appointment by the Mayor, of some qualified person with the concurrence of the Council, subject to the regulations for the original appointment.

Sec. 21. Filling vacancy in Council.

All vacancies occurring in the Council shall be filled by the Council.

Sec. 22. Terms of persons appointed to fill vacancies.

All persons appointed to fill vacancies in elective offices shall hold offices until the next City election. Vacancies occurring in appointive offices shall be filled for the unexpired term.

Sec. 23. Removal of officers and employees.

The Council shall have and is hereby granted power and authority to remove from office any officer or employee of the City of Martinsburg for any of the causes mentioned in Section 6 of Article IV of the Constitution of West Virginia, or for any violation of Section 16 of Article IX, or Section 17 of Article X of this Act

[Charter], upon written charges preferred by a member of the Council, or by any responsible citizen to the Council, and to remove from office, under this provision, four-fifths of the members of which the Council consists concurring in such removal, and the officer or employee against whom the charges are preferred shall be served with reasonable notice of the time of the hearing to be held upon such charges, together with a copy of such charges, and shall have the right to be represented before the Council in person and by attorney, and the right to require all witnesses to be sworn and testify under oath before the Council.

ARTICLE XIV. APPOINTMENT OF OFFICERS TO OTHER CITY OFFICES

Sec. 24. Generally.

Any member of the Council, the Mayor, Recorder and Auditor, Treasurer, or any other elective or appointive officer shall, during the time for which he is elected, be eligible or appointive to any other office under the City; provided, such employment is authorized by the Council by a specific resolution for such appointment, and which shall in no event be for a longer period than said Council is selected to serve under this Act [Charter].

ARTICLE XV. JOURNAL OF COUNCIL PROCEEDINGS

Sec. 25. Generally.

The Council shall keep a journal of all its proceedings, which shall at all times be open to the inspection of the taxpayers of the City; and be a public record, and the ayes and noes of the members on any question, at the request of any member, be taken down and entered thereon.

ARTICLE XVI. MEETINGS OF COUNCIL

Sec. 26. When held; calling special meetings; decision on questions put.

The Council shall hold regular meetings on the first Thursday of each month of the year and such special meetings as the business to be transacted may require, at such time, place or places in the City as the Council shall, from time to time, ordain or appoint, and the Council shall have power by proper ordinance or resolution, entered of record, to vest in any officer of the City, or any member or members of their body, authority to call special meetings and in like manner prescribe the mode in and by which such special meetings shall be called.

All questions put, except as to such matters as are herein otherwise provided, shall be decided by a majority of all members present. No business shall be transacted at any special meetings of the Council unless specifically mentioned in the call for such meeting.

Sec. 27. Quorum.

A majority of the whole number of members elected to the Council shall constitute a quorum to do business, but a smaller number may adjourn from time to time, and may compel attendance of absent members of such manner and under such penalties as the Council may by rules provide.

ARTICLE XVII. SALARIES GENERALLY

Sec. 28. To be established by ordinance; fees and charges.

The Mayor, Recorder, Auditor, Treasurer and other officers, employees and appointees, shall receive for their official services such salaries as the Council shall, from time to time, by ordinance fix and establish; but the salaries of any such officers shall not be increased or diminished during the term for which he was elected or appointed. All fees and charges allowed heretofore, by any law or ordinance, shall be paid into the City treasury and no officer, elective or appointive, shall receive any compensation whatever, except his salary. The Council shall pass suitable ordinances securing to the City all such fees and charges.

Sec. 29. What members of Council to receive.

The members of the Council shall each receive the sum of one hundred dollars ($100.00) per annum for their official services.

ARTICLE XVIII. APPOINTIVE OFFICERS

Sec. 30. Appointment and qualifications; duties and salaries generally.

The Council shall appoint a Recorder and Auditor, Sergeant, Treasurer, City Attorney, Commissioner of Streets, Water Superintendent, Chief of Fire Department and Building Inspector, policemen, and all other officers, all of whom shall be residents of the County of Berkeley, and the Council shall prescribe the duties and fix the salaries of such officers and also fix the salaries of all other officers not otherwise provided for in this Act [Charter]. (Code 1915, Municipal Charters, ch. 6, Sec. 30; Acts 1933, ch. 125)

ARTICLE XIX. DUTIES, ETC., OF MAYOR

Sec. 31. Duties generally; appeal from decision of Mayor; compensation.

The Mayor shall be the chief executive officer of the said City, and shall take care that the orders, bylaws, ordinances, acts and resolutions of the Council, thereof are faithfully executed. He shall be ex officio a justice and conservator of the peace within the City and shall, within the same, have, possess and exercise all powers and perform all the duties vested by law in a justice of the peace, except that he shall have no jurisdiction in civil cases. Any warrant or other process issued by him may be executed at any place in the County. He shall have control of the police of the City, and may appoint special police officers whenever he deems it necessary, and may suspend any policeman for cause; and it shall be his duty to see that the peace and good order of the City are preserved; and that persons and property therein are protected; and to this end he may cause the arrest and detention of all riotous and disorderly persons in said City before issuing his warrant therefor. He shall have the power to issue executions for all fines, penalties and costs imposed by him or he may require the immediate payment thereof, and in default of such payment thereof may commit the offending party to the jail of Berkeley County, or other place of imprisonment in such City, if there be one, until the fine or penalty and costs shall be paid, but the term of imprisonment in such cases shall not exceed thirty days. In all cases where a person is sentenced to

imprisonment, or to the payment of a fine of ten dollars ($10.00) or more, (and in no case shall judgment for a fine of less than ten dollars ($10.00) be ordered or given by the Mayor, if the defendant, his agent, or attorney, object thereto) such persons shall be allowed an appeal from such decision to the Circuit Court of Berkeley County, upon the execution of an appeal bond, with surety deemed sufficient by the Mayor, in a penalty of double the amount of the fine and costs imposed by the Mayor, with condition that the person proposing to appeal will perform and satisfy any judgment which may be rendered against him by the Circuit Court on such appeal. If such appeal be taken, the warrant of arrest, (if there by any) the transcript of the judgment, including that of costs, as the law and the evidence forthwith delivered by the Mayor to the Clerk of said Court and the Court shall proceed to try the case and render such judgment, including that of costs, as the law and the evidence may require, but no judgment shall be rendered against said City for costs on such appeal. The Mayor may from time to time recommend to the Council such measures as he may deem needful for the welfare of the City. The expense of maintaining any person committed to the jail of the County, or to any place of imprisonment in said City, by him except it be to answer an indictment or be under provisions of Sections 227 and 228 of Chapter 50 of the Code of this State, shall be paid by the said City. Said Mayor shall pay all moneys received by him for fines or by virtue of his office belonging to said City to the Treasurer of the City within one week after he receives the same.

He shall receive such compensation for his services as the Council shall by ordinance annually fix. (Acts 1915, Municipal Charters, ch. 6, Sec. 31; Acts 1921, Municipal Charters, ch. 14)

ARTICLE XX. DUTIES, ETC., OF RECORDER

Sec. 32. Generally.

It shall be the duty of the Recorder to keep a properly indexed journal of the proceedings of the Council and Board of Health, and have charge of and preserve the records of the City; he shall attend the Mayor in all the examinations, receive and issue his orders, swear witnesses and perform all the duties of a Clerk in the Council. In the absence of the Mayor, he shall exercise the functions of Mayor except at meetings of the Council; he shall perform all other duties required of him by order, or by ordinance, of the Council. He shall also be City Accountant and auditing officer of the City. It shall be his duty to keep the accounts of said City in a detailed and systematic manner under proper classification so as to show the bonded and other indebtedness of said City, and the amounts and claims due the same as well from taxes, levies and assessments as from other sources.

Sec. 33. As to property books and taxation; additional duties; compensation.

In addition to his [the Recorder's] other duties it shall be his duty on or before the first day of August in each year to make a copy from the real and personal property books of the Assessor of Berkeley County of all property shown to be liable to taxation within the limits of the City of Martinsburg, and to certify such copy under his hand as a true and correct copy thereof, and to deliver the same to the Council to assist it in preparing the annual estimate of expenses to be certified to the Council as a basis for the annual levy. After such levy is made in each year, it shall be his duty to extend said levy upon said real estate and personal property

books for said City, and to prepare proper tax tickets therefrom against all owners of real estate and personal property subject to taxation in said City. He shall turn said tax bills over to the sergeant, who shall collect said taxes when due and payable, turning the same over to the Treasurer taking his receipt therefor. In addition to the above duties of the Recorder and City Auditor, he shall perform such other duties as the Council shall prescribe. As Recorder and City Auditor he shall receive compensation for his services to be fixed by the Council, which shall not be increased or diminished during his term of office, and the duties of this office shall be performed by the same person.

ARTICLE XXI. COMMISSIONER OF STREETS

Sec. 34. Appointment, qualifications, duties and salary.

The Council shall appoint a Commissioner of Streets for said City, who shall be a competent civil engineer, and who shall perform all such duties as may now or hereafter, by ordinance, be imposed upon him. His salary shall be fixed by Council from term to term. (Acts 1915, Municipal Charters, ch. 6, Sec. 34; Acts 1933, ch. 125)

ARTICLE XXII. TREASURER

Sec. 35. Appointment; duties generally; bond and salary; deposit of City funds.

The Council shall appoint a Treasurer, whose duties shall be to keep all funds of the City in some bank or banks in said City in his name as Treasurer of the City of Martinsburg, which shall pay interest on such deposits equal at least to that paid by state depositories on all funds of the State of West Virginia, and in the same manner at the same time. Before receiving any such deposits, such banks shall give bond in such penalty as the Council shall prescribe and with sureties to be approved by said Council, conditioned for the prompt payment whenever lawfully required of all City moneys, or parts thereof, which may be deposited with them, which bond shall be renewed at such times as the Council may require.

Before receiving any money under said election [appointment], said Treasurer shall give bond in such amount and with such provisions as the Council may by ordinance prescribe; his salary shall be fixed by the Council from term to term.

In addition to the duties herein set forth the Treasurer shall perform such other duties as may be required by the Council. (Acts 1915, Municipal Charters, ch. 6, Sec. 35; Acts 1933, ch. 125)

ARTICLE XXIII. CITY ATTORNEY

Sec. 36. Appointment, duties and compensation.

The Council shall appoint a City Attorney who shall be the legal adviser of the City and all its officers in all matters arising and in which legal proceedings may be taken; he shall prosecute all suits, actions and proceedings instituted on behalf of said City and defend all suits and actions against said City, and, when requested in writing, shall give his written opinion to the Mayor and Council, or any standing committee thereof, upon such legal questions as may be referred to him affecting the City's interest; he shall perform such other duties as may be required. It shall be his duty to attend sessions of the police court, when requested by the Mayor, and prosecute all trials therein and all appeals that are taken from such court, and for his services he shall receive such compensation as the Council shall provide. (Acts 1915, Municipal Charters, ch. 6, Sec. 36; Acts 1933, ch. 125)

ARTICLE XXIV. ORDINANCES

Sec. 37. Style; continuation of ordinances in effect at effective date of Charter.

The style of the ordinance[s] of the City shall be: "Be it Ordained by the Council of the City of Martinsburg:" but the ordinances now in force shall remain in effect until amended or repealed, except where the same are in conflict or inconsistent with this Act [Charter].

Sec. 38. Procedure for passage; ordinance book; codification of ordinances.

All ordinances shall be presented in writing and no ordinance shall be amended in its passage as to change its general purpose. No ordinance shall be considered for final passage at the meeting at which it is introduced nor unless the same shall have been reported upon by a committee, but a reference committee may be dispensed with by the affirmative vote of three-fifths of the members elected to the Council. No ordinance shall contain more than one subject, which shall be clearly expressed in its title; nor shall any ordinance be passed by the Council unless a majority of all the members elected to the Council shall concur therein by yeas and nays when the question is put upon its passage.

All ordinances passed by the Council shall be spread at large upon the minutes; and at the next regular meeting such ordinances shall be read in open Council, and the Mayor shall sign said minutes, when found correct or corrected, in the presence of the Council. The Council shall provide a well bound book in which shall be copied all ordinances in the order in which they are passed, which ordinance so copied shall be compared with the originals by the Mayor and shall be signed by him when found correct. Such book shall be indexed so as to show in brief form the substance of the ordinance. All copies thereof certified as hereinafter provided, shall be received by all courts and justices in this State as evidence. But the Council may adopt, by ordinance, properly designating and describing it, a Code of laws and ordinances, which when adopted shall be printed in book form, or it may be adopted as a whole after it is printed, and the said Code shall be and become the laws and ordinances of said City, and shall be received as such in all courts of this State, and the printed volumes published under the order of Council shall be so received as evidence of what is printed therein, till errors or omissions be affirmatively shown therein.

ARTICLE XXV. FRANCHISES

Sec. 39. Generally.

All franchises granting the right of occupancy of any proportion of the streets of the City for work of public utility and service, shall be granted by the Council, but no such franchise shall hereafter be granted except under the following restrictions and conditions:

No franchise shall be granted, except at the time of granting it, bond be made to the City, providing that the grantee shall indemnify the City against all damages caused by construction, maintenance or operation of such works; all reasonable additional provisions and conditions may be made for the protection of the public, necessary damage or inconvenience by reason of the construction, maintenance or operation thereof.

No grant of a franchise for the extension of, or an addition to, any line of work on public service through, over or under any additional street or territory of the City, shall be made for a period extending beyond the time limit for the expiration of the franchise, if the principal work is one granted before this act goes into effect and not limited as to time; any franchise granted for an extension or addition thereto shall nevertheless be made subject to the conditions hereof, including a time limit of not exceeding fifty years.

ARTICLE XXVI. ESTIMATE OF EXPENSES; LEVY; LICENSES

Sec. 40. Council to prepare estimate of expenses; apportionment; levy of taxes.

The Council shall, on or before the first day of August in each year, prepare an estimate of the amount of money necessary and advisable to be expended for the purpose of the City for the current year next ensuing and to be provided for by the levy of taxes as herein provided for such current year; in which estimate the Council shall include a detailed itemized estimate of the money necessary to pay interest on the bonded indebtedness of said City, the amount required for the several sinking funds for the reduction of the principal thereof, the amount to be expended severally for streets, alleys, curbing, waterworks, Police Department, Fire Department, street paving, sewers, salaries, parks, real and personal property, contingent expenses and other expenses, together with an itemized statement of the estimated receipts, other than that to be derived by the annual levy, and after receiving such estimates and before making the levy, the Council shall apportion the rate thereof, (including the estimated receipts for licenses and all other sources) among the several funds so ascertained and provided for, which said apportionment, when adopted, shall be spread upon the record of the Council.

Upon such estimate of expenses, the Council shall thereupon, by ordinance, lay a levy for the ensuing tax year of a sum not to exceed thirty-five cents (35¢) on each one hundred dollars ($100.00) assessed valuation of all taxable property, real and personal, subject to taxation in said City, as well as the capitation tax or not to exceed two dollars ($2.00) upon every male inhabitant of said City over the age of twenty-one years, who is subject to a capitation tax under the laws of the State of West Virginia, and said Council is authorized to levy to such maximum of thirty-five cents (35¢) on each one hundred dollars ($100.00) of valuation, notwithstanding any general laws now in force, or which may be enacted, restricting the powers of municipal corporations to levy taxes.

Sec. 41. Authority of municipal authorities with reference to licenses.

Whenever anything for which a State license is required is to be done within said City, or within two miles of the corporate limits thereof, the municipal authorities, as herein provided, may require a City license to be had for doing the same, and may, in any case require from any person licensed, a bond with sureties and in such penalty and with such conditions as it may deem proper, and the Council, on notice, may revoke such license at any time if the conditions of the said bond be broken.

The municipal authorities may impose a license and assess a tax thereon on all wheeled vehicles for public hire, all dogs kept within said corporate limits, all insurance, bonding, casualty and guaranty companies, auctioneers, book agents, bowling alleys, billiard saloons, bagatelle saloons, bond, notes and loan associations, building and loan associations, capitation taxes, commission merchants, common criers, circuses and menageries, theaters, drays, cabs, hacks, etc., eating houses, express companies, hitting and striking machines, hobby horses, junk dealers, real estate agents, insurance agents, livery and feed stables, omnibuses, peddlers, pawnbrokers, stock brokers, social clubs, street vendors, tobacco, snuff and cigars, etc., theatrical shows, transient merchants, telegraph and telephone companies, electric light companies, gas companies and other business property, profession or occupation. The municipal authorities may prescribe, impose and enforce reasonable fines and penalties, including imprisonment under the order of the Mayor of said City, or the person lawfully exercising his functions, upon any person carrying or attempting to carry on any such business for which the said license is required without first obtaining a City license therefor and paying the City license tax assessed thereon. All licenses provided for in this chapter shall be paid to the Sergeant. For the purpose of enforcing the provisions of this section, the City shall have police jurisdiction for two miles beyond the corporate limits thereof.

Sec. 42. Power of Council as to ordinances, etc., relative to licenses.

The Council shall have the powers to make all regulations and pass all ordinances necessary and proper concerning the granting and revoking of all licenses.

ARTICLE XXVII. TAX COLLECTION

Sec. 43. Procedure; discount; penalties and interest; additional duties and compensation of Sergeant.

The City taxes annually levied by said Council shall be collected as follows:

Immediately after the annual levy for City taxes is laid, the Recorder and Auditor shall extend the same on the property books made out by him, including thereon the proper capitation taxes; he shall make out proper tax tickets, and the same after being examined, compared and found to be correct by the Council, shall be turned over to the Sergeant by the first day of October following the levy. The Sergeant's receipt for the gross amount thereof shall be returned and entered upon record and the Sergeant charged therewith. The Sergeant shall give notice by publication for twenty days in two newspapers of general circulation published in said City, stating that said tax tickets are in his hands for collection, the penalty for non-payment thereof, and the time and place when the same may be paid; provided, however, that the taxpayer shall have the right to anticipate the payment of the whole or any part of the taxes assessed. Immediately upon the receipt by the Sergeant of any taxes, the same shall be paid to the Treasurer and his receipt taken therefor. On all the tickets remaining unpaid in the Sergeant's hands on the first day of January, succeeding the levy, a penalty of five percent (5%) shall be added and collectible, together with six percent (6%) interest per annum until paid; provided, however, that the Council shall have the power any year, by resolution, to extend the time that such tax tickets may remain in the Sergeant's hand and be paid to him before adding the penalty, for a period not to exceed thirty days.

The Council may by ordinance allow a discount for prompt payments.

The Sergeant shall have power to collect said taxes so placed in his hands together with the penalty and interest thereon, heretofore provided, to be added thereto.

The Sergeant shall be charged with the gross amount of said tax tickets so delivered to him for collection and no deduction therefrom shall be allowed, unless on or before the first day of September of each year, he makes out and returns to the Council a delinquent list of the taxes uncollected for the year previous, with his oath attached thereto, stating that such delinquent list is correct and just; that he has received no part of the taxes mentioned thereon; that he has used due diligence to find property to distress for said taxes, and has found none, and that the same is uncollectible.

Penalties and interest provided for in this section to be added to such taxes, shall not be deemed or considered as any part of the limitation in this act hereinbefore prescribed, restricting the annual City levy to thirty-five cents (35¢) on each one hundred dollars ($100.00) valuation.

The Sergeant shall not take or collect anything but money for the payment of taxes.

The Sergeant shall perform such other duties as the Council may require, and receive such compensation as shall be fixed by the Council.

Sec. 44. Distraint and sale of goods and chattels for certain taxes assesed against owner.

All goods or chattels, belonging to a person, firm or corporation, or estate, assessed with any City taxes, whether the same be a capitation tax or a tax upon real or personal property, or an assessment for paving or other improvements, shall be liable for said taxes and may be distrained therefor in whosoever possession they may be found, and the Sergeant shall have the same power to collect said taxes or assessments from any person owing debts to or having in his possession any estate belonging to a person assessed with any tax or assessment of any kind, that the sheriff has to collect State taxes in such cases. The Sergeant may distrain and sell for all such taxes and assessments and in all respects have the power to enforce the collection thereof as the Sheriff has to enforce the collection of State taxes.

Sec. 45. Lien on real estate for City taxes thereon.

There shall be a lien upon all real estate within said City for the City taxes assessed thereon, including such penalties and interest added thereto for nonpayment thereof, as are prescribed by this Act [Charter], from the first day of January of the year in which said taxes are assessed. Said liens may be enforced by appropriate suit in any court of record in Berkeley County; provided, such suit be instituted within five years from the time the said liens attached as herein provided, and such suit may either be by and in the name of the City of Martinsburg, as plantiff, or said City may intervene by petition any suit pending to sell or enforce lien against any real estate, which is subject to such liens for said taxes. The liens herein created shall have priority over all other liens, except those for taxes due the State and County.

Sec. 46. Additional method of enforcement of liens.

Said liens for City and attendant penalties as well as for improvement assessments, may also be enforced by certifying the same to the Clerk of the County Court of Berkeley County for certification to the State Auditor and the same may be certified down by said Auditor and sold for the taxes, interest, penalties and commissions thereon, in the same manner, at the same time, and by the same officer as real estate sold for the taxes, interest, damages, costs and commissions due the State thereon, which officer shall account therefor on settlement with the Council and pay the same over to the Treasurer.

ARTICLE XXVIIa. WATERWORKS

Sec. 46.1. Generally.

The Council shall have general charge of its waterworks, and the Mayor shall have the power to employ a Superintendent of said works, and such other employees and laborers as the Council may deem expedient and necessary; and the Council shall fix their compensation. The Council shall fix and regulate, subject to the approval of the Public Service Commission, the rates and charges for water supplied to all consumers, and shall prescribe such reasonable rules and regulations as may be deemed proper with reference to the use and consumption of water taken from the City mains, the terms and conditions upon which connections to said mains shall be made, and the place and manner thereof. The Council shall further have the power to provide penalties, by way of additional charges, for the failure to pay water rates promptly; and to this end, water rates and charges, when assessed in the name of the owner of any real estate, shall be a lien from the first day of April, of the year in which same are assessed, upon the said real estate for the benefit of which the water is furnished, whether the water so furnished be for the use of the owner, agent or tenant of such real estate; and the water rates, and charges aforesaid may be distrained for and collected in the same manner in which the collection of taxes owing to the City may be enforced. The collection of water rates and charges may also be enforced by shutting off the supply of water from delinquents, and the refusal thereafter to furnish water to delinquents, until all arrearages are paid. (Acts 1917, ch. 120; Acts 1923, ch. 82)

ARTICLE XXVIIb. TURNPIKE COMPANIES

Sec. 46.2. Generally.

When any road, street or alley in said City is owned or controlled by any turnpike company or companies, said company or companies shall be liable for the construction, improvement, repair and good order of such roads, streets or alleys, and the Council of the City of Martinsburg may require the same to be constructed, paved, improved and kept in good order and repair by the turnpike company owning or operating the same; and should the said company owning or operating the same refuse or neglect for a period of thirty days to carry out the order of the Council in this regard, then and in that event, the Council, shall under such agency as it may desire, may proceed to construct, pave, improve, or repair the same, and collect the cost thereof, with all penalties, liens and conditions, and in the same manner as provided in Section 48. (Acts 1917, ch. 120)

ARTICLE XXVIII. APPROPRIATIONS, CONTRACTS

Sec. 47. Prerequisites to appropriation of money, contracting of debts and authorization of contracts.

No money shall be appropriated and no debts shall be contracted, and no contracts authorized by the City, except by an ordinance passed by the Council as specified in Article XXIV, and no ordinance shall be passed except where the funds to meet the same shall have been first provided by levy, duly made in accordance with the provisions of this Act. No contract shall be entered into involving or anticipating further levies, unless all questions connected with the same, shall have been first submitted to the vote of the people and have received three-fifths of all the votes cast at such election.

ARTICLE XXIX. PAVING, CURBS

Sec. 48. Width, paving and curbing of sidewalks.

The Council shall have the right to establish the width of any sidewalk along any street, alley or public square, or portion thereof, and any owner of ground fronting on such shall in such manner as the Council shall reasonably prescribe, pave, and curb the sidewalk adjacent to such property. In case of a failure or refusal of such owner to pave or curb the same, the Council may cause the same to be properly curbed and paved by the City, and levy and collect from such owner, the whole costs of such curbing and paving adjacent to such property, with a penalty of five percentum (5%) added thereto, together with six percentum (6%) interest until paid; and in like manner to require the owner of any property adjacent to any paved sidewalk heretofore or hereafter constructed, to keep the same in repair and in default of doing so, to cause the same to be repaired and to levy and collect from said owners the whole cost thereof, with a penalty of five percentum (5%) added thereto together with six percentum (6%) interest per annum until paid. In all cases of such assessment, whether for the original or for the repairing of sidewalks, payments thereof, including penalties and interest, shall be made to the Sergeant within thirty days after the completion of the work; who shall have power to collect the same from the owner or owners of such property, by distress and sale in the same manner in which taxes levied for the benefit of the City are authorized to be collected; and in addition, there shall be a lien upon such real estate, which lien may be enforced by appropriate suit in any court of record of Berkeley County.

Sec. 49. Permanent paving of street or alley.

Whenever the Council may deem it expedient to cause any street or alley in said City, or portion thereof, to be paved in a permanent manner, it shall order the work done in the following manner and upon the following terms: The contract for such paving shall, after due advertisement in which the Council shall reserve the right to reject any and all bids, be let, if let, to the lowest and best bidder. The contractor shall look only to the City for payment for the work and in no sense to the abutting land owners. The total amount of grading and paving any such street or alley, (except when streets are occupied by streetcar or tracks, for the distance between the rails and two additional feet outside of each rail, which portion shall be borne and paid entirely by the streetcar company owing [owning] or operating such railway and tracks) shall be borne by the City and the abutting property

owner, at the option of the Council, which plan is to be determined by it, before beginning the work, in the proportions of one-third by the City and one-third each by the abutting property owner, or by charging the entire cost to the abutting property owner on each side of the block or street on which said paving shall be constructed, apportioned according to the respective frontage of each owner thereon. The cost of such paving chargeable to the abutting property is not to include any portion or amount paid for paving of squares at intersections of streets, which shall in all cases be borne and paid by the City.

When the paving of any street or alley or portion thereof shall have been let to contract and the work done as hereinbefore provided, it shall be the duty of the Commissioner of Streets to cause the several frontage thereon to be measured, to calculate the assessment upon each and every land owner so abutting, and to certify the same to Council, showing the proper amount to be determined as provided in the foregoing plan. It shall be the duty of the Council to examine and compare such assessments, amounts and names so certified to it. Thereupon the Council shall give notice by publication for two successive weeks in some newspaper published in said City that an assessment, under this Act [Charter], is about to be made against abutting property for paving done on said streets or alleys, describing the location of such paving. Any owner or owners of abutting property shall have the right to appear before said Council, within three weeks from the first publication thereof, and move such Council to correct any apportionment or assessments improperly made; which corrections said Council shall have the power to make. If found to be correct, or when rectified, the Council shall cause the same to be entered, together with the description as to the location, frontage, depth and ownership of land, so far as the same may be ascertained, upon its record, and to enter in its record, that such owners and lots be assessed and chargeable with the amounts so ascertained to be borne by them respectively. When so approved, certified and entered of record, the same shall be and constitute an assessment against said owners and lots for such respective amounts. It shall be the duty of the Council to immediately certify such assessment to Sergeant for collection as hereinbefore provided. A copy of such order shall be certified by the recorder to the Clerk of the County Court of Berkeley County, who shall be required to record and index the same in the proper deed book in the name of each person against whose property assessments appear therein. The amount so assessed against any land owners, as aforesaid, shall be paid in ten installments as follows; that is to say: One-tenth thereof, within sixty days from the date the same is certified to the Sergeant; one-tenth thereof, with interest from day of entry, on the first day of October next ensuing, and one-tenth thereof, with interest from the date of entry payable October first of each year, on the first day of October in each year thereafter until the whole thereof shall have been paid; provided, however, that any owner or owners so liable for any part of such paving shall have the right at any time after certification as aforesaid to anticipate the payment of such installment, or any of them, and to discount the same for cash on the basis of two and one-half percent (2 1/2%). To each of such installments remaining unpaid in the Sergeant's hands at the time specified for such payment, a penalty of five percent (5%), together with six percent (6%) per annum interest until paid, shall be added; and payment thereof enforced in all respects as hereinbefore provided for the collection of any other taxes due the City and such shall be a lien upon the property liable therefor, the same as for other taxes, and the lien may be enforced in the same manner as provided for the taxes.

The liens hereinbefore provided for shall have priority over all other liens, except those for taxes due the State and County, and shall be on a parity with other taxes and assessments due the City. Upon the payment of any assessment to the Sergeant, he shall deliver to the parties paying the same a release of the lien therefor, which may be recorded in the County Clerk's office as other releases of liens. Should such assessment not be in his hands, or have not by him been turned over to the Treasurer, if the same shall have been shown to the satisfaction of the Council to have been paid in full to any officer entitled to receive the same as designated by it, the Council may direct the Recorder and Auditor to execute a release of such lien, which release may in like manner be recorded. (Acts 1915, Municipal Charters, ch. 6, Sec. 49; Acts 1917, ch. 120; Acts 1919, Municipal Charters, ch. 19)

ARTICLE XXX. SEWERS

Sec. 50. Conditions prerequisite to construction of public sewer in City block, street or alley or to providing adequate sanitary sewerage system.

Whenever the Council shall deem it expedient to construct a public sewer in any one or more City blocks, or any part thereof, or in any street or alley, or any part of a street or alley, or to provide at once an adequate sanitary sewerage system, inclusive of all necessary or convenient incinerating and disposal plants, or any part thereof, for said City, it shall so order and the improvement thus ordered shall be made in accordance with the following conditions, to–wit:

First: The Council shall adopt a general comprehensive plan for sewerage, and sewage disposal, inclusive of incinerating and disposal plants, approved by some competent sewerage engineer, and of sufficient capacity to serve the whole territory within the City limits.

Second: Upon the adoption of such plan, the Council shall fix by order, the time when and place where the work upon such improvement shall be begun, and whether the same shall be begun and whether the same shall be undertaken as a whole, or for the time being, confined to certain designated sections, blocks, squares and streets, and if less than the whole improvement be authorized, the construction of such part or parts as shall be ordered shall be executed in accordance with the specifications therefor embraced in said general plan so that when completed the whole shall form a properly co–ordinated sewerage system conforming to said general plan.

Third: The contract for such work, whether for the whole or for parts of said system, shall be submitted to competitive bidding, after an advertisement of not less than once a week for two successive weeks in two newspapers published in said City, and awarded to the lowest responsible bidder. The Council, however, shall have the right to reject any and all bids; and no contract shall be made in pursuance of this authority except upon the express condition that, before the same becomes binding upon the City, the contractor, or someone for him, shall enter into and acknowledge bond, with security to be approved by the Council, in a penalty double the price named in the contract for the work therein specified, with conditions that he will faithfully perform the duties and promptly and skillfully perform the labor provided for in said contract, and pay all costs and damages that may be sustained by said City or by any citizen, inhabitant, resident or taxpayer thereof, in respect to both persons and property, in the execution thereof, and save it and them harmless in the premises.

Fourth: The contractor shall look alone to the City for payment for the work covered by such contract.

Fifth: The contractor shall receive payment for his services, not to exceed the contract price, at such times and in such sums as the Council may by said contract prescribe, but ten per centum (10%), at least, of the contract price, shall be retained by the Council for ninety days after the completion of the work specified in the contract as additional security for the proper execution of the work. The contract may contain all such other safeguards, limitations, provisions and conditions as are usual and as to the Council may seem fair and right.

Sixth: The total cost of the disposal and incinerating plants, including the acquisition and purchase of the ground, if any, necessary therefor, as well as the acquisition and purchase of any other real estate necessary to the work as a whole, shall be borne by the City.

Seventh: The total cost of laying sewers in public squares, and in squares formed by the intersection of streets and alleys, (and in front of all City property) shall be borne by the City.

Eighth: The total cost of all other work incident to laying such sewers in any City block or blocks, and in the streets and alleys of the City, not herein made a special charge against the City, shall be borne by the City and by the abutting property owners, at the option of the Council, which plan is to be determined by it before beginning the work, in the proportion of one-third by the City and one-third each by the abutting property owner, or by charging the entire cost to the abutting property owner on each side of the block or street in which such sewer shall be constructed, apportioned according to the respective frontage of each owner thereon, except that corner lots shall be estimated on a basis not exceeding one hundred and fifty feet in depth.

Ninth: When said sewer is completed, in whole or in part, and connected up with the disposal plant ready for use, then as to so much and such part or parts thereof as have been so completed and connected up, the City Engineer shall report to the Council in writing the total cost, together with a description of the lots and lands abutting thereon, their location, frontage, depth and ownership so far as ascertainable, with the amount chargeable against each lot and owner thereof estimated on the basis above named. The Council shall verify said report and correct any errors that appear upon the face thereof, and give notice by publication once a week for two successive weeks in two newspapers of opposite politics published in said City, that on a day named in said notice, an assessment under this contract will be laid against abutting property and the owners thereof in the amounts and against the owners, respectively appearing in said report, for the sewer constructed in the blocks, streets and alleys in the notice designated. Any owner or owners of abutting property shall have the right to appear before the Council on or before the day fixed in said notice and move the review and revision of any such proposed assessment. The Council shall have power, in its discretion, to make any proper correction and adjustment of the proposed assessment complained of; provided, the application therefor be made within the time limited by said notice, but not if made afterwards. At the expiration of the time fixed by said notice, if no application for review or revision of any assessment be pending, or if pending, then upon the determination thereof the Council shall proceed to lay an assessment on the basis aforesaid against the lots and lands abutting on such sewer and the respective owners thereof, and cause the same to be entered upon its records, together with a description thereof substantially as reported by said Engineer, and from the date of such entry the amount so reported, laid and found, shall constitute an assessment against the lots and lands and the owners thereof and in the amounts therein named respectively.

It is expressly provided, however, that in apportioning said cost the amount assessed against the abutting property owner shall in no case exceed a sum equal to a charge of one dollar ($1.00) per foot for inside lots and one dollar and fifty cents ($1.50) per front foot (calculated to a depth of not exceeding one hundred and fifty feet) for corner lots.

A copy of the order making such assessments, certified by the City Recorder, shall be filed for record with the Clerk of County Court of Berkeley County, and be recorded and indexed by him in the proper deed or trust book, or judgment lien docket, in the name of each owner against whose property assessments appear therein.

Immediately upon the entry of such assessments the Council shall certify the same to the Sergeant for collection, and from the time of filing same for record in the office of the Clerk of the County Court such assessments shall be a lien against the lots and lands in respect to which the assessment was made.

The amounts so assessed against said lots and lands, and the owners thereof shall be payable in ten installments as follows: One-tenth thereof within sixty days from the date the same is certified to the Sergeant for collection; one-tenth thereof, with interest from date of entry, on the first day of October next ensuing; and one-tenth thereof, with interest from the date of entry, payable October first of each year, on the first day of October in each year thereafter until the whole thereof shall have been paid; provided, however, that any owner or owners so liable for any part of the costs of such sewers shall have the right at any time after certification as aforesaid to anticipate the payment of such installments, or any of them, and to discount the same for cash on the basis of two and one-half percent (2 1/2%). To each of said installments remaining unpaid at maturity, or to any part thereof, a penalty of five percent (5%) shall be added, in addition to the interest and payment thereof enforced in all respects as provided for the collection of other levies; all of which charges, assessments and penalties shall be a lien upon the property liable therefor the same as other City levies and enforced in the same manner. The liens herein provided for shall have priority over all other liens except for State and County levies, and shall be on a parity with other taxes and assessments made for the benefit of the City. Upon payment of any such assessment the Sergeant shall deliver to the party making payment a release of the lien therefor substantially in the form and to the effect provided by the statutes of West Virginia for the release of liens created by deeds-of-trust, judgments, or otherwise, or in lieu hereof, the Sergeant may endorse satisfaction of such assessment on the margin of the page of the book in which the same is recorded in said Clerk's office and such endorsement shall be deemed a sufficient release of said lien. Should such assessment not be paid to the Sergeant, or being paid to him not to be turned over by him to the Treasurer, and it be made to appear to the satisfaction of the Council that the same has been actually paid to any person authorized to receive the same, the Council may direct the Recorder, Auditor, or other person specially designated for the purpose, to execute a release of the lien securing the same or to enter the satisfaction thereof as provided in case of the Sergeant's receipt of same, and in either case the release or entry of satisfaction shall be held to release said lien.

Tenth: The owner or owners of any lot abutting upon any street or alley in said City in which a public sewer is or may hereafter be laid and constructed on which lot any business or residence building is or shall hereafter be erected, and which building is not otherwise lawfully connected with a public sewer, may be required and compelled by the Council, or by the Board of Health of the City, to connect such building with such sewer. Notice to so connect shall be deemed sufficient if given to the owner, lessee or occupant of such building. Each day's failure to comply with such notice and to make such connection by such owner or owners, after the lapse of ten days from the day such notice is given, shall be a misdemeanor and a separate and new offense under this Act, and each such offender shall be punishable, on conviction, by a fine of not less than five dollars ($5.00) nor more than twenty-five dollars ($25.00). Jurisdiction to hear, try, determine and sentence for violations of this section is vested in the police court of said City. Notwithstanding anything herein, however, if said owner or owners shall fail to comply with such notice the Council may also by ordinance, order such connection to be made at the expense of the City and the cost thereof to be certified to the Clerk of the County Court of Berkeley County for record, and the same shall constitute a lien upon the lots and lands of said owner or owners abutting on said sewer from the date of filing said certificate for record with the same force and effect and with the same penalties and remedies as in the case of the assessment hereinbefore provided for.

Eleventh: Whenever the Council deems it expedient to permanently pave or re-surface any street or alley, or any part thereof, of said City, not then served by a public sewer, and it is in the interest of economy that a sewer should first be laid therein in anticipation of being later made a part of the general sewerage system hereinbefore mentioned, it shall have the power, and it is hereby authorized to order the construction of such sewer and to assess against and collect of the abutting property owners the same proportion of the cost thereof, upon the same terms, with the same rights, remedies and penalties in all respects, as provided for the construction of the general sewerage system hereinbefore set forth, excepting, however, that the right to lay such assessments and to collect the same shall not be dependent upon the connection of such sewer with the disposal plant as a matter precedent to the payment therefor. (Acts 1915, Municipal Charters, ch. 6, Sec. 50; Acts 1917, ch. 120; Acts 1919, Municipal Charters, ch. 19)

ARTICLE XXXI. BORROWING MONEY

Sec. 51. Sale, etc., of liens under Articles XXIX and XXX; bonds to provide funds to pay for paving or sewering under Sections 49 and 50 of this Charter.

By ordinance of the Council, the City of Martinsburg may sell, assign and transfer the liens acquired under either of the two preceding articles, at not less than par, with or without recourse, to whoever the Council may desire, or the funds derived from the sale of the liens may be expended only for the purpose of paying the City's proportionate share of additional paving and sewering; that is to say, that the money derived from the sale of the liens created for grading and paving the streets, shall be used only for the purpose of paying the City's proportionate share of additional grading and paving, and the funds derived from the sale of the liens for sewering and other street improvements shall be used only to pay for the City's

proportionate share for additional sewering and other street improvements. In case the said money shall not be used for such purpose or purposes, it shall then be paid by the Council, without diminution for any purposes, into the sinking fund created for the purpose of paying the issue or issues of bonds, authorized under this section, for paving or sewering, or both, which is made to pay for the work from which the liens were acquired; or the Council may purchase the bonds, or any of them, in which case, when the bonds are purchased and cancelled the debt of the City shall be diminished and extinguished to that amount.

The City of Martinsburg is hereby authorized to borrow money and issue its bonds for the purpose of providing funds sufficient to pay for any part or the entire cost of paving or sewering, or both, as provided in Sections 49 and 50 of this Act [Charter], as the Council may determine, and, in either event, the authorization, submission, election, sale, payment of principal and interest, and all other matters shall be done in the manner provided by Sections 49–A–B, 1, 2, 3, 4, 5, 6, 7, 8, 9, 10 and 11 of Chapter 47 of the Code of 1913. And at any election held for the purpose of authorizing the issue of bonds hereunder, an ordinance may be submitted, which shall include not only the issuance of bonds for the purpose of paving or sewering, or both, but it may include any other purpose; provided such ordinance shall comply with subdivision 6 of Section 49–B, Chapter 47, Code of 1913, aforesaid. (Acts 1915, Municipal Charters, ch. 6, Sec. 51; Acts 1917, ch. 120)

Sec. 52. Refunding bonds.

The Council may refund the bonded indebtedness of said City, by issuing bonds of the City payable within twenty years, bearing no greater rate of interest than five percent (5%) but the indebtedness of the City shall not thereby be increased without the consent of the voters of said City being first had, and obtained as provided by law.

Such bonds shall not be sold for less than par nor exchanged for the evidence of said indebtedness of said City, except dollar for dollar, and there shall be provided a sinking fund that will discharge said bonds as they shall become due. Said bonds shall express on their face, that they may be paid at any time after five years, at the pleasure of the City. A record shall be kept of all proceedings hereunder; provided, that nothing herein contained shall be construed to authorize an increase of the bonded indebtedness of said City, beyond the amount now authorized by law.

ARTICLE XXXIII. BUILDING FOR CITY USE

Sec. 53. Authority of Council.

The Council shall have the authority to erect, buy, sell and lease all buildings necessary for the use of the City government, or any of its departments, and to provide for, and regulate the same and establish and maintain public hospitals, and to receive donations, gifts or bequests for the same, in trust or otherwise.

ARTICLE XXXIV. HEALTH

Sec. 54. Authority of Council to preserve health of inhabitants, abate and remove nuisances, prevent, etc., slaughterhouses, offensive, etc., trades, etc., and keeping, etc., of stale meat, etc.

The Council shall have the authority to ordain and enforce such regulations within said City, as shall be necessary or proper to preserve the health of the

inhabitants of said City, and to secure them from disease; to require and compel the abatement and removal of all nuisances within said City, at the expense of the person or persons causing the same, or of the owner or owners of the grounds whereon the same shall be; to prevent or regulate slaughterhouses within said City; or the exercise of any offensive or unhealthy business, trade or employment therein; to prevent the keeping of any stale meats, fish, vegetables, or other matter, or depositing the same, or dirt, rubbish or offal, upon any lot, street, alley or square within the said City or upon the banks of any stream within the limits thereof.

Sec. 55. Authority of Council to regulate sale of certain drugs.

The Council shall have power by ordinance to regulate the sale of cocaine, morphine, opium and poisonous drugs within said City and to prescribe punishment, including fine and imprisonment, for the violation of any such ordinance, and to provide that one or more convictions for violating the same, shall operate as revocation of the license of any druggist or pharmacist holding a license under said City.

Sec. 56. Appointment and term of Health Commissioner; powers and duties of Board of Health.

The Mayor shall in the month of June, 1916, and in said month of every second year thereafter, appoint a suitable person, who shall be a practicing physician, as Health Commissioner, whose term of office shall be for two years and until his successor is appointed and qualified.

The Mayor, Health Commissioner and two Councilmen elected by the Council shall comprise the Board of Health of said City. The Board of Health shall have power to abate all nuisances within said City, and it shall do and perform all such other duties and exercise such other powers as may be required of, or conferred upon them by legal ordinances of said City. The Council of said City shall provide by ordinance the way and method of trying and abating such nuisances, and shall prescribe all penalties that may be proper and necessary for such purpose. The Board of Health shall have power to summon witnesses, hear testimony and to do any and all other things necessary and proper in the performance of such duties under this Act and under the general laws of the State, in such cases made and provided. The Health Commissioner shall under no circumstances have a right to vote at any meeting of the Board of Health.

ARTICLE XXXV. FIRE DEPARTMENT

Sec. 57. Fire Department generally; Civil Service Commission.

The Council shall appoint the salaried members of the Fire Department; said Fire Department shall be under the supervision and subject to rules and regulations prescribed by the Council. The Council shall fix their salaries from time to time.

The Council shall appoint a Civil Service Commission, consisting of three members, none of whom shall be members of the Council, or of the paid or volunteer Fire Department, and not more than two of whom shall be the same political party. One shall be appointed for two years, one for four, and the other for six years; every two years one member of the Commission shall be appointed, and all members shall be eligible to succeed themselves.

This Commission shall have power to conduct examinations as to the fitness of all salaried members of the Fire Department, and to recommend suitable men for appointment by the Council. The Council shall make no appointments except from those recommended by said Commission. The Council shall adopt by proper ordinance, rules and regulations governing the activities of said Commission. (Acts 1915, Municipal Charters, ch. 6, Sec. 57; Acts 1933, ch. 125)

ARTICLE XXXVI. GIFTS

Sec. 58. Receipt by City officers, employees or agents.

No person, firm or corporation shall give to any City officer, employee or agent, nor shall any City officer, employee or agent be permitted to accept, receive or solicit from any person, firm or corporation, any free pass or free transportation or free gift of the same, for himself or other person, on any railroad, streetcar or traction line, or any free gift of any water, light or heat, or any badge, ring, watch or other thing of value, from any person, firm or corporation having any franchise or contract from, under or with said City, or from any other officer, agent or employee of said City, or from any other person whatsoever, who may in any way or manner, be affected by the performance or non-performance of any official duty or obligation by such officer, employee or agent of said City, and the acceptance or solicitation of anything herein forbidden, shall be absolute ground of removal or dismissal from office, by the Council in the case of an elective office, and by the appointing power in the case of any appointive office. Provided, however, this shall not apply to the employees, officers, agents, surgeons, physicians and attorneys at law of any interstate railroad company, who receive passes incident to their services to such company.

The Circuit Court of Berkeley County, upon petition of ten voters of said City, shall have like power of removal of all officers, employees and agents as given in this Act [Charter] to any City officer, in any way or manner; provided, that the Health Commissioner and all policemen and firemen, together with the Chiefs thereof, shall have the right to accept, and street railway companies shall have the right to give such Health Commissioner, policemen and firemen, free transportation over any street railway in said City, while in the performance of their duties. (Acts 1915, Municipal Charters, ch. 6, Sec. 58; Acts 1923, ch. 81)

ARTICLE XXXVII. EXISTING OFFICERS AND ORDINANCES

Sec. 59. Generally.

All officers, agents and employees of the City of Martinsburg, shall remain in and hold their offices and discharge the duties thereof, until the first day of July, 1934, unless the term of office sooner expires and thereafter until their successors are qualified, and all existing officers not provided for by this Act [Charter], shall be abolished as of the first day of July, 1934, except firemen, who shall hold office until their successors are appointed and qualified as provided in this Act [Charter].

All valid ordinances and regulations passed and adopted by the Council, on or before the first day of January 1933, and not inconsistent with this Act, shall be and remain in full force, unless and until repealed, and the Council now in office shall continue to exercise its powers, as such, until the first day of July, 1934. (Acts 1915, Municipal Charters, ch. 6, Sec. 59; Acts 1933, ch. 125)

Sec. 60. Repeal of inconsistent acts; severability of provisions.

All acts in conflict or inconsistent with this Act [Charter] are to the extent of any such conflict, hereby repealed. If any clause, paragraph or section of this Act [Charter] should be declared to be unconstitutional, all other clauses, paragraphs and sections thereof shall not be affected thereby. (Acts 1915, Municipal Charter, ch. 6, Sec. 60; Acts 1933, ch. 125)

ARTICLE XXXVIII. ADDITIONAL METHODS OF PAVING AND SEWERING

Sec. 61. Power of Council as to street improvements and payment by special assessments upon property owners.

In addition to all other provisions of this Charter or by law and independently thereof the Council shall have the power under this article by ordinance to provide for the widening, grading, paving, repaving, curbing, sewering and otherwise improving in a permanent manner with suitable materials any street or alley, or part thereof, in the City, either by contract or directly by the employment of labor and to provide for payment of all or any part of the costs of any such improvement by levying and collecting special assessments upon abutting, adjacent and contiguous or other specially benefited property in the manner hereinafter set out. (Acts 1929, Municipal Charters, ch. 9)

Sec. 62. Assessment of property for trunk line or storm water sewers.

Any part or all of the property which is to be ultimately served or drained by a trunk line or main sewer or storm water sewer, may be assessed for the construction of the same on the basis of the assessed valuation of the property so served or to be served. The City Engineer shall report to the Council and it shall determine the particular properties to be assessed with the cost of constructing any sewer, main or trunk line. (Acts 1929, Municipal Charters, ch. 9)

Sec. 63. Sewering and paving upon petition of property owners.

Upon the petition of the owners of more than fifty per centum (50%) of the frontage of any unit not exceeding five blocks, the City Council may order the same to be sewered or paved, or both, and assess the cost of the sewering or paving, or both, of the whole unit against the abutting property owners in proportion to their frontage as hereinafter set out. (Acts 1929, Municipal Charters, ch. 9)

Sec. 64. Determination of special assessments upon benefited property.

Special assessments upon the property deemed benefited by a public improvement shall be the following methods:

(a) By a percentage of the value of the property as assessed for taxation, in the area served in the case of storm water sewers, and sanitary trunk line sewers.

(b) By the foot frontage of the property in the unit constructed in the case of paving.

(c) By the front footage of the property in the unit constructed in the case of sanitary sewerage, other than trunk line sewers, except, however, that corner property, where sewered in front, shall only be charged on the basis of fifty per centum (50%) of its side frontage. (Acts 1929, Municipal Charters, ch. 9)

Sec. 65. Report of estimate of cost of paving or sewering; procedure upon report.

Prior to the passage of an ordinance requiring any paving or sewering, or both, under the provisions of this article, the City Engineer shall make a report to the Council together with an estimate of the cost of the work proposed to be done, and such report and estimate shall show the estimated expense to each property owner. The report shall specifically show the character and class of work to be done, and the plans and specifications thereof shall be on file in the office of the City Engineer. Upon the submission of said report to the Council if it shall be determined that the cost of the improvement is less than the value to the property owners of the estimated improvement herein provided, and in the case of paving or sanitary sewering other than trunk line sewers, the proper petition of the property owners containing the names of the owners of more than fifty per cent (50%) of the unit proposed to be sewered or paved has been filed, and the Council desires to proceed with the work it shall by ordinance provide for said work by letting the same to contract, and shall cause a notice to be published once a week for two successive weeks in some newspaper published in the City of Martinsburg, of the contemplated improvement, and that at a certain date property owners will be heard who may object thereto prior to the beginning of said work. If there are no objections to said improvement or if after a full hearing the Council shall be of the opinion that such objections as are made are not well founded Council may order the work to proceed and the entire expense thereof to be assessed against the property owners of the property benefited thereby in accordance with the preliminary report of the City Engineer. (Acts 1929, Municipal Charters, ch. 9)

Sec. 66. Contractor to accept certificates in payment.

The letting to contract of any work hereunder shall require the contractor to bid so much for said work and the contractor shall agree to accept as payment for the same contractor's certificates in amount over a period of ten years, in the manner hereinafter provided, and he shall further state in his bid what discount he will allow for cash, and the contract shall be awarded on such basis. (Acts 1929, Municipal Charters, ch. 9)

Sec. 67. Time within which assessment to be paid; form of certificate; form of coupon.

If any assessment against any property owner under this article shall not exceed the sum of one hundred dollars ($100.00) the assessment shall be payable in cash within thirty days after the same is made. If such assessment shall exceed the sum of one hundred dollars ($100.00) and the property owner does not elect to pay cash there shall be issued on such assessment contractor's certificates dividing said assessment into ten equal, annual payments, one of which payments shall be due thirty days after the making of said assessment, one in one year, one in two years, one in three years, one in four years, one in five years, one in six years, one in seven years, one in eight years, and one in nine years thereafter. Deferred payments shall bear interest at the rate of six per cent (6%) per annum. Such certificates shall be in the following form or to the following effect:

THE STATE OF WEST VIRGINIA

No._____ $_____

(State Coat of Arms)

CITY OF MARTINSBURG

CONTRACTOR'S ASSESSMENT CERTIFICATE

This certifies that_____as the owner of a lot, piece or parcel of real estate, situate in the City of Martinsburg, known and designated as Lot No. _____ in Block No._____ has been duly assessed the sum of _____ dollars, with interest from this date at the rate of six per centum (6%) per annum, payable annually, as hereinafter set out, which assessment has been made to pay the cost of the public improvement hereinafter recited.

This certificate is one of a series issued pursuant to the provisions of the Charter of the City of Martinsburg, West Virginia, and the laws of the State of West Virginia to pay the cost of grading, curbing, paving and sewering _____ from_____to_____ in the City of Martinsburg, West Virginia.

Said assessments to draw interest at the rate of six per centum (6%) per annum, payable annually.

Installments of this certificate, therefore, are evidenced by _____ principal installment coupons hereunto attached, which show the amounts of such installments, the due date thereof, and are signed by the Mayor and the Recorder of the City of Martinsburg, West Virginia.

The interest on this certificate and the installment thereof are evidenced by interest coupons hereunto attached, which show the amount of such interest, the due date thereof, and are signed by the Mayor and Recorder of the City of Martinsburg, West Virginia.

Upon the due date of any principal installment coupons excepting the first, the annual interest on so much of said assessment as remains unpaid, shall be due and payable in accordance with, and as evidenced by "interest coupons" hereto attached. The interest on the first principal installment coupon shall be paid when the said principal installment coupon is paid.

The said several principal installment and interest coupons respectively, are payable at the office of the Treasurer of the City of Martinsburg.

The amount of the assessment represented by this certificate and principal installment coupons attached has been duly levied, equalized and confirmed, and is a lien upon the real estate herein mentioned, and is also a debt against the owner of said real estate and the holder or bearer of this certificate may enforce the debt evidenced thereby, as provided by law.

It is hereby certified and recited that all the acts, conditions and things required to be done precedent to and in the letting of the contract for said improvement, the equalization and making of said assessment, and the issuing of this certificate, have been done and performed in regular and due manner and form, as required by the charter of the City of Martinsburg, West Virginia, and the constitution and laws of the State of West Virginia.

In testimony whereof, the City of Martinsburg, a municipal corporation created and existing under the laws of the State of West Virginia, has caused this certificate to be signed by its Mayor and Recorder, and the principal installment and interest coupons, respectively, hereunto attached, to be signed by its Mayor and Recorder this_____day of _____, 19_____, _____, No._____PRINCIPAL INSTALLMENT COUPON. $_____

On the_____day of_____, 19_____, there will be due and payable to the bearer hereof, from _____ the sum of _____dollars, being the _____ installment on certificate No. _____ of the City of Martinsburg, West Virginia, for the curbing, grading, paving and sewering of _____ from_____
to_____ _____

_____ _____
Recorder Mayor

No._____ INTEREST COUPON $_____

On the _____day of_____, 19____, there will be due and payable to the bearer hereof, from_____ the sum of _____dollars, representing interest at six per centum (6%) from _____

10 (Enrolled S.B. No. 212)

to_____of Certificate No. _____ on installment No. _____of the City of Martinsburg, West Virginia, for curbing, grading, paving and sewering of _____
from_____to_____

_____ _____
Recorder Mayor

(Acts 1929, Municipal Charters, ch. 9)

Sec. 68. Report of City Engineer upon completion of work; procedure upon report; recordation and lien of assessment.

After completion of the work hereunder the City Engineer shall make a final apportionment and report of the amount of the costs thereof chargeable to each taxpayer showing the amount of the costs to each owner, and the said report shall be filed with the City Council. Whereupon the Council shall cause a notice to be published in some newspaper in the City of Martinsburg once a week for two successive weeks that on a date therein to be given, the Council will proceed to make a final assessment against property owners liable for the same on account of the improvements so made, and requiring any persons objecting to such assessment to appear and support such objection. And the Council shall thereupon at the time specified in said notice proceed to make an assessment against the property benefited for the cost thereof. Council shall thereupon cause said assessment to be

recorded in the office of the Clerk of the County Court of Berkeley County, West Virginia. And such assessment when made shall constitute a lien second only to the lien for State, County and municipal taxes against the properties therein mentioned, and an assessment against such properties in the name of the person in which such property is listed in the land book shall be a sufficient designation of the owner thereof, and said lien shall continue as other liens until paid and released of record by a release executed by the officer and in the name and manner prescribed by ordinance. (Acts 1929, Municipal Charters, ch. 9)

Sec. 69. Contract may provide to whom the contractor looks for payment.

A contract for such public improvement may provide the method by which the contractor shall receive such assessments in payment of the work done, and may provide that the contractor shall look to such assessment, and not to the City of Martinsburg for payment for such work. The assessment certificates issued hereunder shall be deemed public obligations and as such shall be exempt from property taxation in this State. (Acts 1929, Municipal Charters, ch. 9)

Sec. 70. Notice of assessment to State whether based on frontage or valuation.

When notice is given under this Act of any preliminary or final assessment such notice shall state whether the assessment is in proportion to frontage or valuation. (Acts 1929, Municipal Charters, ch. 9)

ARTICLE XXXIX. ZONING AND PLANNING

Sec. 71. Authority of Council to establish zoning regulations.

For the purpose of promoting health, safety, morals, or the general welfare of the community, the Council of the City of Martinsburg is hereby empowered to regulate and restrict the height, number of stories, and size of buildings and other structures, the percentage of lot that may be occupied, the size of yards, courts, and other open spaces, the density of population, and the location and use of buildings, structures, and land for trade, industry, residence, or other purpose. (Acts 1929, Municipal Charters, ch. 9)

Sec. 72. Division of City into districts; regulation of construction, repair, etc., of buildings within districts.

For any or all of such purposes, the Council may divide the City into districts of such number, shape and area as may be deemed best suited to carry out the purposes of this article; and within such districts it may regulate and restrict the erection, construction, reconstruction, alteration, repair, or use of buildings, structures, or land. All such regulations shall be uniform for each class or kind of buildings throughout each district, but the regulations in one district may differ from those in other districts. (Acts 1929, Municipal Charters, ch. 9)

Sec. 73. Plan; purposes of regulations.

Such regulations shall be made in accordance with a comprehensive plan and designed to lessen congestion in the streets; to secure safety from fire, panic, and other danger; to promote health, and the general welfare; to provide adequate light and air; to prevent the overcrowding of land; to avoid undue concentration of population; to facilitate the adequate provision of transportation, water, sewerage, schools, parks, and other public requirements. Such regulations shall be made with reasonable consideration among other things, to the character of the district and its

peculiar suitability for particular uses, and with a view to conserving the value of buildings and encouraging the most appropriate use of land throughout such municipality. (Acts 1929, Municipal Charters, ch. 9)

Sec. 74. Manner of establishment, change, etc., of regulations, district boundaries, etc.

The Council shall provide for the manner in which such regulations and restrictions and the boundaries of such districts shall be determined, established, and enforced, and from time to time amended, supplemented or changed. However, no such regulation, restriction, or boundary shall become effective until after a public hearing in relation thereto, at which parties in interest and citizens shall have an opportunity to be heard. At least fifteen days notice of the time and place of such hearing shall be published in an official paper, or a paper of general circulation, in such municipality. (Acts 1929, Municipal Charters, ch. 9)

Sec. 75. Amendment, repeal, etc., permitted; procedure after protest of property owners.

Such regulations, restrictions, and boundaries may from time to time be amended, supplemented, changed, modified, or repealed. In case, however, of a protest against such change, signed by the owners of twenty per cent (20%) or more either of the area of the lots included in such proposed change, or of those immediately adjacent in the rear thereof extending one hundred feet therefrom, or of those directly opposite thereto extending one hundred feet from the street frontage of such opposite lots, such amendment shall not become effective except by the favorable vote of three–fourths of all the members of the Council. The provisions of the previous section relative to public hearings and official notice shall apply equally to all changes or amendments. (Acts 1929, Municipal Charters, ch. 9)

Sec. 76. Appointment, composition and duties of Zoning Commission.

In order for the City to avail itself of the zoning powers conferred by this article, the Mayor with the approval of the Council shall appoint a commission, consisting of five freeholders of the municipality, not more than three of whom shall belong to the same political party, to be known as the Zoning Commission, to recommend the boundaries of the various original districts and appropriate regulations to be enforced therein. Such Commission shall make a preliminary report and hold public hearings thereon before submitting its final report, and the Council shall not hold its public hearing or take action until it has received the final report of such Commission. (Acts 1929, Municipal Charters, ch. 9)

Sec. 77. Board of Adjustment.

The Council shall provide for the appointment of a Board of Adjustment, and in the regulations and restrictions adopted pursuant to the authority of this article may provide that the said Board of Adjustment may, in appropriate cases and subject to appropriate conditions and safeguards, make special exceptions to the terms of the ordinance in harmony with its general purpose and intent and in accordance with general or specific rules therein contained.

Sec. 79. When regulations under this article or regulations in other statutes or local ordinances to govern.

Wherever the regulations made under authority of this article require a greater width or size of yards, courts, or other open spaces, or require a lower height of building or less number of stories, or require a greater percentage of lot to be left unoccupied, or impose other higher standards than are required in any other statute or local ordinance or regulation, the provisions of the regulations made under authority of this article shall govern. Wherever the provisions of any other statute or local ordinance or regulation require a greater width or size of yards, courts, or other open spaces, or require a lower height of building or a less number of stories, or require a greater percentage of lot to be left unoccupied, or impose other higher standards than are required by the regulations made under authority of this article, the provisions of such statute or local ordinance or regulation shall govern. (Acts 1929, Municipal Charters, ch. 9)

Sec. 80. Appointment, etc., of Planning Commission; exemption of public service corporation structure from ordinance enacted under article.

The Mayor is hereby authorized to appoint a municipal Planning Commission which may consist of the members of the Zoning Commission; provided, however, that any ordinance or bylaws enacted under the authority of this Act [article] shall exempt from the operation thereof any building or structure used or to be used by a public service corporation (not otherwise exempted) as to which proof shall be presented to the Board of Adjustment provided for in this Act [article], or to the Public Service Commission, that the exemption of such building or structure is reasonably necessary to the convenience or welfare of the public. (Acts 1929, Municipal Charters, ch. 9)

Sec. 81. Composition of Planning Commission; appointment and term of members; vacancies; compensation.

The municipal Planning Commission shall consist of not less than five citizens, all of whom shall be taxpayers, who shall be nominated by the Mayor and confirmed by the Council. The members of the Commission first appointed shall serve respectively for terms of one year, two years and three years, divided equally or as nearly equally as possible between these terms. Thereafter members shall be appointed for terms of three years each. Vacancies shall be filled by appointment for the unexpired term only. Members of the Commission shall serve without compensation. (Acts 1929, Municipal Charters, ch. 9)

Sec. 82. Duties of Planning Commission.

The duties of the municipal Planning Commission shall be to prepare plans for the development of the whole or any portion of the municipality and of any land outside of the municipality which, in the opinion of the Commission, bears relation to the planning of the municipality; provided, however, that the power of the municipal Planning Commission shall not extend beyond the territorial limits of the municipality except so far as is reasonably necessary to protect the community, both within and without the corporate limits, against inadequate streets, highways, and sewers, and inadequately planned and zoned territory.

Before final action shall be taken by the City or any department thereof on the location and design of any public building, public memorial, street, park, parkway, playground or other public area, such question shall be submitted to the municipal Planning Commission for investigation and report. (Acts 1929, Municipal Charters, ch. 9)

Sec. 83. Submission of plans, etc., to Planning Commission; prerequisites to filing with Clerk of County Courts.

All plans, plats or replats of land laid out in building lots, and the streets intended to be dedicated to public use, shall be submitted to the municipal Planning Commission for their consideration and no such plat or replat shall be filed in the office of the Clerk of the County Court, as provided by law in other cases, until such plat or replat shall have endorsed upon it the fact that it has first been submitted to the municipal Planning Commission, and by the municipal Planning Commission to the Mayor and Council, and by the Mayor and Council duly approved. (Acts 1929, Municipal Charters, ch. 9)

CHARTER COMPARATIVE TABLE

ACTS

This table shows the location of the sections of the basic Charter and the Municipal Charter Acts amending the same.

Year	Municipal Charters Chapter	Section	Disposition
1915	Ch. 6	1–83	1–83
1917	120		46.1
			46.2
			49–51
1919	19		49
			50
1921	14		8.1
			31
1923	81		57
	82		46.1
1929			61–83
1933	125		3,4,12,13,
			30
			34–36
			56,59,60

CHARTER COMPARATIVE TABLE

ORDINANCES

This table shows the location of ordinances amending the Charter.

Ordinance Date	Disposition
5–9–66	1–5
	12–16
	16.1, 16.2

The Board of Adjustment shall consist of five members, each to be appointed for a term of three years and removable for cause by the appointing authority upon written charges and after public hearings. Vacancies shall be filled for the unexpired term of any member whose term becomes vacant.

The Board shall adopt rules in accordance with the provisions of any ordinance adopted pursuant to this article. Meetings of the Board shall be held at the call of the chairman and at such other times as the Board may determine. Such chairman, or in his absence the acting chairman, may administer oaths and compel the attendance of witnesses. All meetings of the Board shall be open to the public. The Board shall keep minutes of its proceedings, showing the vote of each member upon each question, or, if absent or failing to vote, indicating such fact, and shall keep records of its examinations and other official actions, all of which shall be immediately filed in the office of the Board and shall be a public record.

Appeals to the Board of Adjustment may be taken by any person aggrieved or by any officer, department, board, or bureau of the City affected by any decision of the administrative officer. Such appeal shall be taken within a reasonable time, as provided by the rules of the Board, by filing with the officer from whom the appeal is taken and with the Board of Adjustment a notice of appeal specifying the grounds thereof. The officer from whom the appeal is taken shall forthwith transmit to the Board all the papers constituting the record upon which the action appealed from was taken.

An appeal stays all proceedings in furtherance of the action appealed from, unless the officer from whom the appeal is taken certified to the Board of Adjustment after the notice of appeal shall have been filed with him that by reason of facts stated in the certificate a stay would, in his opinion, cause imminent peril to life or property. In such case proceedings shall not be stayed otherwise than by a restraining order which may be granted by the Board of Adjustment or by a court of record on application on notice to the officer from whom the appeal is taken and on due cause shown.

The Board of Adjustment shall fix a reasonable time for the hearing of the appeal, give public notice thereof, as well as due notice to the parties in interest, and decide the same within a reasonable time. Upon the hearing any party may appear in person or by agent or by attorney.

The Board of Adjustment shall have the following powers:

(a) To hear and decide appeals where it is alleged there is error in any order, requirement, decision, or determination made by an administrative official in the enforcement of this article or of any ordinance adopted pursuant thereto.

(b) To hear and decide special exceptions to the terms of the ordinance upon which such Board is required to pass under such ordinance.

(c) To authorize upon appeal in specific cases such variance from the terms of the ordinance as will not be contrary to the public interest, where, owing to special conditions, a literal enforcement of the provisions of the ordinance will result in unnecessary hardship, and so that the spirit of the ordinance shall be observed and substantial justice done.

In exercising the above-mentioned powers such Board may, in conformity with the provisions of this article, reverse or affirm, wholly or partly, or may modify the order, requirement, decision, or determination appealed from, and may make such order, requirement, decision, or determination as ought to be made, and to that end shall have all the powers of the officer from whom the appeal is taken.

The concurring vote of four members of the Board shall be necessary to reverse any order, requirement, decision, or determination of any such administrative official, or to decide in favor of the applicant on any matter upon which it is required to pass under any such ordinance, or to effect any variation in such ordinance.

Any person or persons, jointly or severally aggrieved by any decision of the Board of Adjustment, or any taxpayer, or any officer, department, board, or bureau of the municipality, may present to the Circuit Court of the County, a petition, duly verified, setting forth that such decision is illegal, in whole or in part, specifying the grounds of the illegality. Such petition shall be presented to the Court within thirty days after the filing of the decision in the office of the Board.

Upon the presentation of such petition the Court may allow a writ of certiorari directed to the Board of Adjustment to review such decision of the Board of Adjustment and shall prescribe therein the time within which a return thereto must be made and served upon the relator's attorney, which shall not be less than ten days and may be extended by the court. The allowance of the writ shall not stay proceedings upon the decision appealed from, but the Court may, on application, on notice to the Board and on due cause shown, grant a restraining order.

The Board of Adjustment shall not be required to return the original papers acted upon by it, but it shall be sufficient to return certified or sworn copies thereof or of such portions thereof as may be called for by such writ. The return shall concisely set forth such other facts as may be pertinent and material to show the ground of the decision appealed from and shall be verified.

If, upon the hearing, it shall appear to the Court that testimony is necessary for the proper disposition of the matter, it may take evidence or appoint a referee to take such evidence as it may direct and report the same to the Court with his findings of fact and conclusions of law, which shall constitute a part of the proceedings upon which the determination of the Court shall be made. The Court may reverse or affirm, wholly or partly, or may modify the decision brought up for review.

Costs shall not be allowed against the Board unless it shall appear to the Court that it acted in bad faith or with malice in making the decision appealed from. (Acts 1929, Municipal Charters, ch. 9)

Sec. 78. Court action to prevent unlawful erection, etc., of buildings.

In case any building or structure is erected, constructed, reconstructed, altered, repaired, converted, or maintained, or any building, structure, or land is used in violation of this article or of any ordinance or other regulation made under authority conferred hereby, the City in addition to other remedies, may institute any appropriate action or proceedings to prevent such unlawful erection, construction, reconstruction, alteration, repair, conversion, maintenance, or use, to restrain, correct, or abate such violation, to prevent the occupancy of such building, structure, or land, or to prevent any illegal act, conduct, business, or use in or about such premises. (Acts 1929, Municipal Charters, ch. 9)

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

I, George Karos, *do solemnly swear that I will support the Constitution of the United States and the Constitution of the State of West Virginia; that I possess the qualifications prescribed by law to hold the office of* Mayor *in the City of Martinsburg; that I am not subject to any of the disqualifications prescribed by law; that I will honestly discharge the duties of the said office to the best of my skill and judgment, so help me God.*

George Karos

Subscribed and sworn to before me this 23rd *day of* June, 2008

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
SHARON A. FLICK
CITY OF MARTINSBURG
232 N. QUEEN ST.
MARTINSBURG, WV 25401
My Commission Expires March 29, 2008

Sharon A. Flick
Notary Public.

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

I, Christopher A. Baker, *do solemnly swear that I will support the Constitution of the United States and the Constitution of the State of West Virginia; that I possess the qualifications prescribed by law to hold the office of* Council Ward 1 *in the City of Martinsburg; that I am not subject to any of the disqualifications prescribed by law; that I will honestly discharge the duties of the said office to the best of my skill and judgment, so help me God.*

Christopher A. Baker

Subscribed and sworn to before me this 23rd *day of* June, 2008

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
SHARON A. FLICK
CITY OF MARTINSBURG
232 N. QUEEN ST.
MARTINSBURG, WV 25401
My Commission Expires March 29, 2008

Sharon A. Flick
Notary Public.

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

I, Richard L. Yauger, *do solemnly swear that I will support the Constitution of the United States and the Constitution of the State of West Virginia; that I possess the qualifications prescribed by law to hold the office of* Council Ward 2 *in the City of Martinsburg; that I am not subject to any of the disqualifications prescribed by law; that I will honestly discharge the duties of the said office to the best of my skill and judgment, so help me God.*

Richard L. Yauger

Subscribed and sworn to before me this 23rd *day of* June, 2008

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
SHARON A. FLICK
CITY OF MARTINSBURG
232 N. QUEEN ST
MARTINSBURG, WV 25401
My Commission Expires March 29, 2008

Sharon A. Flick
Notary Public.

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

I, Max G. Parkinson *, do solemnly swear that I will support the Constitution of the United States and the Constitution of the State of West Virginia; that I possess the qualifications prescribed by law to hold the office of* Council Ward 3 *in the City of Martinsburg; that I am not subject to any of the disqualifications prescribed by law; that I will honestly discharge the duties of the said office to the best of my skill and judgment, so help me God.*

Subscribed and sworn to before me this 23rd *day of* June *,* 2000

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
SHARON A. FLICK
CITY OF MARTINSBURG
232 N. QUEEN ST.
MARTINSBURG, WV 25401
My Commission Expires March 29, 2006

Sharon A. Flick
Notary Public.

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

I, Roger Lewis *, do solemnly swear that I will support the Constitution of the United States and the Constitution of the State of West Virginia; that I possess the qualifications prescribed by law to hold the office of* Council Ward 4 *in the City of Martinsburg; that I am not subject to any of the disqualifications prescribed by law; that I will honestly discharge the duties of the said office to the best of my skill and judgment, so help me God.*

Subscribed and sworn to before me this 23rd *day of* June *,* 2000

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
SHARON A. FLICK
CITY OF MARTINSBURG
232 N. QUEEN ST.
MARTINSBURG, WV 25401
My Commission Expires March 29, 2006

Sharon A. Flick
Notary Public.

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

I, Glenville Twigg *, do solemnly swear that I will support the Constitution of the United States and the Constitution of the State of West Virginia; that I possess the qualifications prescribed by law to hold the office of* Council Ward 5 *in the City of Martinsburg; that I am not subject to any of the disqualifications prescribed by law; that I will honestly discharge the duties of the said office to the best of my skill and judgment, so help me God.*

Subscribed and sworn to before me this 23rd *day of* June *,* 2000

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
SHARON A. FLICK
CITY OF MARTINSBURG
232 N. QUEEN ST
MARTINSBURG, WV 25401
My Commission Expires March 29, 2006

Sharon A. Flick
Notary Public.

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

I, Donald Anderson, *do solemnly swear that I will support the Constitution of the United States and the Constitution of the State of West Virginia; that I possess the qualifications prescribed by law to hold the office of* Council At Large *in the City of Martinsburg; that I am not subject to any of the disqualifications prescribed by law; that I will honestly discharge the duties of the said office to the best of my skill and judgment, so help me God.*

Donald T. Anderson

Subscribed and sworn to before me this 23rd *day of* June, 2008

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
SHARON A. FLICK
CITY OF MARTINSBURG
232 N. QUEEN ST.
MARTINSBURG, WV 25401
My Commission Expires March 28, 2008

Sharon A. Flick
Notary Public.

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

I, Gregg Wachtel, *do solemnly swear that I will support the Constitution of the United States and the Constitution of the State of West Virginia; that I possess the qualifications prescribed by law to hold the office of* Council At Large *in the City of Martinsburg; that I am not subject to any of the disqualifications prescribed by law; that I will honestly discharge the duties of the said office to the best of my skill and judgment, so help me God.*

Gregg M. Wachtel

Subscribed and sworn to before me this 23rd *day of* June, 2008

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
SHARON A. FLICK
CITY OF MARTINSBURG
232 N. QUEEN ST.
MARTINSBURG, WV 25401
My Commission Expires March 28, 2008

Sharon A. Flick
Notary Public.

STATE OF WEST VIRGINIA,

COUNTY OF BERKELEY, TO-WIT:

I, Mark Baldwin, do solemnly swear that I will support the Constitution of the United States and the Constitution of the State of West Virginia; that I possess the qualifications prescribed by law to hold the office of City Manager in the City of Martinsburg; that I am not subject to any of the disqualifications prescribed by law; that I will honestly discharge the duties of the said office to the best of my skill and judgment, so help me God.

Mark S. Baldwin

Subscribed and sworn to before me this 6th day of January, 1997.

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
SHARON A. FLICK
City of Martinsburg
232 N. Queen St.
Martinsburg, W.Va. 25401
My Commission Expires March 29, 1998

Sharon A. Flick
Notary Public.

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STATE OF WEST VIRGINIA,

COUNTY OF BERKELEY, TO-WIT:

I, Sharon A. Flick, do solemnly swear that I will support the Constitution of the United States and the Constitution of the State of West Virginia; that I possess the qualifications prescribed by law to hold the office of City Recorder in the City of Martinsburg; that I am not subject to any of the disqualifications prescribed by law; that I will honestly discharge the duties of the said office to the best of my skill and judgment, so help me God.

Sharon A. Flick

Subscribed and sworn to before me this twenty-third day of January, 1998.

[illegible]
My Commission Expires [illegible]

[illegible]
Notary Public.
notarized as [illegible]

ORDINANCE NO. 98-04

CITY OF MARTINSBURG

AN ORDINANCE SETTING FORTH WATER RATES, MINIMUM CHARGE, RECONNECT FEE, CONNECTION CHARGE AND DELAYED PAYMENT PENALTY FOR THE CITY OF MARTINSBURG, WEST VIRGINIA

THE COUNCIL OF THE CITY OF MARTINSBURG HEREBY ORDAINS: The following schedule of water rates, minimum charge, reconnect fee, connection charge and delayed payment penalty are hereby fixed and determined as the water rates, minimum charge, reconnect fee, connection charge and delayed payment penalty to be charged to customers of the water system of the City of Martinsburg, WV throughout the territory served:

SECTION 1. SCHEDULE OF RATES

APPLICABILITY

Applicable to entire area served.

AVAILABILITY OF SERVICE

Available for general domestic, commercial and industrial service.

RATES – ALL METERED CUSTOMERS		Rates per 1,000 Gallons
First or	8,333 gallons used per month 25,000 gallons used per quarter	$4.16
Next or	25,000 gallons used per month 75,000 gallons used per quarter	$3.26
Over or	33,333 gallons used per month 100,000 gallons used per quarter	$2.74

MINIMUM CHARGES

Minimum Charge: no bill will be rendered for
Less than the following amount:

Per Month	$8.32
Per Quarter	$24.96

RECONNECTION CHARGE

Reconnection Fee for Delinquent Customer Only	$25.00

SERVICE CONNECTION CHARGE

The connection charge for each new connection to the water system shall be $300.00.

DELAYED PAYMENT PENALTY

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

DISCONNECT FOR NON-PAYMENT

If any bill is not paid within 60 days from the date of the bill, the customer will be discontinued and will not be restored until all past due bills have been paid in full, together with all penalty charges, subject to applicable rules of the Public Service Commission of West Virginia.

SECTION 2. EFFECTIVE DATE

The water rates, minimum charge, reconnect fee, connection charge and delayed payment penalty provided herein shall be effective at substantial completion of the Water Filtration Project as certified by the project engineer unless otherwise ordered by the Public Service Commission.

SECTION 3. SEPARABILITY: REPEAL OF CONFLICTING ORDINANCES

The provisions of this Ordinance are separable, and if any clause, provision or section thereof shall be held void or unenforceable by any court of competent jurisdiction, such holding shall not affect the remainder of this Ordinance. Upon the effective date hereof, all ordinances, resolutions, orders or parts thereof in conflict with the provisions of this Ordinance are, to the extent of such conflicts, hereby repealed; and to the extent that the provisions of this Ordinance do not touch upon the provisions of prior ordinances resolutions, orders or parts thereof, the same shall remain in full force and effect.

SECTION 4. STATUTORY NOTICE AND PUBLIC HEARING

Upon introduction hereof, the City Recorder shall publish a copy of this Ordinance once a week for 2 successive weeks within a period of 14 consecutive days, with at least 6 full days intervening between each publication, in The Journal, a qualified newspaper of general circulation in the City of Martinsburg, and said notice shall state that this Ordinance has been introduced, and that any person interested may appear before Council at the City Hall, Martinsburg, West Virginia, on the 12 day of November 1998, at 6:30 p.m., which date is not

less than 10 days subsequent to the date of the first publication of the Ordinance and notice, and present protests. At such hearing all objections and suggestions shall be heard and the Council shall take such action, as it shall deem proper in the premises. Copies of this Ordinance shall be available to the public for inspection at the office of the City Recorder in the City Hall, Martinsburg, West Virginia.

Introduced First and Second Reading: October 8, 1998

Adopted on Third Reading
Following Public Hearing: November 12, 1998

Earnest L. Sparks, Mayor

Attest:

Sharon Flick, City Recorder

CERTIFICATION AND NOTICE

The foregoing Ordinance has been introduced and adopted on first and second reading at a meeting of the Council held on October 8, 1998. Any person interested may appear before the Council of the City of Martinsburg at City Hall, Martinsburg, West Virginia, on the 12th day of November 1998 at 6:30 p.m., being the date, time and place of the proposed final adoption of this Ordinance, and be heard. The Council will then take such action as it shall deem proper in the premises. The proposed ordinance may be inspected by the public at the Office of the City Clerk in the City Hall, Martinsburg, West Virginia.

Sharon A. Flick

Sharon Flick, City Recorder

CERTIFICATION

Certified a true copy of an Ordinance duly enacted by the Council of the CITY OF MARTINSBURG on the 12th day of November 1998.

Date: November 12, 1998

(Seal)

Sharon A. Luke
City Recorder

CITY COUNCIL MEETING
REGULAR SESSION
OCTOBER 8, 1998
CITY COUNCIL CHAMBERS

With a quorum present, the regular session of the Martinsburg City Council was called to order by Mayor Earnest L. Sparks at 7:00 p.m. The following Council Members were present: Donald Anderson, George Karos, Merle "B.I." Butts, Richard Yauger, Max Parkinson and Glenville Twigg. Also present were: Mark S. Baldwin, City Manager, J. Oakley Seibert, City Attorney, Sharon A. Flick, City Recorder, Michael Covell, City Engineer/Planner, Phil Martin, Fire Chief, Ted Anderson, Police Chief and Steve Knipe, Water and Sewer Superintendent.

Mayor Sparks announced that Councilman Barrett was ill and was unable to attend the meeting.

3. SALUTE TO FLAG

Councilman Yauger led the Pledge of Allegiance to the Flag.

4. PRAYER - REV. SHAWN EDWARDS, SECOND BAPTIST CHURCH

The invocation was given by Rev. Shawn Edwards.

5. APPROVAL OF SEPTEMBER 10, 1998 REGULAR COUNCIL MEETING MINUTES

Motion made by Councilman Anderson, seconded by Councilman Yauger to approve the September 10, 1998 regular Council meeting minutes. Motion carried unanimously.

7. PRESENTATIONS

C. PRESENT PLAQUE TO MR. C.E. CAMPBELL BEALL - LIBRARY BOARD

Mayor Sparks along with Councilman Karos presented Mr. C.E. Campbell Beall with a Resolution of appreciation and a plaque in recognition of his 44 years of service to the Library Board.

A. ADMINISTER OATH OF OFFICE - FIREFIGHTER FRED GREENFIELD

Chief Martin administered the Oath of Office to Firefighter Fred Greenfield.

Chief Martin announced that the Martinsburg Fire Department is now fully staffed. Also, the second Iris camera is now in service.

6. PETITIONS FROM CITIZENS

INTRODUCTION OF PUBLISHER OF JOURNAL - MR. TOM LEE

Mr. Tom Lee, publisher of Journal, introduced himself to the Mayor and City Council.

CHESTER ENGINEER CONCERNS - MS. VIRGINIA STOTLER, VAN WYK ENTERPRISES

(At the request of Councilman Parkinson the following portion of the minutes are typed verbatim.)

Ms. Stotler: Yes, my name is Virginia Stotler and I represent Van Wyk Enterprises. I'm here this evening to bring you a developers perspective on a recurring situation and to ask for your help. I'm sure that most, if not all of you, have heard my boss, Bruce Van Wyk, say how important timing, coordination and teamwork is to bringing new businesses to Martinsburg thereby broadening the City's tax base. As a developer his competitive edge is often the speed with which he can get plans through the City and County Planning Commissions. My job responsibilities with Van Wyk Enterprises involve the receipt, distribution and coordination of our site plans to ensure project approvals on both the City and County levels. And I want to take just a second here to say that your City Department Heads do an excellent job. Planning and Building, Water/Sewer, Fire, Police, Streets and Sanitation. They probably don't get the respect and acknowledgment that they deserve. Their turn around time for plan review is phenomenal. It's not uncommon for me to have their comments back within a week, two weeks at the longest, and on one occasion last year, I don't know if you're aware of this, but your department heads actually came in on a holiday to meet with us when that was the only time that we could get Hoyt's officials here to meet. But,

and I, you maybe heard this but coming, there is one area and one agency involved in your plan review process that is not quite as prompt with their reviews and that's Chester Engineers. I don't mean to be insensitive to their other time commitments and I also wouldn't be here if I thought it were just a one time occurrence or if we were the only developer this was happening to but because we frequently attend the Planning Commission meetings it's easy to see a pattern and we've seen many projects, in the last several years, approved contingent upon Chester's approval. All other comments were in. Chester's were not. In fact, just last night there was another project on the agenda with us that had all other comments in with the exception of Chester and they were approved contingent upon. While the Planning Commission has been good to approve plans contingent upon their approval Chester's slow response time creates delays and pushes projects back. Our engineers draw up plans from scratch within two weeks but it's taken Chester over a month to review them and then once comments are received from Chester our engineers can usually make the changes within two to three days. But then more time passes before we get a second review and a final approval letter from Chester. On occasion during the process discussions between Chester and our engineers need to occur and site visits often need to be made if questions arise. And we did have a situation occur with Lowe's when Chester's engineer, having never been to the site as I understand it, made erroneous comments regarding a two year storm situation that was disproven by our engineers. We all make mistakes from time to time and, and I'm not here to simply point out the one mistake that I am aware of that they made. But it is particularly frustrating from a developers standpoint because we're paying the bills for their services and we're not getting the same service from them that we expect of our own engineers. We have no control or say over the engineering firm the City selects and that's as it should be. We also have no choice or say in the prices we're required to pay for these reviews. With that in mind, we are asking for solid performance and a timely response. Chester Engineers is aware that we're unhappy with their response time and I received a call from Larry Johnson this morning, and although Mr. Johnson is not responsible for doing our stormwater reviews he has very generously offered to run interference with the Gaithersburg office and to assist us in ensuring that response time on all future submissions is shortened. I believe Mr. Johnson is sincere and I will call him and solicit his help as needed. But, I also need to make you aware that others in his firm has made similar promises in the past that have all too soon been forgotten. We want and expect good performance and a timely response every time. We're asking the City Council to place formal time constraints on Chester. Perhaps five working days from the time they receive the plans to review and comment. Your other agencies are responding within a short time frame and we think that Chester should as well and we would ask the Council, the City Manager and the City Planner for some assurance that Chester is honoring their current contract. Are there already time constraints in place that we're not aware of? Are they attending the required meetings? Do they return phone calls? Are they providing accurate and timely service to all development in Martinsburg? Gentlemen I'll leave you with these questions and I trust that the Council, the City Manager and the City Planner will investigate and act appropriately upon their findings. Thank you.

Mayor Sparks: Council, do you have any comments or questions? Yes sir.

Councilman Anderson: I may have some in Executive Session.

Councilman Parkinson: I would just have a question to ask somebody that has more authority than I that deals with it on a daily basis, our City Engineer. If you care to comment on it pro or con on what Virginia has just spoken about the complaint with Chester.

Mayor Sparks: Representatives from Chester Engineers are here. Do you gentlemen care to respond to this?

Mr. Larry Johnson: Let me answer a couple of questions that were raised. One, we do have a ten day turnaround time. That in answer to one question. In addition when the Planning Commission gives conditional approval based, it's based on our recommendation that the engineer that, whose plans we are reviewing may need to made some additional minor changes. But in order not to hold it up we ask the Planning Commission or we recommend to the Planning Commission that they give conditional approval simply because the changes that are required, though important in order to have a complete document, are minor in nature and they are not worth, worthwhile in holding up the applicant. Now having said that, I have to say that I, in my investigation over the, for the past month, we did not do the job as you contracted with us for that. I am not going to make any excuses and I'm not going to fudge on the issue. I have talked to the people who are involved. They have been severely reprimanded by me and I'm an officer in the company and I have, as Virginia told you, given her my phone number. I will give her my home phone

number, whatever it takes but the service was unacceptable from my standpoint, unacceptable from your standpoint, unacceptable from your developers standpoint. They have made a reasonable request and we should live up to that part of it. I apologize to the Council. I don't like to stand here and listen to what Virginia said, but I am not going to deny that she is right in saying it. I don't think it's, I've got the list of every single application, every single receipt, receipt date, every single response date, so I know the, for every single project that has come before us, I know how long it took us to review them, I know the circumstances in which reviews were, but it took a number of reviews and we have attempted to work with the developers in terms of having conditional approval so that they do not get unnecessarily held up. But there have been some delays that are entirely unacceptable and I intend to have that changed.

Mayor Sparks: Mr. Johnson, or Council I would recommend that we have our City Engineer and our City Manager review this. After all the people that are closest to the battle should be making most of the decisions and ask them to review our association with Chester Engineers and get back with this Council so we can discuss it further and hopefully, hopefully that way we can meet things that are acceptable to working practices with Chester Engineering as well as working practices with the developers. Not only Bruce but other developers in our community. That would be my recommendation. Do you all have anything to say? Yes sir.

Councilman Yauger: Mr. Johnson I will assume that the invoices for work that you all have completed, although some of them may have been not quite in the same time frame, the invoice was never adjusted probably.

Mr. Johnson: The invoices were not sent, have not been sent to date.

Councilman Yauger: Thank you.

Mayor Sparks: O.K. Mr. Johnson our City Engineer and City Manager will be getting with you if they have any

Councilman Butts: I'd like to ask him a question.

Mayor Sparks: Yes sir, go ahead.

Councilman Butts: Mr. Johnson, did this company ever contact your organization to sit down and discuss this? I mean

Mr. Johnson: Not, not

Councilman Butts: their, their differences?

Mr. Johnson: that I'm aware of. I heard of it this morning, of the problem. I wished I had been made aware of it earlier, but regardless we should have responded sooner on, on that particular project.

Councilman Butts: Yeah, O.K.

Mayor Sparks: Well the fact is you have a problem now. You're aware of it. We need to straighten it out and through Mark and Mike we should do that. Yes sir.

Councilman Parkinson: For the second time I'd like to request from Mike, is that satisfactory with you Mike beins you work directly with this gentleman. The explanations that's been given?

City Engineer Covell: Yeah, that is

Councilman Parkinson: For the present time?

City Engineer Covell: A lot of times the department heads that I work with are in Gaithersburg. Larry is my local contact. He has been, what would you say, my coach. Their history they have an average run of about a ten working day turnaround or approximately two weeks. They have had instances where they have had a increased review time. You also have to keep in mind we're dealing with everything from a

small maybe an office to a large complex like a super sized Lowe's. They're not all the same. It's hard to say that each project only requires the same amount of time for review. I'm trying to, to back up Chester with my excuses. I'm only trying to offer my insight and I've tracked with the planning.

Councilman Twigg: We do have an agreement for a ten day turnaround, right?

City Engineer Covell: It's I think it's referenced.

Mayor Sparks: There's some public entities, I'll refrain on that, I won't go any further about names, but have a forty five day turnaround could be longer. I think, Mike is it safe to say that Chester has a thirty day turnaround?

City Engineer Covell: Yes, unless there's unusual circumstances. I don't know of any delays that would exceed that by any means.

Mayor Sparks: Right, and some things, you'll have to admit are a bit more complicated than other things, right?

City Engineer Covell: Right

Mayor Sparks: Take a little bit more review, a little bit more study, a little bit more researching. But anyhow, I think we know there's a problem. We have people in place to work on it. Unless Council has any further things to say I think we should move forward.

Councilman Parkinson: Thank you Mike.

Mayor Sparks: Thank you sir.

PRESENTATION OF CHECK FROM "FRIENDS OF THE TUSCARORA CREEK" - MR. STEVE KLEINOT

Mr. Steve Kleinot, chief coordinator of "Friends of the Tuscarora Creek", reported that on October 3, 1998 approximately twenty people pulled from the Creek four dump truck loads of metal and trash. Mr. Kleinot thanked Councilman Anderson and Councilman Parkinson for assisting with the project. Mr. Kleinot presented a check in the amount of $359.10 to the City of Martinsburg to cover the landfill expenses.

Mayor Sparks commended Mr. Kleinot for the work their group has been doing.

Mr. Kleinot reported that they received a $5,000 grant from the West Virginia Stream Partners and $3,000 from other donations.

DOWNTOWN MARTINSBURG CONCERNS - MR. BLAINE SMILEY

Mr. Blaine Smiley, Cannis Enterprises, expressed concern over some of the City's committees. Mr. Smiley did not feel some of the committees are serving the people properly because they have not been trained properly. Mr. Smiley stated that the Building Inspectors and the Historic Preservation Review Commission were two examples. Mr. Smiley felt that the duty of the Historic Preservation Review Commission was to help the people coming into Martinsburg and bring businesses into downtown. Mr. Smiley stated that he has been in Martinsburg for thirteen years and has been building in the 200 block of North Queen Street for ten years and he continues to get excuses as to why something is not being done rather than someone to help him get it done. Mr. Smiley further stated that the Council has recently done exceptionally well. Mr. Smiley advised that he had difficulties with making emergency repairs to the Peter Pan Cleaners and he now has a building on East Race Street that the Historic Preservation Review Commission has denied his request to cover the brick with vinyl siding. The bricks were to be repointed. Mr. Smiley stated that he has had the building checked and the problem is with the brick itself and when these buildings were constructed they were not done so with the intention of lasting forever. Mr. Smiley advised that when he makes changes to his buildings he tries to blend his ideas with the Victorian appeal of the City of Martinsburg.

Mayor Sparks advised that this item was on the agenda and there is a five minute limit under petitions from citizens.

Councilman Butts suggested that the two matters involving the decisions of the Historic Preservation Review Commission be moved up on the agenda.

14. NEW BUSINESS

I. APPEAL DECISION OF HISTORIC PRESERVATION REVIEW COMMISSION ON PROPERTY LOCATED AT 112-114 E. RACE STREET - MR. BLAINE SMILEY, CANNIS ENTERPRISES

Mr. Smiley felt that the main duty of the Historic Preservation Review Commission is to work closely with people and their ideas as to what they wish to do with their buildings. Mr. Smiley stated that it is to the point of costing three times the amount to restore the buildings as it would be to construct a new building. Mr. Smiley requested that he be allowed to cover the building on East Race Street with vinyl or aluminum to prevent moisture from entering the building as both sides of the building are currently occupied. Mr. Smiley questioned why the owners that are willing to work on the buildings are being picked on.

Mayor Sparks stated that neither the Council or the Historic Preservation Review Commission would deny that Mr. Smiley has done a good job on the buildings that he has renovated. However, Mayor Sparks advised that there are very good people that serve on the Historic Preservation Review Commission without any compensation.

Mr. Smiley stated that there are some City departments and committees that need training. Mr. Smiley did not feel that the Building Inspectors were trained properly.

Mayor Sparks advised that the Building Inspector Department has an increased staffing level and they are obtaining the necessary training.

Ms. Nancy Snider, Chairperson Historic Preservation Review Commission, stated that Mr. Smiley has been very important in the downtown rehabilitation. Ms. Snider advised that the Commission had done some research and they were concerned that putting vinyl siding on the building was not the best alternative. Further, the representative from Cannis Enterprises was not as knowledgeable as she should have been as there were several unanswered questions. The Historic Preservation Review Commission recommended that a professional look at the buildings condition.

Mayor Sparks reported that the City of Martinsburg was in receipt of a letter from the West Virginia Division of Culture and History which states that the use of vinyl siding to cover historical brick walls is not recommended treatment for historical buildings in The Secretary of the Interior's Standards for Rehabilitation and Guidelines for Rehabilitating Historic Buildings. Further, the letter stated that based upon the information provided by a local architect the owner's representative stated that there is a moisture penetration problem and that all of the brick and mortar is deteriorating. Mayor Sparks questioned if these individuals had reviewed the building.

Ms. Snider advised that they have not reviewed the building and suggested that that should be done to determine what can be done to best help the renovation process.

Councilman Butts stated that if every owner of property would do as much as Mr. Smiley has done with renovation there would be people coming downtown.

Ms. Snider, on behalf of the Historic Preservation Review Commission, asked that a professional look at the building and make a recommendation.

Mr. Smiley stated that he has already had a professional look at the building.

Councilman Karos advised that, according to Mr. Smiley's letter dated September 17, 1998, the life of the brick is gone and repointing is not going to help.

The City Attorney advised that the Historic Preservation Review Commission should receive a copy of the professionals opinion on the condition of the building.

Motion made by Councilman Butts, seconded by Councilman Twigg to overturn the decision of the Historic Preservation Review Commission and allow Mr. Smiley to put siding on the building on East Race Street as he has specified.

Butts	-	Yes	Twigg	-	Yes
Yauger	-	No	Anderson	-	Yes
Parkinson	-	Yes	Karos	-	Yes

Motion carried 5 to 1.

Mr. Smiley stated that the siding would be the same color gray that is currently on the building.

Councilman Twigg noted that Mr. Smiley's Company has been a one Company downtown revitalization movement for several years. Councilman Twigg stated that he has a problem with the codes not being enforced across the board and he further stated that individuals such as Mr. Smiley, that try to work with the Planning office, are constantly getting pinned to the wall and there are slum-lords across the City that never gets any code enforcement. Councilman Twigg suggested that the Council meet with each Commission so that everyone knows what is expected.

13. UNFINISHED BUSINESS

B. APPEAL DECISION OF HISTORIC PRESERVATION REVIEW COMMISSION ON PROPERTY LOCATED AT 132 E. RACE STREET - CITY OF MARTINSBURG

Ms. Nancy Snider, Chairperson Historic Preservation Review Commission, advised that the property located at 132 E. Race Street was not in the best of condition. However, a gentleman by the name of Christopher DeSouza is willing to purchase and rehabilitate the property. Ms. Snider stated that the Historic Preservation Review Commission felt that the property should be restored instead of having another parking lot.

Mr. Christopher DeSouza, Rt. 2 Box 486, Harpers Ferry, stated that he was prepared to purchase the property and restore it within a short period of time. Mr. DeSouza further stated that he could have the exterior complete within six months and the entire structure within one year.

The City Manager advised that if the City wished to sell the property it would have to be put out to bid. Mr. DeSouza has indicated to the Historic Preservation Review Commission that he would be willing to submit a bid for at least what the City paid to purchase the property which was $13,500.

Councilman Butts questioned why after the Council purchased the property and decided to raze the building does the Historic Preservation Review Commission now find someone to purchase the property as the building has been vacant for several years.

Ms. Snider stated that generally the public does not get too excited about a property until it is ready to be demolished.

Mr. DeSouza reported that the property is now more attractive because of the restoration of the Train Station and the steps that Berkeley County and the State of West Virginia have taken with their interest in the Roundhouse property. Mr. DeSouza felt that if the Roundhouse property was renovated the properties in the immediate area would be renovated as well.

Mayor Sparks asked Mr. DeSouza what types of renovations he has done in the past.

Mr. DeSouza reported that he has done several additions in Martinsburg and some work on Boydville. Further, he redid the facade on the building now housed by Grove and Dall'Olio Architects.

Mr. Bob Burg, 517 S. Queen St., advised that Mr. DeSouza does an excellent job in restoration and has completed several projects in Martinsburg.

Councilman Karos felt that if the Council put the property out to bid there should be a time table on the completion of the restoration.

The City Attorney stated that the City can advertise the property and include in the ad that the restoration must be completed within a certain time frame or the property reverts back to the City of Martinsburg.

Councilman Twigg advised that in the past, several individuals have agreed to restore buildings, such as the old Kings Daughters Hospital, and they have never completed them. Councilman Twigg asked if Mr. DeSouza would agree to pay a penalty if the work was not completed within the time frame established and the City would have to take the property back.

Mayor Sparks stated that if the work was not completed and the property reverted back to the City the owner would be penalized for the work that was done.

Mr. DeSouza felt that perhaps there could be some additional wording in the agreement that if the work was not completed within the time frame the property would revert back to the City and any improvements would be lost.

Councilman Parkinson advised that he spoke with Mr. Don Wood, President Berkeley County Historical Society, and Mr. Wood stated that there is absolutely no historical value to the property. Councilman Parkinson further advised that there is a great deal of people who visit the Belle Boyd House and there is a need for parking as there are many senior citizens that cannot walk for long distances. Councilman Parkinson felt that a metered parking lot would serve an historical place that is already there.

Mr. Gary Gimbel, 401 W. Race St., representing the Berkeley County Historical Society, stated that it is not an historical property and the parking is needed. Mr. Gimbel further stated that this property has been a problem with animals and vagrants. Mr. Gimbel also represented the Maple, Raleigh and Race Street Homeowners Association. Mr. Gimbel advised that the Homeowners Association was strongly urging the Council to demolish the property.

Mr. Dee Dee Gerachis, P.O. Box 5057, advised that he used to reside at the corner of Race and Maple. Mr. Gerachis stated that if the property was demolished the City would be putting a parking lot in someone's back yard. Mr. Gerachis further stated that the Train Station parking lot is a nightmare as far as grading is concerned and noted that this would cause additional exhaust fumes.

Motion made by Councilman Anderson, seconded by Councilman Parkinson to overturn the decision of the Historic Preservation Review Commission and proceed with the action Council took in June regarding the property at 132 E. Race Street which was to demolish.

Butts	-	Yes	Twigg	-	Yes
Yauger	-	Yes	Anderson	-	Yes
Parkinson	-	Yes	Karos	-	No

Motion carried 5 to 1.

The City Attorney reminded Council that there is a thirty day waiting period before the building can be demolished.

7. PRESENTATIONS

B. UNITED WAY CONTRIBUTION - MR. DAVE RANCK

Mr. Dave Ranck, United Way 222 W. King St., requested that Council reconsider their request for funding. Mr. Ranck stated that when their discretionary funds are allocated, which are approximately $350,000 of the $500,000 that was allocated last year, they are allocated based on an impact statement which represents input provided by the Mayor and Council to the Regional Research Institute of West

Virginia University. Mr. Ranck announced that he represents most of the Health and Human Service Agencies of this community and those agencies have lost $200,000 in Federal and State funds. Mr. Ranck felt that the United Way has given back to the City of Martinsburg and was requesting that the City allocate $2,000.

Councilman Yauger stated that the Budget and Finance Committee took this request into consideration and decided not to fund the United Way. Councilman Yauger further stated that he could take this request back to the Committee.

Councilman Anderson advised that the Budget and Finance Committee did look at United Way's request along with dozens of others. Councilman Anderson stated that one of the concerns of the Committee was most of the taxpayers in the City, through their workplace, support United Way and this would be taking tax money and again contributing.

Motion made by Councilman Anderson, seconded by Councilman Yauger to accept the recommendation of the Budget and Finance Committee concerning United Way. Motion carried unanimously.

D. MR. STEPHEN CATLETT DIRECTOR MARTINSBURG-BERKELEY COUNTY PARKS & RECREATION BOARD - REQUEST FOR FUNDING FROM RECREATION/TOURISM CAPITAL RESERVE FUND - $39,536)

Mr. Steve Catlett, Director Martinsburg-Berkeley County Parks & Recreation Board, reported that Parks and Recreation had a great summer due to the tremendous impact of the new pool at War Memorial Park. Mr. Catlett thanked the Council for their contribution toward the pool. Mr. Catlett reported that the Parks and Recreation Board approved certain contract changes during the construction of the pool. The changes were made to improve the facility both aesthetically and functionally, to save monies by not deferring changes to a later time when costs will be higher and changes more costly to complete after construction is finished, and to save money in operating costs by converting electric water heaters to gas. Mr. Catlett advised that upgrading the decking enabled them to use a material that is safer, more attractive and offered a longer life expectancy while also being a low-maintenance material. Mr. Catlett stated that the changes were not made based on not having money to pay for the changes when in fact the Parks and Recreation Board could pay for the changes if necessary. Mr. Catlett further stated that the Parks and Recreation Board feels that the Capital Improvements Fund with the City could be used.

Mayor Sparks advised that this request is for funds from the Capital Improvements Fund that has been set aside for recreation. Mayor Sparks felt that the funding should be allocated.

Motion made by Councilman Parkinson, seconded by Councilman Butts to approve the request for $39,536 to be taken from the Recreation/Tourism Capital Reserve Fund for the improvements made at War Memorial Park. Motion carried unanimously.

Councilman Anderson questioned if the County had been approached to assist with the $39,000.

Mr. Catlett advised that they did not meet in session today but Commissioner Smith indicated that their Capital Improvements Fund is less than $20,000 and it was earmarked for Poor House Farm Park.

Councilman Anderson stated that the City of Martinsburg has contributed over $650,000 to the Park and Recreation Board over the last year as well as paving the in-line skating rink, additional paving at War Memorial Park and paving at Oatesdale Park.

Mr. Catlett thanked the Council for all their support on numerous projects.

14. NEW BUSINESS

U. CONFIRM TELEPHONE POLL FOR ADDITIONAL PAVING AT WAR MEMORIAL PARK - $1,500 RECREATION/TOURISM CAPITAL RESERVE FUND

Councilman Parkinson thanked the City Engineer/Planner for all his efforts on the various paving projects.

Motion made by Councilman Parkinson, seconded by Councilman Karos to confirm the telephone poll for additional paving at War Memorial Park in the amount of $1,500 to be taken from the Recreation/Tourism Capital Reserve Fund. Motion carried unanimously.

7. PRESENTATIONS

E. MAIN STREET UPDATE

Ms. Barbara Bratina, Main Street Martinsburg and member of the Promotions Committee, expressed her gratitude to Council for funding Main Street Martinsburg. Ms. Bratina stated that a strong downtown could only benefit and enhance the community. Ms. Bratina submitted the following report:

I. Apple Harvest - October 17, 1998

1. Car in parade with Main Street Martinsburg Director and President.
2. Booth downtown to sell:
   a. Memberships
   b. Prints of the Courthouse
   c. Orders will be taken for Christmas Ornaments
   d. Orders will be taken for wreaths and garland

II. Christmas

1. Stores decorated with wreaths and/or garland.
2. Train displays in store front windows by November 25.
3. Train displays voted on by people in the downtown stores and prizes awarded.
4. Free parking in downtown from December 7 to December 24 courtesy of the City Council.
5. Parking meters will be decorated and coordinated with the Garden Club.
6. Christmas Tree at the library will be decorated by the James Rumsey Horticulture Class.
7. Lights downtown and garland on the lampposts.
8. Tree Lighting Ceremony - Friday, December 4 at 6:00 p.m.
   a. Church Choirs sing on the streets.
   b. Middle school choirs to sing at the library.
   c. Tree lighted by Santa
   d. Procession through Queen Street to the Train Station.
   e. Reception at the Train Station
   f. Santa meets with the children at the reception and receive gift bags compliments of the Paper and Amtrak
   g. Canfire with roasted chestnuts.
   h. Horse drawn carriage rides during the evening.

III. Fund-raiser

1. Plans are underway for a major fund-raiser after Christmas.

The City Manager requested that the organizer of the canfire contact the Fire Department to coordinate the event.

8. RECEIVE AND FILE REPORTS-MINUTES-CORRESPONDENCE OF THE FOLLOWING:

A. HISTORIC PRESERVATION REVIEW COMMISSION - MINUTES AUGUST 3, 1998
B. MARTINSBURG PLANNING COMMISSION - MINUTES AUGUST 5, 1998
C. PANTRAN - MONTHLY EXPENDITURE REPORT AUGUST, 1998
D. SHADE TREE COMMISSION - MINUTES SEPTEMBER 15, 1998
E. MAIN STREET MARTINSBURG - DIRECTOR'S REPORT AUGUST 19 - SEPTEMBER 21, 1998, MINUTES SEPTEMBER 21, 1998
F. BERKELEY COUNTY ANIMAL CONTROL REPORT - SEPTEMBER, 1998

Motion made by Councilman Anderson, seconded by Councilman Yauger to receive and file items 8 A-F. Motion carried unanimously.

9. REPORTS AND MINUTES OF COUNCIL STANDING COMMITTEES

A. PERSONNEL - EXECUTIVE SESSION

Mayor Sparks advised that the personnel matters would be discussed in Executive Session.

10. REPORT OF MAYOR

A. APPOINTMENT TO MARTINSBURG-BERKELEY COUNTY PUBLIC LIBRARY - MR. A. STEPHEN COX

Mayor Sparks recommended that Mr. A. Stephen Cox be appointed to the Martinsburg-Berkeley County Public Library Board.

Motion made by Councilman Karos, seconded by Councilman Parkinson to accept the recommendation of the Mayor. Motion carried unanimously.

B. SCHEDULE JOINT WATER UTILITY MEETING - THURSDAY, OCTOBER 22, 1998

Mayor Sparks stated that this matter would be discussed in Executive Session.

C. EXIT 14 - DRY RUN ROAD ACCESS WORKSHOP - WEDNESDAY, OCTOBER 14, 1998 4:00 P.M. - 8:00 P.M.

Mayor Sparks reminded Council that there will be an Exit 14 - Dry Run Road access workshop on Wednesday, October 14, 1998 from 4:00 p.m. - 8:00 p.m.

11. REPORT OF CITY ATTORNEY

A. DISCUSS DRAFT AGREEMENT BETWEEN MARTINSBURG CITY POLICE DEPARTMENT AND BERKELEY COUNTY SHERIFF'S OFFICE FOR CERTAIN LAW ENFORCEMENT ASSISTANCE PROGRAMS

The City Attorney advised that there is a draft agreement between the Martinsburg Police Department and the Sheriff's Office proposing that they work together on certain enforcement issues.

The Police Chief stated that this is an interagency agreement and it relieves the liability on both the Martinsburg Police Department and the Berkeley County Sheriff's Office.

Motion made by Councilman Karos, seconded by Councilman Yauger to approve the agreement between the Martinsburg Police Department and the Berkeley County Sheriff's Office for certain law enforcement assistance programs. Motion carried unanimously.

ADOPT EMERGENCY ORDINANCE TO PERMIT THE CITY OF MARTINSBURG TO TRANSFER A 1994 POLICE VEHICLE TO THE BERKELEY COUNTY COMMISSION

The City Attorney stated that this is actually a transfer of governmental property from one governmental agency to another which is allowed without consideration and should be done by Ordinance. The City Attorney suggested that this be done by emergency Ordinance.

Motion made by Councilman Twigg, seconded by Councilman Parkinson to adopt an emergency Ordinance to permit the City of Martinsburg to transfer title to that 1994 Chevrolet police vehicle to the Berkeley County Commission. Motion carried unanimously.

12. REPORT OF CITY MANAGER

A. DISCUSSION/ COMMENTS ON WRITTEN REPORT

There were no comments on the written report.

DONATE BICYCLES TO BOYS AND GIRLS CLUB

The City Manager stated that the bicycles that have been collected over the past year are usually donated to the Boys and Girls Club and requested that Council approve this matter.

Motion made by Councilman Yauger, seconded by Councilman Anderson to donate the bicycles to the Boys and Girls Club. Motion carried unanimously.

13. UNFINISHED BUSINESS

A. 3RD AND FINAL READING OF ORDINANCE 98-03 TO ADOPT THE MARTINSBURG-BERKELEY COUNTY ANIMAL CONTROL AGREEMENT

Motion made by Councilman Karos, seconded by Councilman Yauger to read through the third and final reading of Ordinance 98-03 to adopt the Martinsburg-Berkeley County Animal Control Agreement, by title only. Motion carried unanimously.

14. NEW BUSINESS

A. 1ST AND 2ND READING OF ORDINANCE 98-04 TO ESTABLISH WATER RATES FOR THE CITY OF MARTINSBURG.

Motion made by Councilman Karos, seconded by Councilman Parkinson to read through the first and second reading of Ordinance 98-04 to establish water rates for the City of Martinsburg, by title only. Motion carried unanimously.

B. SCHEDULE PUBLIC HEARING FOR THURSDAY, NOVEMBER 12, 1998 6:30 P.M. - WATER RATE ORDINANCE 98-04

Motion made by Councilman Karos, seconded by Councilman Parkinson to schedule a public hearing on Ordinance 98-04 for Thursday, November 12, 1998 at 6:30 p.m. Motion carried unanimously.

C. APPROVE ENGINEERING SERVICES AGREEMENT - CHESTER ENGINEERS WATER FILTRATION PROJECT

The City Manager stated that the total price for engineering services in the agreement that the Council received was $618,050. However, with the total changes that the City was requesting the total cost would be $633,615 and is within the scope of the work and has been approved by the State Department of Health. The City Manager recommended that the revised agreement be approved.

Motion made by Councilman Karos, seconded by Councilman Butts to approve the revised Engineering Services Agreement with Chester Engineers in the amount of $633,615. Motion carried unanimously.

D. APPROVE FUNDING COMMITMENT LETTER FOR WATER FILTRATION PROJECT - WEST VIRGINIA DEPARTMENT OF HEALTH

The City Manager advised that the letter from the West Virginia Department of Health states that the project is moving forward and commits to the $7,000,000 loan at 3% interest.

Motion made by Councilman Yauger, seconded by Councilman Twigg to approve the funding commitment letter from the West Virginia Department of Health for the Water Filtration Project. Motion carried unanimously.

E. DISCUSS SANITARY SEWER SERVICE TO WINDEWALD AREA

The City Manager advised that this issue came up several months ago where residents of that area requested sewer service. The City Manager further advised that the actual service territory is within the Berkeley County Public Service Sewer District. However, the City actually has the sewer service in most of that area along with the water service. The City had questioned as to whether there was an interest in

annexation. However they were not contiguous to the City limits and could not occur by a simple minor boundary adjustment. The estimated cost to provide sewer service to that area is approximately $11,000. Using the Pubic Service Commission's Rules and Regulations the property owners would be responsible for approximately $8,000 of the cost leaving the City share at approximately $3,000. The Water and Sewer Superintendent has confirmed that the property owners are willing to pay the $8,000 to complete the project. The City Manager stated that the City is in receipt of a letter from the Berkeley County Public Service Sewer District stating that they are unable to serve the area and they would allow the City of Martinsburg to do so.

Ms. Elva Graham, 1510 Lee Place, advised that the residents are in agreement to fund their portion of the project.

The Water and Sewer Superintendent advised that the City of Martinsburg currently provides sewer service all around the area in question. The area in question is bounded by Winchester Avenue on the west, Sheridan Avenue on the north, Lee Place on the east and Route 9 bypass on the south. There are eight properties included in the project.

The City Manager stated that the project is contingent on the acquisition of the right-of-way from the Department of Highways.

Councilman Butts felt that this would be a good project for the residents as well as the City of Martinsburg as the City would get the fees back from the residents in their sewer bill payments.

The City Manager advised that the total estimated cost is $11,880.47 of which the City is responsible for $3,368.

Motion made by Councilman Anderson, seconded by Councilman Karos to approve the expenditure of $3,368 from the City of Martinsburg water and sewer fund for the project. Motion carried unanimously.

F. 1ST AND 2ND READING OF ORDINANCE 98-05 TO AMEND ORDINANCE 94-09, 95-03, 95-30, 97-05, 97-14, 97-23 AND 97-27 WHICH ESTABLISHED JOB DESCRIPTIONS FOR EMPLOYEES OF THE CITY OF MARTINSBURG, WEST VIRGINIA

Motion made by Councilman Anderson, seconded by Councilman Parkinson to read through the first and second reading of Ordinance 98-05 to amend Ordinance 94-09, 95-03, 95-30, 97-05, 97-14, 97-23 and 97-27 which established job descriptions for employees of the City of Martinsburg, by title only. Motion carried unanimously.

G. ADOPT RESOLUTION 98-18 SUPPORTING THE PASSAGE OF AMENDMENT I ON THE 1998 ELECTION BALLOT

Motion made by Councilman Yauger, seconded by Councilman Karos to adopt Resolution 98-18 supporting the passage of Amendment I on the 1998 election ballot. Motion carried unanimously.

H. 1ST AND 2ND READING OF ORDINANCE 98-06 TO AMEND THE CITY OF MARTINSBURG ZONING MAP TO ZONE A PARCEL OF REAL ESTATE CONSISTING OF 4.05 ACRES, MORE OR LESS, KNOWN FOR POSTAL PURPOSES AS 618 WEST JOHN STREET AND BEING PART OF PARCEL 450 (FORMERLY PARCEL 447) ON THE BERKELEY COUNTY, WEST VIRGINIA TAX MAP M13, LOCATED BETWEEN WEST KING STREET, WEST JOHN STREET, PORTER AVENUE AND THE PENNSYLVANIA RAILROAD (CONRAIL) RIGHT-OF-WAY, FROM A ZONING CLASSIFICATION OF IL (LIGHT INDUSTRIAL) TO BC (COMMUNITY BUSINESS)

The City Engineer/Planner advised that the Planning Commission, upon extensive review, supported the zoning change.

Motion made by Councilman Anderson, seconded by Councilman Karos to read through the first and second reading of Ordinance 98-06 to amend the City of Martinsburg Zoning map to zone a parcel of real estate consisting of 4.05 acres, more or less, known for postal purposes as 618 West John Street and

being part of parcel 450 (formerly parcel 447) on the Berkeley County, West Virginia Tax Map M13, located between West King Street, West John Street, Porter Avenue and the Pennsylvania Railroad (Conrail) right-of-way, from a zoning classification of IL(Light Industrial) to BC (Community Business), by title only. Motion carried unanimously.

Mr. Mark Baker, 735 W. John St., stated that the majority of the neighborhood is not opposed to the rezoning. Mr. Baker further stated that they were concerned about the parking issue and hopefully through site review those issues will be addressed and taken care of through the Planning Commission. A matter of concern and opposition by the residents of the area is there was an application in front of the Board of Zoning Appeals that was approved for a banquet hall with alcoholic beverages being either served or given away on the premises. Mr. Baker requested that the Council do whatever possible to assure that alcohol would not be served or given away on that property.

Mayor Sparks stated that perhaps something could be done before the final reading of the Ordinance at the November meeting. Mayor Sparks further stated that the Council has requested deed restrictions regarding the sale of alcoholic beverages in other areas of town.

Mr. Phil Ison, owner of the property, stated that the future plans are to put a restaurant in the center part of the property. Mr. Ison further stated that he would like to serve alcohol at a later time with the overall development of the property. Mr. Ison felt that it could work if it was done on a upscale basis. Mr. Ison advised that he was planning on using the area being discussed as a banquet hall for conferences and a showroom type area and he stated that he would be willing to put a deed restriction for no alcoholic beverages on the portion of the building being discussed for a banquet hall.

The City Attorney advised that if alcohol was going to be allowed in a portion of the property he would need a description was where it would be allowed.

Mr. Ison stated that he was planning on having a micro brewery in a portion of the property. Mr. Ison advised that a micro brewery consisted of three brass kettles standing in the restaurant with the beer that they are serving and selling brewing in the kettles.

Mayor Sparks asked Mr. Ison to provide the City Attorney with the necessary information for the next Council meeting.

J. APPROVE 1998 SALT BID - CARGILL SALT - $42.25/TON

The City Manager recommended that the 1998 salt bid be awarded to Cargill Salt at $42.25 per ton.

Motion made by Councilman Yauger, seconded by Councilman Butts to award the 1998 salt bid to Cargill Salt at $42.25 per ton. Motion carried unanimously.

K. APPROVE PUBLIC WORKS DEPARTMENT ½ TON TRUCK BID

The City Manager recommended that the one half ton truck for the Public Works Department be awarded to Lamar Sloan in the amount of $16,325.

Motion made by Councilman Butts, seconded by Councilman Twigg to approve the recommendation of the City Manager. Motion carried unanimously.

L. APPROVE PUBLIC WORKS DEPARTMENT FLAT BED DUMP TRUCK BID

The City Manager recommended that the flat bed dump truck for the Public Works Department be awarded to Lamar Sloan in the amount of $32, 269.

Motion made by Councilman Twigg, seconded by Councilman Yauger to approve the recommendation of the City Manager. Motion carried unanimously.

M. APPROVE FIRE DEPARTMENT INTERIOR PAINTING

The City Manager advised that the bids for the Fire Department interior painting were opened this date and three were received. There was a large difference in the amount of the bids and the City Manager recommended that Council allow the Fire Chief along with himself to review the bids and allow them to choose the best bidder for the project. The City Manager further advised that they would like to get the low bidder on site to make sure he understands the work that is required.

Motion made by Councilman Karos, seconded by Councilman Twigg to allow the City Manager and Fire Chief to select the bid for the Fire Department interior painting. Motion carried unanimously.

N. APPROVE TREE TRIMMING QUOTES

The City Manager advised that the bids for tree trimming were opened this date at the request of the Shade Tree Commission. The Shade Tree Commission was requesting that all the trees in the square area be trimmed and also the trees trimmed only in the planters. The City Manager advised that the bids ranged from $2,600 to $4,400 and he asked that the Council allow him to get together with the Shade Tree Commission and the low bidder to assure that he understands the project.

Motion made by Councilman Karos, seconded by Councilman Anderson to allow the City Manager to get together with the Shade Tree Commission and the low bidder to assure that he understands the project and award the bid to the most qualified bidder. Motion carried unanimously.

O. DISCUSS WEST VIRGINIA DEPARTMENT OF HIGHWAYS PLANS FOR UPGRADES TO KING/QUEEN STREET INTERSECTION

The City Manager stated that there was a proposal from the local district of the West Virginia Department of Highways to complete a project that would allow tractor trailers to make a right hand turn from King Street going south on Queen Street which would take a substantial part of the sidewalk, curb and library property. The City Manager further stated that the library had concerns as well as City officials. The City Manager advised that officials met with the Department of Highways and from the City officials perspective they felt that it would create more of a pedestrian safety problem. The City Manager further advised that the library is opposed to the project and he recommends that the Department of Highways not proceed with this project at this point.

Motion made by Councilman Karos, seconded by Councilman Butts that the City of Martinsburg submit a letter to the Department of Highways recommending that they not proceed with the project at the intersection of King Street and Queen Street. Motion carried unanimously.

P. APPROVE PURCHASE OF LAP TOP COMPUTER FOR FINANCE DEPARTMENT - $2,800

Mayor Sparks advised that this computer would be used mainly for the Finance Officer.

The City Manager stated that this is computer will also be used throughout the Finance Department.

Motion made by Councilman Anderson, seconded by Councilman Twigg to approve the purchase of a lap top computer for the Finance Department in the amount of $2,800 to be paid from the Computer System Fund. Motion carried unanimously.

Q. DISCUSS CURVE ON N. TENNESSEE AVENUE NEAR CITY HOSPITAL - COUNCILMAN PARKINSON

Councilman Parkinson stated that he receives numerous telephone calls regarding the many accidents that occur on the curve on N. Tennessee Ave. Councilman Parkinson requested that the City of Martinsburg contact the State of West Virginia to ascertain if perhaps they could groove the road or make whatever changes they could to provide safer passage.

R. CONFIRM STREET LIGHT UPGRADES

Mayor Sparks reported that the Council was in receipt of a list of proposed street light upgrades

throughout the City that have been recommended by the Police Department for pedestrian safety, traffic safety and crime prevention.

Motion made by Councilman Karos, seconded by Councilman Parkinson to confirm the street light upgrades recommended by the Police Department. Motion carried unanimously.

S. APPROVE NEW STREET LIGHT - 300 BLOCK S. TENNESSEE AVENUE - POLE #721

The Police Chief recommended the new street light.

Motion made by Councilman Karos, seconded by Councilman Parkinson to approve a new street light on Pole #721 in the 300 block of S. Tennessee Avenue. Motion carried unanimously.

T. CONFIRM PUBLIC WORKS DEPARTMENT COPIER - $4,209.96

Motion made by Councilman Karos, seconded by Councilman Butts to confirm the purchase of the Public Works Department copier in the amount of $4,209.96 Motion carried unanimously.

V. TREE DEMONSTRATION GRANT $5,000 - APPROVED BY WV DIVISION OF FORESTRY

The City Manager announced that the Tree Demonstration Grant in the amount of $5,000 has been approved by the West Virginia Division of Forestry.

W. APPROVE CROP WALK - SUNDAY, OCTOBER 18, 1998, 2:00 P.M. - 4:00 P.M.

Motion made by Councilman Karos, seconded by Councilman Butts to approve the Crop Walk on Sunday, October 18, 1998 from 2:00 p.m. to 4:00 p.m. Motion carried unanimously.

X. APPROVE CHRISTMAS TOUR OF CHURCHES - SUNDAY, DECEMBER 20, 1998

Motion made by Councilman Karos, seconded by Councilman Butts to approve the Christmas Tour of Churches on Sunday, December 20, 1998. Motion carried unanimously.

Y. APPROVE TRICK-OR-TREAT DATE - SATURDAY, OCTOBER 31, 1998, 6:00 P.M. - 8:00 P.M. CHILDREN 12 AND UNDER

Motion made by Councilman Butts, seconded by Councilman Yauger to approve trick-or-treat for Saturday, October 31, 1998 from 6:00 p.m. - 8:00 p.m. for children twelve years of age and under. Motion carried unanimously.

Z. DISCUSS CHRISTMAS EVENT ON KING STREET

Motion made by Councilman Yauger, seconded by Councilman Karos to approve the Christmas events on King Street. Motion carried unanimously.

BERKELEY SENIOR SERVICES REQUEST FOR WIDENING OF STREET

The City Manager stated that Berkeley Senior Services has submitted a letter asking the City to consider widening the south side of the entry drive on High Street. The City Manager further stated that the City Engineer/Planner met with the Director of Berkeley Senior Services and they want the City to know that in the future they will work with the City if street widening does occur.

15. REPORT OF COUNCIL MEMBERS

TWIGG

DISCUSS THE REMOVAL OF STOP SIGNS AT CENTRE STREET AND LIBERTY STREET

Councilman Twigg stated that there is a three way stop at the intersection of Centre Street and Liberty Street. Councilman Twigg further stated that the residents in the area did not feel that the two stop signs at Centre Street were necessary. Further, the Police Chief surveyed the area and did not have a problem with removing the stop signs.

Motion made by Councilman Twigg, seconded by Councilman Yauger to remove the two stop signs at Centre Street located on Liberty Street. Motion carried unanimously.

DISCUSS THE FORMATION OF A COMMITTEE TO DEAL WITH OUT-OF-STATE PROPERTY OWNERS

Councilman Twigg asked that Mayor Sparks create a Committee to look into the problem of dealing with code enforcement with out-of-state property owners. Councilman Twigg recommended the following individuals to serve on the Committee:

Mr. Blaine Smiley
Councilman Glenville Twigg
Councilman Max Parkinson
City Manager Mark Baldwin
Building Inspector Darby Dean
City Engineer/Planner Mike Covell

Mayor Sparks agreed that a Committee should be formed and felt that some attorneys should also serve on the Committee. Mayor Sparks stated that he will try to come up with some members by the November Council meeting.

DISCUSS REZONING OF FAIRGROUND HEIGHTS

(At the request of Mayor Sparks, Councilman Butts and Councilman Twigg the following portion of the minutes are typed verbatim.)

Councilman Twigg: Yeah, at the last Council meeting I asked the Council to send the question to the Planning Commission on a possible rezoning effort in the Fairground Heights area. Last night we had a discussion at the Planning Commission meeting and the end of the, the outcome of that discussion was they requested that, that we give them a, a formal request for a, for a zoning map amendment application and my motion is for us to proceed with that.

Mayor Sparks: We have a motion. Do we have a second?

Councilman Parkinson: Second

Mayor Sparks: We have a motion. We have a second. Is there any discussion? Mr. Seibert?

Councilman Karos: I just want to say, you know, this came up several years ago as you stated the last time it lost by one vote. I think zoning Ordinances are there to protect property owners. Now if everybody doesn't request that Glenville I just don't see how I can sit up here and say ye to your motion.

Councilman Twigg: George anytime you zone an area everybody's not requesting it. And it's the majority of the property owners in an area, there feelings should be, it should be their wishes of how they want their area zoned and I'll, and the zoning Ordinance last night Danny Staggers stated that if fifty, more than fifty percent of the people in an area wants a certain zoning they, they have a right to a hearing.

Councilman Karos: Well then why don't they come forward. It, I, I just think we're biting off more than we can

Councilman Twigg: When, when this, when this

Councilman Karos: chew.

Councilman Twigg: concern came up four years ago I demonstrated that over eighty percent, probably ninety percent of the people out in that area, and the property owners hasn't changed. I'm working in their behalf. They've been asking me for years since, since we worked on that four years ago to redo this again and, and I, I was waiting on the right time, and there's never a right time, so I'm doing it now.

Mayor Sparks: Counselor?

City Attorney Seibert: Let me say, I talked to Danny Staggers today. The law basically, and I agree, you know we talked about it a little bit and I agree basically I think with what he said last night. There's, there's really three ways you can annex. I mean, the, the person, in the history of Martinsburg we've, or not annex, zone. I don't believe in the history of Martinsburg in two hundred years we've ever rezoned somebody's property without their permission. I'm not saying you can't do it. I just saying this City has never ever done that and, and you can either have fifty one percent of the people in the area who'd apply for that. Now right now you don't have that. You have, and Glen has an absolute right, like any other citizen of that area, just because he's a Councilman doesn't mean he doesn't have the right to ask for that. He does have the right to ask for that. But we have one person at this point asking for it. They, they don't have anything from anybody else at this point. But there's, that's one way to do it is fifty one percent of the people within the area can, can request it. But you don't have that. The City Council can request it, and when I say request it, it means it goes back to the Planning Commission and they set up a public hearing, or the owners of the property themselves can request it. And the reason this thing is so controversial cause it's all over town already, everybody knows it, is the major property effected is the property across the street from Glen's house.

Councilman Twigg: That's not true.

City Attorney Seibert: Well that, that is the major property effected.

Councilman Twigg: That's not true. There's a lot more property out there effected than the property across the street from my house.

City Attorney Seibert: And, and I, and I'm not saying there's anything wrong with that but it has to be, this has to be out in the open. You don't this, it has to be out in the open from the start. But if you are going to rezone property that's already been rezoned, I'm not saying you don't have the right to do it, but the law also says, the case law says, if you do it without a good reason that can be, can be depending on what a Court said, can be considered a adverse taking of that persons property. It you down zone it without their request and depending on the facts and circumstances of the situation and of course the Council would have to testify as to why they voted the way they did it can be considered a taking and you, and the City would have to pay those people for the loss of value of their property from going from RUB to RUA and you need to know that going in. So, I mean you need to consider what is the reason we're doing this.

Councilman Twigg: All right, well let me answer

City Attorney Seibert: That's, that's what I'm saying.

Councilman Twigg: what he's saying. First of all, first of all my

Councilman Karos: Glenville before I forget something let me ask him a question. When you said, would he be asking for down zoning.

City Attorney Seibert: Well certainly, yeah

Councilman Twigg: No

Councilman Parkinson: No

Councilman Twigg: That's not true

Councilman Parkinson: That's not true

Councilman Twigg: That is not true

City Attorney Seibert: More strict zoning from RUB to RUA.

Councilman Twigg: That's upgrading a zoning.

Councilman Parkinson: That's upgrading.

City Attorney Seibert: It's more strict zoning.

Mayor Sparks: It depends on whether, whether he wants it or not.

City Attorney Seibert: Well, it's a more stricter zoning. That area out there is RUB.

Councilman Karos: Oh, it's RUB.

City Attorney Seibert: So in other words you

City Engineer/Planner: It's less intense, less intense land use.

City Attorney Seibert: Yes. In other words, right now you can, and you correct me if I'm wrong Mike, but right now you can build apartment units or you can build townhouse units. You can build that kind of thing. That's the way it is right now, or single family. It all fits under there.

City Engineer/Planner: Right.

City Attorney Seibert: If you apply the stricter zoning, RUA, you're only going to be allowed single family housing.

City Engineer/Planner: Single families and duplex housing.

City Attorney Seibert: and duplex. So the people that have bought property out there knowing it was RUB, their, obviously their property values are going to be greatly damaged. If the City does that without a good reason then there's the possibility you, the City can be held responsible for the down value of that property. That's clear in the law. So what I'm saying is if you're going to do it just make sure you have a good reason, a valid reason.

Councilman Twigg: First, in the first place when you, when you upgrade a, a, a property you're certainly not lowering the property value.

City Attorney Seibert: You're greatly lowering the property value of someone who bought it to put multi-family housing in.

Councilman Twigg: What's your, what, what, what's your neighborhood zoned Oakley?

City Attorney Seibert: It's not zoned. I'm in the County.

Councilman Twigg: Oh well, then you're

Mayor Sparks: Well I, I'm going to say this and I don't mean it

Councilman Twigg: I'll come out and put a mobile home next to you.

Mayor Sparks: to be controversial. I'm just trying to look at, at protect

Councilman Twigg: I've got a motion on the floor and a second.

Mayor Sparks: Well I got, I, I got a right to say a little bit of something. You know I'm not doing this to be controversial but I think this Council should direct our City Manager, based upon the way things are to

write the Ethics Commission and give him a copy of all those minutes, everything pertaining to this and ask for guidance from the Ethics Commission.

Councilman Twigg: The other point I'd like to make is

City Manager: City Manager or City Attorney?

Mayor Sparks: Huh?

City Manager: City Manager or City Attorney?

Councilman Twigg: by the time we get

Mayor Sparks: City, City Attorney to write a letter to the Ethics Commission explaining all this and getting some guidance from the Ethics Commission.

Councilman Twigg: The other point I'd like to make is by the time we get to a public hearing with the Planning Commission I'll demonstrate by far more than fifty one percent of the people out there that wants, wants rezoning.

Councilman Karos: Let me, one more question Don. Oakley let me ask you a question now, if, if any resident or any area that's already zoned comes back with fifty one percent of the people requesting a rezoning, you're saying that's legal?

City Attorney Seibert: I'm saying you can do it if you have a valid reason for doing it.

Councilman Twigg: That's not, that's not what the Ordinance says. It says you can do it.

City Attorney Seibert: I'm just telling you what the case, I'm telling you what the U.S. Supreme Court says. That's what they say and they've made a lot of people, you know if the government, if you do it in a quote arbitrary and capricious manner, if you don't have a good reason that land owner, I'm not saying he'd win or lose, I don't know but they have the right to sue the government and if, if they prove there wasn't a good reason for it the government has to pay them for the value of the loss of the land.

Mayor Sparks: Councilman Butts?

Councilman Butts: Yeah, I can not, can never understand here we've got homes built out there, somebody owns a piece of property and they want to put up a, a apartment building that's going to knock your value of their home down too. Now, you know, take each one of us individually. Take myself. If I've got a lot across the street I don't want somebody coming out there and putting up apartment buildings.

City Attorney Seibert: Well this Council rezoned it RUB. You're the ones or you zoned it initially, RUB. You all are the ones that zoned it.

Councilman Butts: Well not this Council but prior Councils.

City Attorney Seibert: Well in nine, whenever it was that area came in.

Councilman Butts: But it seems like that you've got to stand up for the homeowner more than you do a developer. You know just, just because he bought that land there doesn't say that he's that land is worth ten times more than what it's worth.

Councilman Twigg: In the first place the few

Councilman Butts: Just because he's going to put an apartment building on it.

Councilman Twigg: the few property owners that might be against this zoning are out-of-state people, our biggest problem. Those are the people that would have a problem with it. But, they, in other words what, what Oakley's saying is we should ignore eighty, eighty percent or more of the local people out in that

neighborhood to protect a few out-of-state property owners who causes more problems in the City of Martinsburg than anybody else.

City Attorney Seibert: I'm saying that every property owner has the right to the protection of the zoning that it was zoned at the time when he got the property, is what I'm saying.

Mayor Sparks: And Oakley I want you to check with the Ethics Commission. If you don't, I will. You know, it's just a matter of protecting the City.

Councilman Karos: Our friend Donald wants to say something.

Mayor Sparks: Yes sir Donald I'm sorry.

Councilman Anderson: I have a question for the attorney. You gave several reasons possibly and you named one that could be a valid reason. You said you need a valid reason. Would a valid reason be the majority of the residents that live in this area we're talking about wanting the rezoning?

City Attorney Seibert: That would be up to the Court or a jury to decide but, I mean, just because you, I mean what's, because I want it, I mean what's the reason, I mean that's the thing you'd have to convince a jury.

Councilman Anderson: But I mean

City Attorney Seibert: And I can get you all copies of the cases.

Councilman Anderson: if the majority of the residents in this area want to be rezoned for their protection I'm hearing you say it's down grading. I look at it the other

City Attorney Seibert: No, no it's a more strict zoning. It's a more I

Councilman Anderson: That's right.

City Attorney Seibert: it's a stricter zoning.

Councilman Anderson: It is stricter and stricter means that you have fewer things you can do within that.

City Attorney Seibert: Correct.

Councilman Anderson: So that should improve or upgrade the zoning. Anyway my question is this. If you have a majority of the residents in this area that want to be rezoned is that not a valid reason?

Councilman Butts: You're saying a petition from the people out there in that area. O.K.

Councilman Twigg: Which I will have for, for any future hearing.

City Attorney Seibert: I think, again, it, it's up to the Court. Just because a majority want it, what we're, what you're saying is they're trying to rezone their own property but they're also trying to rezone somebody else's property. In other words if you live, George's store downtown, if the three business properties around him decide to ask for rezoning to RUB they're going to turn their stores into apartment units, and they against his will include his store in that zoning they have three fourths. If this Council approves it he's out of business. Now is that, is that what you want to, that's the type of thing we're talking about.

Mayor Sparks: And they would certainly have the right to come back and sue us.

Councilman Anderson: What is the motion madam Recorder?

City Recorder: The motion is to present a formal request from the Council for the zoning change to the Planning Commission.

Councilman Twigg: And they would stage a public hearing.

Councilman Anderson: Is that, is that the cart before the horse if we're going to get a majority of the people in that area that requesting rezoning. What the motion is, is that premature?

Councilman Twigg: Well my plan is, in order to move this thing along, is they would, when the Planning Commission receives this in the next couple days, they're going to schedule a public hearing and my plan would be at that time, I have not had time to go out and get all the signatures I need, at that time I would have all the signatures for that public hearing.

Councilman Butts: May I ask you a question? Are you saying to this Council that people, property owners in any section, whether it's out in his area, whether it's out in mine, if they want to come to the City Council and request that the zoning in that entire be rezoned, are you saying to me that, that you can't do it?

City Attorney Seibert: No, I'm saying, I'm saying you can do it.

Councilman Butts: You can do it yeah, but

City Attorney Seibert: I'm saying if a Court, if someone goes to Court and a Court decides you didn't have a good reason to do it then the government can be made to pay the people who were involuntarily zoned the loss and value of their property.

Councilman Twigg: And I'd like to suggest that everything we do here, every time we have a item on the floor they, they all, and it's a matter of opinion, sometime people think that it, it positively effects them, sometimes people thinks it negatively effects them. Everything we do, and we can be sued for anything we do here.

City Attorney Seibert: That's right.

Mayor Sparks: As I said Oakley I'm directing you

Councilman Karos: That's why you get all those big bucks

Mayor Sparks: to, to get an opinion from the Ethics Commission. Now we're not going to set here

Councilman Twigg: I think we have politics being played, more than anything else if you want to know my opinion.

Mayor Sparks: Well, yeah I think it is. It's obvious Glen you've got the votes to do this. You go ahead and do it, you're going to get the City sued. I want some directions from the Ethics Commission.

Councilman Twigg: Ernie that's what you said four years ago when you brow beat,

Mayor Sparks: It's obvious that you've got the votes

Councilman Twigg: when you brow beat some of the other Council Members

Mayor Sparks: I can tell you the votes right now Glen

Councilman Twigg: to vote against this.

Mayor Sparks: I can tell you the votes you're going to get right now. Now I want an opinion from the Ethics Commission. Let's take a vote on this thing.

Councilman Butts: What are you trying to do, make an issue between you, you and

Mayor Sparks: No I'm not Councilman Butts

ANDERSON

Councilman Anderson questioned if it was necessary to provide the media with all the information regarding the Council meetings that they are being provided.

The City Manager advised that all the information is public information unless it is personnel matters or legal issues.

DISCUSS CHRISTMAS EVE AND NEW YEARS EVE TIME OFF FOR EMPLOYEES.

Motion made by Councilman Anderson, seconded by Councilman Parkinson to approve one half day off on Christmas eve and one half day off on New Years eve for City employees. Motion carried unanimously.

16. EXECUTIVE SESSION

Motion made by Councilman Yauger, seconded by Councilman Parkinson to go into Executive Session for personnel and legal matters at 10:15 p.m. Motion carried unanimously.

Motion made by Councilman Yauger, seconded by Councilman Parkinson to go out of Executive Session at 10:45 p.m. Motion carried unanimously.

Motion made by Councilman Anderson, seconded by Councilman Karos to approve the recommendations of the Personnel Committee. Motion carried unanimously.

17. ADJOURNMENT

Motion made by Councilman Butts, seconded by Councilman Parkinson to adjourn the meeting at 10:50 p.m. Motion carried unanimously.

Earnest L. Sparks, Mayor

Sharon A. Flick, City Recorder

CITY COUNCIL MEETING
PUBLIC HEARING - WATER RATE ORDINANCE #98-04
NOVEMBER 12, 1998
CITY COUNCIL CHAMBERS

With a quorum present, the Public Hearing to discuss Water Rate Ordinance #98-04 was called to order by Mayor Earnest L. Sparks at 6:30 p.m. The following Council Members were present: Donald Anderson, George Karos, Merle "B.I." Butts, Richard Yauger, Max Parkinson, Oden Barrett and Glenville Twigg. Also present were: Mark S. Baldwin, City Manager, J. Oakley Seibert, City Attorney, Sharon A. Flick, City Recorder and Steve Knipe Water and Sewer Superintendent.

The following individuals were present from the public:

Mervil Catlett
Georgia Catlett
Lee M. Wolford, Jr.
Taylor J. Whittington
Ryan Feeney, Journal
Jeremy House - WRNR

Mayor Sparks announced that the purpose of the public hearing was to hear citizens comments on the proposed water rates. Mayor Sparks stated that on March 20, 1996 the City of Martinsburg received an order from the West Virginia Department of Health requiring the City to evaluate its water system and review water filtration alternatives. Chester Engineers provided the engineering services. Mayor Sparks further stated that the City of Martinsburg does not have any problems with their water. However, this is a precautionary measure to keep bacteria out that could infiltrate the water supply. Mayor Sparks advised that this was being done to assure the citizens of Martinsburg that they will have safe drinking water for years to come.

The City Manager reported that the City is mandated by the West Virginia Department of Health to bring the City's drinking water into compliance with the Safe Water Drinking Act. The City Manager advised that the cost of the project is 8.1 million dollars which takes care of the two filtration plants, etc. The City of Martinsburg has secured two loan packages for the funding of this project. One from the State of West Virginia Department of Health in the amount of $7,000,000 at 3% for twenty years and the second from the Water Development Authority in the amount of $1,127,069 for up to 6.25% for twenty years. The City Manager further advised that the accounting firm of Cox Nichols Hollida CPA's completed a Rule 42 Rate Analysis based on the City's current year end audit of 1996-97. The financial analysis takes into account current revenues, expenses and debt service as well as future revenues, expenses and new project ($8,127,069) debt service. The City Manager stated that it has been estimated that the City of Martinsburg will have to have a 60% water rate increase. The rate increase does not include sewer service. The City Manager further stated that the increase will produce approximately $642,397 annually for water service. The City Manager reported that based on 4,500 gallons of water used per month the residential customers bill will increase from $11.70 per month or $35.10 per quarter to $18.72 per month or $56.16 per quarter. The City Manager pointed out that out of 458 public/private water utilities in the State of West Virginia the City of Martinsburg's rates are currently rated number 51 out of the 458. With the proposed rates the City of Martinsburg will be ranked 210 out of 458.

Councilman Twigg stated that even with the increase the City rates are still low in comparison with other public and private water utilities in the State of West Virginia and more specifically the Eastern Panhandle.

Mr. Lee M. Wolford, Jr., 108 Old Mill Road, felt that when the City of Martinsburg quotes rates they should include the entire bill including the sewer usage.

Mayor Sparks reminded Mr. Wolford that the sewer charges are not effected by the increase.

Mr. Wolford stated that by the City of Martinsburg not including the sewer charges the rates look better than they actually are once the sewer charges have been added.

The City Manager reminded the citizens that the new rates would not go into effect until substantial completion of the project which will be approximately two years. The City Manager stated that the City of Martinsburg will have to give a thirty day notice before any rate increase goes into effect.

Mayor Sparks advised that it is necessary for the City of Martinsburg to have good, safe, clean drinking

water and the City is simply taking the proper steps as mandated by the West Virginia Department of Health.

Mayor Sparks stated that no one on the Council wants to raise the water rates. However, the rates have not been raised for several years.

There were no other comments from the public.

Motion made by Councilman Yauger, seconded by Councilman Barrett to adjourn the public hearing at 6:42 p.m. Motion carried unanimously.

Earnest L. Sparks, Mayor

Sharon A. Flick, City Recorder

CITY COUNCIL MEETING
REGULAR SESSION
NOVEMBER 12, 1998
CITY COUNCIL CHAMBERS

With a quorum present, the regular session of the Martinsburg City Council was called to order by Mayor Earnest L. Sparks at 7:00 p.m. The following Council Members were present: Donald Anderson, George Karos, Merle "B.I." Butts, Richard Yauger, Max Parkinson, Oden Barrett and Glenville Twigg. Also present were: Mark S. Baldwin, City Manager, J. Oakley Seibert, City Attorney, Sharon A. Flick, City Recorder, Phil Martin, Fire Chief, Ted Anderson, Police Chief, Michael Covell, City Engineer/Planner, Steve Knipe, Water and Sewer Superintendent and Mark Spickler, Finance Officer.

3. SALUTE TO FLAG

Councilman Yauger led the Pledge of Allegiance to the Flag.

4. PRAYER - REV. DON SMITH, SHENANDOAH BIBLE BAPTIST CHURCH

The invocation was given by Rev. Smith.

5. APPROVAL OF OCTOBER 8, 1998 REGULAR COUNCIL MEETING MINUTES

Motion made by Councilman Anderson, seconded by Councilman Barrett to approve the October 8, 1998 regular Council meeting minutes. Motion carried unanimously.

6. APPROVAL OF SEPTEMBER, 1998 ADMINISTRATIVE AND FINANCIAL REPORT

Motion made by Councilman Barrett, seconded by Councilman Yauger to approve the September, 1998 Administrative and Financial Report. Motion carried unanimously.

7. APPROVAL OF OCTOBER, 1998 ADMINISTRATIVE AND FINANCIAL REPORT

Motion made by Councilman Butts, seconded by Councilman Yauger to approve the October, 1998 Administrative and Financial Report. Motion carried unanimously.

9. PRESENTATIONS

E. SISTER CATHERINE - REPORT ON TRIP TO UNIVERSITY OF HUMAN RIGHTS AT LAKE GENEVA

Sister Catherine Callaghan, Youth Director at the Human Rights Symposium in Geneva, Switzerland, reported that the youth that participated were present to report to Council what they did and learned on their trip.

Mr. Ryan Stocking, 2115 Spartan Drive, reported that he was one of six invited to attend a Human Rights conference in Geneva, Switzerland. Mr. Stocking further reported that they were selected from St. Joseph's and St. Bernadette's Catholic youth groups and they were selected for the amount of humanitarian work they have done for orphans of violence around the world. Mr. Stocking stated that since 1995 they have been entirely committed to working for human rights and especially the rights of children. Mr. Stocking further stated that the six youth have also received scholarships to attend the United Nations.

Ms. Angel Miller, Rt. 4 Box 470, stated that in Geneva they were exposed to many new people, places and cultures around the world. Each day they traveled to the United Nations where they participated in a roundtable discussion and workshops with U.N. officials and other dignitaries that dealt with issues concerning human rights. They served as ambassadors in which they often translated, ushered and even entertained. Ms. Miller stated that they set up art exhibits that are still in the United Nations building for organizations such as Kids For Peace.

Mr. Michael Morrow, Rt. 1 Box 242, reported that at the conference they had the opportunity to attend roundtable forums and went to a philosophers meet which gathered the nations leading scientists, leaders and thinkers to discuss global problems. During the roundtable discussions they looked at the power of cooperation, the responsibility of the media, religious liberty and the subject of justice. During the philosophers meet they heard discussions on ethics, technology and the universality of religion.

Ms. Shayla Harris, Rt. 3 Box 149A, stated that their future plans are to use what they learned in everyday life. Ms. Harris further stated that the trip was physically, mentally and spiritually fulfilling. Further, the trip gave them a different outlook on life and how they could use their knowledge of human rights to enhance the lives of everyone.

Sister Catherine announced that Benjamin Leung who is attending St. Josephs University in Pennsylvania and Christina Lester who is attending West Virginia University were unable to attend the Council meeting.

Sister Catherine reported that there were youth in attendance from sixty one nations. Sister Catherine further reported that no one worked harder than the youth from Martinsburg.

Mayor Sparks stated that he along with the Council were very proud of the youth group.

16. NEW BUSINESS

B. DISCUSS PARKING AUTHORITY RECOMMENDATION REGARDING PARKING IN THE 400 BLOCK OF WEST KING STREET

Dr. Hendricks, 407 W. King Street, advised that he came to Martinsburg in 1963 and at that time the City of Martinsburg allowed each physician a parking space in front of their office for emergency purposes. Dr. Hendricks stated that as his practice grew he required more parking spaces and eventually acquired four spaces. Dr. Hendricks further stated that he needs the spaces for his personnel and himself and his patients. Dr. Hendricks advised that some of the patients that are handicapped actually use the space when necessary. Dr. Hendricks asked that he be allowed to retain all four spaces.

Mayor Sparks questioned how long Dr. Hendricks has had the parking spaces.

Dr. Hendricks stated that the first space was issued in 1963 and the other spaces have been there for approximately ten to twelve years. Dr. Hendricks reminded Council that he does pay for the spaces.

Mr. John Orem, 409-411 W. King Street, reported that he recently purchased the two buildings on W. King Street, and noticed that there were four spaces allotted to Dr. Hendricks' office. Mr. Orem stated that there is only one Doctor in the office and therefore he only needs one space. Mr. Orem further stated that the other three spaces are used for the receptionist and secretaries. Mr. Orem was requesting that one space be allotted to Dr. Hendricks and one handicap space be allotted for parking and the remaining two spaces be returned to metered parking. Mr. Orem advised that there are times when all four spaces are open.

Councilman Anderson questioned if Mr. Orem's property had a driveway and some room in the rear.

Mr. Orem advised that there was a grass area behind his building and a forty foot driveway where one or two vehicles could park.

Councilman Anderson questioned if Mr. Orem had a garage on his property.

Mr. Orem stated that his boat is parked in the garage.

Councilman Anderson stated that there are a total of thirteen meters in the 400 block of W. King Street. Councilman Anderson further stated that Dr. Hendricks has been in the downtown area since 1963 and is paying for the parking spaces.

Motion made by Councilman Anderson, seconded by Councilman Butts that the Council continue to grant the four spaces in the 400 block of W. King St. to Dr. Hendricks until further notice.

Butts	-	Yes	Twigg	-	Yes
Yauger	-	Yes	Anderson	-	Yes
Parkinson	-	Yes	Karos	-	Yes
Barrett	-	Yes			

Motion carried unanimously.

15. UNFINISHED BUSINESS

A. THIRD AND FINAL READING OF ORDINANCE 98-04 TO ESTABLISH WATER RATES FOR THE CITY OF MARTINSBURG

Mayor Sparks announced that there was a public hearing held on this date at 6:30 p.m.

Motion made by Councilman Yauger, seconded by Councilman Barrett to read through the third and final reading of Ordinance 98-04, by title only and adopt. Motion carried unanimously.

8. PETITIONS FROM CITIZENS

CHRISTMAS TOUR OF CHURCHES - MR. DOUGLAS FRIES

Mr. Douglas Fries, representing the Christmas Tour of Churches, requested that the Council allow them to hold opening ceremonies on Sunday, December 20, 1998 in the public square. Further, they were requesting increased police patrol. Mr. Fries advised that the hours would be from 3:00 p.m. to 8:00 p.m.

Motion made by Councilman Anderson, seconded by Councilman Yauger to approve the request. Motion carried unanimously.

9. PRESENTATIONS

A. MAIN STREET MARTINSBURG ORGANIZATION COMMITTEE - MR. JOHN REISENWEBER

Mr. John Reisenweber, Chairman of the Organization Committee of Main Street Martinsburg, thanked Council for their continued support of Main Street Martinsburg. Mr. Reisenweber stated that the purpose of the Organization Committee is to organize the membership drive which is designed to generate $35,000 in membership dues to assist in revitalizing historic downtown Martinsburg. A brochure has been distributed to businesses in the community as well as other interested parties.

B. CHRISTMAS TREE LIGHTING PROCLAMATION - MAIN STREET MARTINSBURG

The City Recorder read the Christmas Tree Lighting Proclamation.

Mayor Sparks stated that Ms. Tracie Ford, Main Street Director, is doing a tremendous job.

C. J. C. EHRLICH COMPANY - QUOTES TO PROVIDE PEST BIRD CONTROL SERVICES

Mayor Sparks announced that the fog that the J. C. Ehrlich Co., Inc. is proposing will do no harm to any birds.

Mr. David W. Thompson, J. C. Ehrlich Co., Inc., addressed Council to discuss the possibility of providing pest bird control services to the City of Martinsburg in the downtown area. Mr. Thompson stated that they are proposing to provide services to the City of Martinsburg to correct two problems with pest birds. One proposal is to reduce the overall numbers of feral pigeons by establishing a trapping control program and the second proposal is to use a fogging service to eliminate some of the starling problems. Mr. Thompson stated that the product used in the fogging service is known as ReJeX-iT. This is a non-toxic grape-flavored substance that can be put into a thermal fogger and fogged into the trees once the starlings have established their roosting during the evening hours. As the birds groom and preen themselves, they will ingest the substance and make them nauseous thus causing them to move to a more desirable area. Mr. Thompson advised that they would be able to begin within the next two weeks. Mr. Thompson further advised that the pigeons would be taken to a sanctuary in the State of Pennsylvania.

The City Manager asked Mr. Thompson to give examples of where this type of service has been provided.

Mr. Thompson stated that they have provided this service in Chambersburg, Pennsylvania, Green Castle, Pennsylvania, Gaithersburg, Maryland and Charles Town, West Virginia.

Mr. Thompson recommended that three fogging applications take place.

Motion made by Councilman Karos, seconded by Councilman Barrett to proceed with the pest bird control service and allow the City Manager to determine the number of applications. Motion carried unanimously.

D. MARTINSBURG/BERKELEY COUNTY CHAMBER OF COMMERCE - MAX OATES, PRESIDENT ELECT

Mr. Max Oates, Jr., President Elect, read the following letter dated October 12, 1998 from the Martinsburg/Berkeley County Chamber of Commerce as follows:

To the Mayor and City Council of Martinsburg:

In conjunction with Resolution R98-10 attached, the Martinsburg-Berkeley County Chamber of Commerce is in attendance at this meeting tonight to reiterate and re-emphasize our request to the City of Martinsburg and the Berkeley County Commission and to all of the Public Service Districts in Berkeley County to devise a plan that will provide the most effective and efficient water and sewer service possible to all citizens of Berkeley County. We encourage the County Commission to take the lead in having the county Public Service Districts to act in concert to develop and implement such a plan

During this process and subsequent to it, we encourage the City of Martinsburg of coordinate and work in conjunction with the County Commission to eventually establish a coordinated plan that will serve the entire county including the City of Martinsburg.

The letter was signed by Mr. George Karos, President and Judith A Faul, Executive Director.

Mr. Oates read the following Chamber of Commerce Board of Directors Resolution R98-10 as follows:

WHEREAS, the Martinsburg-Berkeley County Chamber of Commerce supports and encourages planned and appropriate economic development in Martinsburg and Berkeley County and recognizes the growth that follows such development; and

WHEREAS, such growth and development has and will continue to place increased demands on local water and sewer systems; and

WHEREAS, the Chamber recognizes the need for the efficient delivery of abundant, economical, and safe water as well as sanitary sewer service, to all residents of Martinsburg and Berkeley County; and

THEREFORE BE IT RESOLVED, that the Chamber encourages the City of Martinsburg, Berkeley County Public Service District, Hedgesville Public Service District, Opequon Public Service District, and Berkeley County Public Service Sewer District to devise a plan to eventually establish one provider of water (with more than one water source) and sewer services to all business, industrial, and residential users in Berkeley County.

Adopted by the Board of Directors of the Martinsburg-Berkeley County Chamber of Commerce, Inc., in a meeting assembled September 14, 1998, with a quorum present.

Mayor Sparks stated that the Council has been willing to meet with the other entities. However, two of the entities have sued the City of Martinsburg and no decision has been rendered from the State Supreme Court. Mayor Sparks recommended that once the Court case has been resolved the City Manager and the Water and Sewer Superintendent meet with the proper people to work out a plan.

Mr. Oates advised that the Chamber would also be approaching the County Commission asking for their cooperation in this matter as well.

Mayor Sparks felt that no action could be taken until the court case was resolved.

Councilman Anderson suggested that the Chamber of Commerce not only approach the County Commission but the other public service districts as well with a similar Resolution.

The City Attorney stated that the position of the City of Martinsburg has always been to cooperate with the other entities and the City of Martinsburg has never sued any other entity with regard to water and sewer.

Mr. Max Oates, Jr., President Elect, read the following letter dated October 12, 1998 from the Martinsburg/Berkeley County Chamber of Commerce as follows:

To the Mayor and City Council of Martinsburg:

> In order to attract business and industrial development, to enhance the development of tourism, and to improve the quality of life – particularly the scenic quality of life for residents of and visitors to the City of Martinsburg – the Martinsburg-Berkeley County Chamber of Commerce recommends that the appropriate departments exercise full and diligent authority to apprehend and prosecute those who litter in the City of Martinsburg and dump their garbage illegally.

Mr. Oates stated that the Chamber of Commerce finds the litter appalling throughout the City and they felt that it was time for something to be done to heighten the awareness of the litter problem and enact whatever laws are necessary to enforce the litter laws that exist. Mr. Oates felt that the community should work together to heighten the awareness of litter.

Councilman Twigg reported that for the last eight years the City of Martinsburg has had a Take Pride in Your Community Spring Clean-Up campaign. Councilman Twigg reminded Mr. Oates that approximately one year ago there was a committee formed in conjunction with the Chamber of Commerce of which Councilman Karos was appointed, to address the problem of year around litter control. Councilman Twigg questioned what the status of the committee was.

Chief Anderson stated that there needs to be some changes in legislation on the state level.

Mayor Sparks suggested that the Chamber may be able to help with changes in legislation.

Councilman Twigg advised that at a combined City/County meeting he suggested to the County Commission that the City's Spring Clean-Up Campaign could be expanded County wide.

Councilman Yauger reminded Mr. Oates that the City of Martinsburg does have an Adopt A Street Program to help control the litter problem.

F. PROCLAMATION - OPERATION AMERICA BUCKLES UP CHILDREN CAMPAIGN

The City Recorder read the Operation America Buckles Up Children Campaign Proclamation.

Ms. Barbara Orlando, Traffic Safety Coordinator for the Eastern Panhandle Community Traffic Safety Program, introduced herself to the Mayor and Council.

10. RECEIVE AND FILE REPORTS-MINUTES-CORRESPONDENCE OF THE FOLLOWING:

(A) BOARD OF ZONING APPEALS - MINUTES SEPTEMBER 1, 1998
(B) BERKELEY COUNTY BOARD OF HEALTH - MINUTES AUGUST 12, 1998, SEPTEMBER 9, 1998
(C) EASTERN PANHANDLE TRANSIT AUTHORITY - MONTHLY EXPENDITURE REPORT SEPTEMBER, 1998 AND OCTOBER, 1998
(D) BERKELEY COUNTY DEVELOPMENT AUTHORITY - MINUTES SEPTEMBER 9, 1998
(E) PLANNING COMMISSION - MINUTES SEPTEMBER 9, 1998, OCTOBER 7, 1998
(F) HISTORIC PRESERVATION REVIEW COMMISSION - MINUTES SEPTEMBER 14, 1998, OCTOBER 5, 1998
(G) MAIN STREET MARTINSBURG - DIRECTOR'S REPORT SEPTEMBER 22, 1998 -

OCTOBER 19, 1998 AND MINUTES, OCTOBER 19, 1998

Motion made by Councilman Yauger, seconded by Councilman Anderson to receive and file items 10 A-G. Motion carried unanimously.

11. REPORTS AND MINUTES OF COUNCIL STANDING COMMITTEES

Councilman Yauger reported that the Budget and Finance Committee met to review the request for a United Way contribution. Councilman Yauger further reported that the Committee felt that at the present time the City should deny their request as individuals are asked to give at work, etc. and this would seem that the taxpayers were contributing twice to the United Way.

Motion made by Councilman Yauger, seconded by Councilman Parkinson to enter these comments into the minutes. Motion carried unanimously.

12. REPORT OF MAYOR

A. DISCUSS APPOINTING CITY BUILDING CODE COMMITTEE

(At the request of Councilman Barrett the following portion of the minutes have been typed verbatim.)

Mayor Sparks: Report of Mayor. Discuss the appointment of City, City Building Code Committee. I've talked to several attorneys, talked to Department Heads and we had a prime example of it here a little bit ago. I think before we do that, which it's not a bad idea to do, but before we do that I think that this Council would be well advised to have a series of workshops to where we can understand our own codes the own restrictions we have by those codes, the own restrictions that these departments have from state codes as well as federal codes. I know it took us some three years to win that case out on Grazier Street of removing those automobiles. Is that right?

City Engineer/Planner: That's correct.

Mayor Sparks: We just won that. We had another case where it took us three years to get permission to go into a apartment building downtown where, prior to most of us being on here, The lady ask our building, fire department to come inspect her building. They told her that the building was unsafe to be inhabited. She didn't like that. She had her engineer do it and he give her a similar report saying our fire department was generous to her. The bottom line was they said they would give her a occupancy permit to occupy that building if she agreed to do the things that they found wrong, correct them within one year. Folks, that's been almost ten years and it's not been corrected. We took her to court. We was in the court system for some three years, won the case, when we went up to go in the apartment, apartments the people, individual apartments wouldn't allow us in. So we need to I, I would recommend this Council takes a workshop situation and look at the things that these department heads, the restrictions they have on them before we do this.

Councilman Twigg: I'd like to make a comment on that.

Mayor Sparks: Yes sir.

Councilman Twigg: In the first place the, the proposed committee was, was, was not to deal with specific code enforcement. It was to, it was to deal with how to handle the code enforcement with out of state property owners, because they are the hardest to deal with. They just plain ignore our directives, our inquiries, our rulings they, they, they, they just consider us a paper tiger. They know it's hard to deal with them because they're out of state and they just ignore us. On the other hand, we, we go after the local property owners, and, and we, and in a lot of cases we push them to the hilt to comply with the codes and we're not consistent with, even with that. But we're very, very poor, very, very weak when it comes to code enforcement with out of state property owners and I think we need a specific committee to study that problem, to check with other communities out of state and in state and find out how they're doing with, how they are dealing with this problem, we, they all have the same problems and we're not talking about specific code enforcement. I don't think it's fair that, that we go out here and, and, and we can, we can take the local property owners and, and more or less hold them up against a wall to, to, to meet, to meet

the codes and, and we have them handy here local to where we can deal as harshly as we want with them, but we just plain, for the most part, ignore out of state property owners once they ignore our directives, and I'd like to have the committee formed. Now if you're not prepared to make, make one I'm prepared to make a motion to create a committee and I've got some people I'd like to put on it.

Mayor Sparks: Well I'm not performed, prepared to make one. I'd just like to remind this Council though that any time that anyone disagrees with our building inspector or other departments there is a committee that they can go before and have a hearing of appeal.

Councilman Twigg: This has nothing to do with disagreeing with any City department. I'm not, I'm not saying we're, I'm not saying they're not doing their job and I'm, I don't disagree with what they're doing. I'm looking for an avenue to help them do their job. I'm looking, I'm saying let's study what, this committee can study what Chambersburg, Pennsylvania, Frederick, Frederick, Maryland, Winchester, Virginia, Hagerstown is doing, other and, and communities in, in West Virginia and come up with ideas of how they're tackling the problem and maybe we can, maybe they need some tools they don't have right now to deal with, to deal with this problem

Mayor Sparks: Oakley?

Councilman Twigg: and that, that's the purpose of this committee, it's not to find fault with our, with our Engineering Department.

City Attorney: It's up to Council if you want to have a committee.

Councilman Twigg: So I'm going to make a motion. My motion is that we create a committee to deal with the problem of code enforcement to do with out of state property owners and my motion is that Blaine Smiley be appointed as Chairman. I'd like to be on the committee because it's a big issue with me. I'd like to have Max Parkinson on, on the committee. I'd like to have City Manager Mark Baldwin on the committee. I would like to have Darby Dean and, and Mike Covell our City Engineer on the committee, and they, I would like to have at one point or another in, in future meetings, after we've had a meeting or so maybe one meeting after the first meeting to get organized maybe we could have one meeting with, with the City Attorney and or the attorney, the attorney that works with the Planning Commission. We, we could work that out with them when that, when that could be a feasible. Now if the Mayor would like to add any names to that committee

Mayor Sparks: Well I'd like to remove one. I don't think we need Blaine Smiley on there.

Councilman Twigg: Well, the reason why I got Blaine on there, number one is he's been, he is, he has probably set the best example of any property owner in the City of Martinsburg with downtown revitalization and the second reason why I got his name on there is he, he deals with Chambersburg, Pennsylvania planning office and, and building inspectors office quite a bit. He does development over in that area also

Mayor Sparks: Well

Councilman Twigg: and I think he may be able to bring forth to this committee ideas from that area just as I hope some of these other committees, I work in Hagerstown. I'm hoping to bring some information from Hagerstown to deal with the committee.

Mayor Sparks: Well, I'd like to, to, I'll, I'll just clarify myself why, you know, and

Councilman Twigg: That's fine.

Mayor Sparks: Council do what they want. Some years back they're was a group come before this Council with twelve hundred names on a petition wanting to close this adult bookstore, if you will. Some of the allegations were made by this committee. If you will check the police record of 10-06-1998 you will find that there was a complaint filed on this business and our police department went over there and checked, Ted you can correct me if I'm wrong, went over and checked and it appeared that some of these allegations were correct. That's my problem Glen.

Councilman Twigg: I can remember that we had a hearing here one night to deal with this committee and that at the time we had a twelve, twelve person Council and that after hearing testimony from quite a few people this Council unanimously backed Mr. Blaine Smiley and that business and found no fault with it.

Mayor Sparks: Well, but I'm just saying the police report of 10-06-98 they was cited. Ted,

Councilman Twigg: and

Mayor Sparks: am I correct?

Councilman Twigg: they were cited, but they were never found fault with this Council. And another point I'd like to make is every, you know, he does have this one business that, that everybody keys in on, but he also owns a number of other businesses including eleven or twelve buildings that he has renovated in the downtown area. Most of this block and we, we anytime anyone wants to find fault with Blaine Smiley they key in on this one business.

Mayor Sparks: Ted

Councilman Twigg: And, I, I, I can understand why some people find fault with that one business. What I, what I look at is the whole picture and when you look at the whole picture to do with this individual he has done quite a bit for the City of Martinsburg and again has been a one man downtown revitalization committee. And

Mayor Sparks: Ted

Councilman Twigg: so my motion stands. I'd like to create that committee.

Mayor Sparks: Ted, might I ask you about the, on 10-06-98, is that not correct?

Chief Anderson: The Police Department received a complaint from a source indicating they felt there was a violation.

Mayor Sparks: Would you care to talk about the violation?

Chief Anderson: The violation in the adult bookstore concerning the booths and the fact that there were some holes between the booths in the section of the adult entertainment portion there. I had an officer respond to it. He issued a warning summons, a warning summons in regards to that. The officer did a follow up and to the best of my knowledge and the information they did immediately correct the problem.

Mayor Sparks: O.K. Council we have a motion do we have a second?

Councilman Butts: Second

Mayor Sparks: We have a motion, we have a second. Is there any further discussion.

Councilman Yauger: Where does Mr. Smiley reside? Does he live in Martinsburg?

Councilman Twigg: No, he lives in Maryland.

Councilman Yauger: Lives where?

Councilman Twigg: He lives in Maryland. But, he owns eleven, eleven businesses in the downtown area.

Councilman Yauger: What town in Maryland? A lot of, Maryland's a big State.

Councilman Twigg: I don't know the town he resides in. He lives in the suburbs of Maryland is all I can tell you.

Mayor Sparks: Is there any further discussion?

Councilman Yauger: Wouldn't it

Mayor Sparks: If not Sharon

Councilman Yauger: wouldn't it be better if we had local people on this committee

Councilman Twigg: Most of these people I named to this committee are local.

Councilman Yauger: as opposed to people that are out of town

Council Twigg: people, and I said if, if the Mayor would like to appoint any additional people to that committee he's welcome to do so, and if you have an idea of someone that would like to serve on that committee you're welcomed to name one.

Councilman Yauger: No, I just feel that, you know, our, our people serving on committees should be local people, that's all. If it's a City function, they should be City people. That's just my feeling on it.

Councilman Twigg: I don't think we should turn down help that's offered from a man that, that, that owns eleven buildings that's, that's newly renovated in the downtown area.

Councilman Anderson: Your Honor?

Mayor Sparks: Yes sir

Councilman Anderson: If there is a concern about the residency of the recommended Chairman perhaps the person who made the motion would consider a co-chair position where Blaine could act as co-chair along with the Councilman that wants to serve on the committee and I will also remind Mr. Yauger that there have been other members appointed to other committees that were not residents of Martinsburg. One of them being our favorite topic, the roundhouse, but that has no bearing on it. I still listened to them as well as those that reside in Martinsburg. Maybe a co-chair

Councilman Twigg: I would have no problem with that. We can make it a co-chair

Councilman Yauger: I just think it would look better in the eyes of the public for us, that's all.

Councilman Twigg: I have, I, I'll accept that recommendation. I'll, I'll co-chair it along with Mr. Smiley.

Mayor Sparks: Is the person that made the second accept that?

Councilman Butts: Yes

Mayor Sparks: Sharon would you take this vote by roll call starting with ward one please?

City Recorder: Councilman Butts

Councilman Butts: Yes

City Recorder: Councilman Yauger

Councilman Yauger: Yes

City Recorder: Councilman Parkinson

Councilman Parkinson: Yes

Councilman Barrett: Yes

City Recorder: Councilman Twigg

Councilman Twigg: Yes

City Recorder: Councilman Anderson

Councilman Anderson: Yes

City Recorder: Councilman Karos

Councilman Karos: Yes

13. REPORT OF CITY ATTORNEY

The City Attorney reported that all his items would be taken care of under unfinished business.

14. REPORT OF CITY MANAGER

A. DISCUSSION/COMMENTS ON WRITTEN REPORT

The City Manager advised that on November 23, 1998 in Washington, D.C. an event will take place entitled Operation ABC Mobilization, America Buckles Up With Children, and one representative has been chosen from all fifty states. The City Manager further advised that Chief Anderson has been asked to represent the State of West Virginia.

Motion made by Councilman Karos, seconded by Councilman Yauger to place this matter in Chief Anderson's personnel file. Motion carried. Councilman Anderson, Abstained.

The City Manager reported that the new sanitation truck has been delivered. Also, the Public Works Department has received a new pick-up truck and a new flat bed truck will soon be delivered.

Mayor Sparks stated that the City of Martinsburg is currently being sued over the proposed demolition of the property on Race Street. Mayor Sparks further stated that the gentleman that wishes to purchase the property has pointed out how valuable that property is. Mayor Sparks felt that perhaps the City should sell the property at a minimum cost of $30,000.

Councilman Butts questioned the status on the Chester Engineer situation.

The City Manager advised that he met with Larry Johnson of Chester Engineers to discuss the concerns that were brought before Council in October. The City Manager further advised that the City Engineer also met with Larry Johnson and the gentleman that performs the storm water management review process and since that time the City has received much more correspondence from the Engineers and the turn around for the reviews has been more timely. The City Manager stated that they will continue to monitor the situation.

15. UNFINISHED BUSINESS

B. THIRD AND FINAL READING OF ORDINANCE 98-05 TO AMEND ORDINANCE 94-09, 95-03, 95-30, 97-05, 97-14, 97-23 AND 97-27 WHICH ESTABLISHED JOB DESCRIPTIONS FOR EMPLOYEES OF THE CITY OF MARTINSBURG, WEST VIRGINIA

Motion made by Councilman Karos, seconded by Councilman Barrett to read through the third and final reading of Ordinance 98-05, by title only and adopt. Motion carried unanimously.

C. THIRD AND FINAL READING OF ORDINANCE 98-06 TO AMEND THE CITY OF MARTINSBURG ZONING MAP TO ZONE A PARCEL OF REAL ESTATE CONSISTING OF 4.05 ACRES, MORE OR LESS, KNOWN FOR POSTAL PURPOSES AT 618 WEST JOHN STREET AND BEING PART OF PARCEL 450 (FORMERLY PARCEL 447) ON THE BERKELEY COUNTY, WEST VIRGINIA TAX MAP M13, LOCATED BETWEEN WEST

KING STREET, WEST JOHN STREET, PORTER AVENUE AND THE PENNSYLVANIA RAILROAD (CONRAIL) RIGHT-OF-WAY, FROM A ZONING CLASSIFICATION OF IL (LIGHT INDUSTRIAL) TO BC (COMMUNITY BUSINESS)

The City Attorney stated that the applicant has asked that this item be placed on the next Council agenda as he has been unable to finalize the deal with the respective tenant.

D. STREET REPAVING UPDATE - CITY ENGINNER/PLANNER

The City Engineer reported that the paving cost was approximately $20,000 less that budgeted with the majority coming from what was allotted to the Public Works Department. The City Engineer further stated that the cost for repaving to date is $349,201.75.

Councilman Anderson questioned if Rocky Lane would receive another layer in the spring.

The City Engineer stated that Rocky Lane has received the only layer it will receive and there may be some corrections to the intersection in the future.

Councilman Twigg asked if the $20,000 could be set aside for next years paving project.

The City Manager reported that most of the $20,000 savings actually came from the Mortgage Revenue Fund and not the General Fund.

The Finance Officer stated that actually $4,000 was left over from the General Fund.

E. DISCUSS FAIRGROUND HEIGHTS REZONING APPLICATION SUBMISSION PROCESS

Mayor Sparks advised that someone will need to represent the City of Martinsburg before the Planning Commission and he recommended Councilman Twigg. Mayor Sparks further recommended that Councilman Twigg sign the zoning map amendment application on behalf of the City.

Motion made by Councilman Karos, seconded by Councilman Yauger to authorize Councilman Twigg sign the zoning map amendment application for Fairground Heights. Motion carried unanimously.

16. NEW BUSINESS

A. CONSIDER PARKING AUTHORITY RECOMMENDATION TO ALLOW FREE PARKING ON FRIDAY, NOVEMBER 27, 1998. (THE DAY AFTER THANKSGIVING)

Motion made by Councilman Karos, seconded by Councilman Yauger to accept the recommendation of the Parking Authority and allow free parking on Friday, November 27, 1998. Motion carried unanimously.

17. REPORT OF COUNCIL MEMBERS

ANDERSON

DISCUSS RAILROAD CROSSINGS IN MARTINSBURG

Councilman Anderson expressed concern regarding the deplorable condition of the railroad crossings at John Street and Stewart's crossing. Councilman Anderson requested that the Mayor along with the City Manager prepare a letter to the railroad asking for some repairs.

CONSIDER TRANSFERING THE TITLE OF A SURPLUS GARBAGE TRUCK TO THE TOWN OF BATH

Councilman Anderson stated that since the City of Martinsburg has just received a new garbage truck, thus giving the City a surplus garbage truck. Councilman Anderson asked if it would be possible to give the surplus garbage truck to the Town of Bath.

Mayor Sparks felt that would be possible if the Public Works Superintendent had no need for the truck.

The City Manager asked that he be allowed to check with the Public Works Superintendent to be sure that he did not have a need for the truck.

BUTTS

CONSIDER MARTINSBURG ZONING ORDINANCE CHANGE

Councilman Butts discussed the Martinsburg Zoning Ordinance Article 10, Administration of Historic Preservation District, section 1009.

Motion made by Councilman Butts, seconded by Councilman Barrett that Article 10, section 1009 of the Administration of the Historic Preservation District be changed from reading the decisions of the City Council may be appealed to the Circuit Court of Berkeley County, West Virginia to any and all decisions made by the Martinsburg City Council shall be final.

The City Attorney stated that, as a matter of State law, any decision of a governmental unit can be appealed to Circuit Court. The City Attorney further stated that the proposed change does not actually change anything.

Mayor Sparks asked for a roll call vote on the motion made by Councilman Butts, seconded by Councilman Barrett that Article 10, section 1009 of the Administration of the Historic Preservation District be changed from reading the decisions of the City Council may be appealed to the Circuit Court of Berkeley County, West Virginia to any and all decisions made by the Martinsburg City Council shall be final.

Butts	-	Yes	Twigg	-	Yes
Yauger	-	Yes	Anderson	-	Yes
Parkinson	-	Yes	Karos	-	Yes
Barrett	-	Yes			

Motion carried unanimously.

The City Engineer reminded Council that any modifications of the Martinsburg Zoning Ordinance have to go through a public hearing held by the Martinsburg Planning Commission.

DISCUSS COURTESY PARKING PERMITS FOR ELECTED OFFICIALS

Motion made by Councilman Butts, seconded by Councilman Barrett that a courtesy parking permit be issued to elected officials. Motion carried. Karos, No.

Councilman Butts stated that often times City officials must meet with constituents in the metered areas. Councilman Butts further stated that these permits are only to be used in the line of City business.

YAUGER

REPORT ON LANDSCAPING AT THE TRAIN STATION

Councilman Yauger reminded Council that he was authorized $2,300 to spend on landscaping at the Train Station. Councilman Yauger reported that on October 29, 1998 the City crews did a great deal of planting. There is approximately $700 left in the account that can be used in the spring.

PARKINSON

DISCUSS STOP SIGNS IN MARTINSBURG

Councilman Parkinson stated that there are too many stop signs in the west end of the City. Councilman Parkinson asked that the Council and the Police Chief check the area and perhaps it could be discussed at a

later date.

The Police Chief stated that the stop signs were erected on West John Street because of the large amount of traffic accidents.

TWIGG

CONSIDER CLOSING THE TRAIN STATION DURING THE DAY

Councilman Twigg stated that the Council is hearing concerns regarding vandalism at the Train Station as well as people using the restroom facilities to bathe. Councilman Twigg questioned the possibility of locking the station during non train traffic hours.

The City Manager stated that when the station first opened the City was trying to lock the facility during non train traffic hours. However, there were people that were getting to the station early and were unable to enter the facility. The City Manager further stated that trying to coordinate the opening and closing of the station when the trains arrived created a problem. The City Manager advised that there has not been a large amount of problems in the station.

The Police Chief suggested that perhaps a camera could be placed in one of the vendors shops to help monitor the Train Station.

The City Manager stated that the City personnel will continue to monitor the problems at the Train Station.

18. EXECUTIVE SESSION

Motion made by Councilman Yauger, seconded by Councilman Anderson to go into Executive Session at 8:45 p.m. Motion carried unanimously.

Motion made by Councilman Parkinson, seconded by Councilman Barrett to go out of Executive Session at 9:15 p.m. Motion carried unanimously.

Motion made by Councilman Barrett, seconded by Councilman Yauger to authorize a provisional appointment of Lieutenant Barbara Bartley to Acting Police Captain for a period of ninety days effective November 29, 1998. Motion carried unanimously.

Motion made by Councilman Barrett, seconded by Councilman Yauger to authorize a provisional appointment of Sergeant Hugh Sheets to Acting Police Lieutenant for a period of ninety days effective November 29, 1998. Motion carried unanimously.

19. ADJOURNMENT

Motion made by Councilman Karos, seconded by Councilman Barrett to adjourn the meeting at 9:20 p.m. Motion carried unanimously.

Earnest L. Sparks, Mayor

Sharon A. Flick, City Recorder

LEGAL NOTICE

NOTICE OF PUBLIC HEARING

Notice is hereby given that on Thursday, November 12, 1998 at 6:30 p.m. at the City of Martinsburg, West Virginia City Council Chambers on the second floor of City Hall, at 232 North Queen Street, Martinsburg, Berkeley County, West Virginia, the Martinsburg City Council will conduct a public hearing to consider adopting the following ordinance:

ORDINANCE NO. 98-04

AN ORDINANCE SETTING FORTH WATER RATES, MINIMUM CHARGE, RECONNECT FEE, CONNECTION CHARGE AND DELAYED PAYMENT PENALTY FOR THE CITY OF MARTINSBURG, WEST VIRGINIA

THE COUNCIL OF THE CITY OF MARTINSBURG HEREBY ORDAINS:

The following schedule of water rates, minimum charge, reconnect fee, connection charge and delayed payment penalty are hereby fixed and determined as the water rates, minimum charge, reconnect fee, connection charge and delayed payment penalty to be charged to customers of the water system of the City of Martinsburg, WV throughout the territory served:

SECTION 1. SCHEDULE OF RATES

APPLICABILITY

Applicable to entire area served.

AVAILABILITY OF SERVICE

Available for general domestic, commercial and industrial service.

RATES - ALL METERED CUSTOMERS Rates per 1,000 Gallons

First 8,333 gallons used per month
$4.16
or 25,000 gallons used per quarter

Next 25,000 gallons used per month
$3.26
or 75,000 gallons used per quarter

Over 33,333 gallons used per month
$2.74
or 100,000 gallons used per quarter

MINIMUM CHARGES

Minimum Charge: no bill will be rendered for Less than the following amount:

Per Quarter
$24.96

RECONNECTION CHARGE

Reconnection Fee for Delinquent Customer Only
$25.00

SERVICE CONNECTION CHARGE

The connection charge for each new connection to the water system shall be $300.00.

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

DISCONNECT FOR NON-PAYMENT

If any bill is not paid within 60 days from the date of the bill, the customer will be discontinued and will not be restored until all past due bills have been paid in full, together with all penalty charges, subject to applicable rules of the Public Service Commission of West Virginia.

SECTION 2. EFFECTIVE DATE

The water rates, minimum charge, reconnect fee, connection charge and delayed payment penalty provided herein shall be effective at substantial completion of the Water Filtration Project as certified by the project engineer unless otherwise ordered by the Public Service Commission.

SECTION 3. SEPARABILITY: REPEAL OF CONFLICTING ORDINANCES

The provisions of this Ordinance are separable, and if any clause, provision or section thereof shall be held void or unenforceable by any court of competent jurisdiction, such holding shall not affect the remainder of this Ordinance. Upon the effective date hereof, all ordinances, resolutions, orders or parts thereof in conflict with the provisions of this Ordinance are, to the extent of such conflicts, hereby repealed; and to the extent that the provisions of this Ordinance do not touch upon the provisions of prior ordinances, resolutions, orders or parts thereof, the same shall remain in full force and effect.

SECTION 4. STATUTORY NOTICE AND PUBLIC HEARING

Upon introduction hereof, the City Recorder shall publish a copy of this Ordinance once a week for 2 successive weeks within a period of 14 consecutive days, with at least 6 full days intervening between each publication, in The Journal, a qualified newspaper of general circulation in the City of Martinsburg.

The foregoing Ordinance has been introduced and adopted on first and second reading at a Council meeting held October 8, 1998.

Anyone interested in examining the said Ordinance or obtaining a copy of the same may do so by requesting a copy of said Ordinance at the City Recorder's Office, Martinsburg City Hall, 232 North Queen Street, Martinsburg, West Virginia between the hours of 8:00 a.m. and 5:00 p.m., Monday through Friday. Interested persons may appear at the Martinsburg City Council public hearing and meeting on November 12, 1998 at 6:30 p.m. to be heard with respect to said Ordinance. The final vote on adoption of the Ordinance may occur at the time and place herein and any interested party may appear and be heard with respect to the proposed Ordinance, prior to the vote. Martinsburg City hall is accessible to handicapped individuals.

CITY OF MARTINSBURG
Sharon Flick
City Recorder

Mark S. Baldwin
City Manager

11:2,9(2t)

Certificate of Publication

This is to certify the annexed advertisement

City of Martinsburg
Public Hearing
Ordinance #98-04

appeared for 2 consecutive days/weeks in The Journal Publishing Company, a newspaper published in the City of Martinsburg, WV in its issue beginning:

11/2

and ending

11/9

The Journal
207 W. King Street
Martinsburg, WV 25401

Fee $ 179.01

THE STATE OF WEST VIRGINIA
COUNTY OF BERKELEY

The foregoing instrument was acknowledged before me this 11-5-98 by [signature].

My commission expires 8/16/05.

[signature]
Notary Public

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
SANDRA B. SPERRY
ROUTE 4, BOX 296
HEDGESVILLE, WV 25427
My Commission Expires August 16, 2005

Municipal Rate Change Form No. 1

PUBLIC NOTICE OF CHANGE IN RATES BY MUNICIPALITIES

NOTICE is hereby given that the City of Martinsburg, WV, a public utility, has adopted by ordinance on November 12, 1998, a tariff containing increased rates, tolls and charges for furnishing water service to 5,760 customers at City of Martinsburg in the County of Berkeley, West Virginia.

The proposed increased rates and charges will become effective upon substantial completion of the Water Filtration Project as certified by the project engineer unless otherwise ordered by the Public Service Commission and will produce approximately $642,397 annually in additional revenue, an increase of 60%. The average monthly bill for the various classes of customers will be changed as follows:

Residential:
($) INCREASE: $11.70 to 118.72
INCREASE (%): 60%
Commercial:
($) INCREASE: $11.70 to 18.72
INCREASE (%): 60%

Industrial:
($) INCREASE: $11.70 to 18.72
INCREASE (%): 60%

Resale:
($) INCREASE: $7.70 to 12.33
INCREASE (%): 60%

Other
($) INCREASE: N/A
INCREASE (%): N/A

The increases shown are based on averages of all customers in the indicated class. Individual customers may receive increases that are greater or less than average. Furthermore, the requested rates and charges are only a proposal and are subject to change (increases or decreases) by the Public Service Commission in its review of this filing. The Commission shall review and approve or modify the increased rates only upon the filing of a petition within thirty (30) days of the adoption of the ordinance changing said rates or charges, by:

(1) Any customer aggrieved by the changed rates or charges who presents to the Commission a petition signed by not less than twenty-five percent of the customers served by such municipally operated public utility; or

(2) Any customer who is served by a municipally operated public utility and who resides outside the corporate limits and who is affected by the change in said rates or charges and who presents to the Commission a petition alleging discrimination between customers within and without the municipal boundaries. Said petition shall be accompanied by evident of discrimination; or

(3) Any customer or group of customers who are affected by said change in rates who reside within the municipal boundaries and who present a petition to the Commission alleging discrimination between said customer or group of customers and other customers of the municipal utility. Said petition shall be accompanied by evidence of discrimination.

All petitions should be addressed to the Executive Secretary, Public Service Commission, West Virginia, 201 Brooks Street, P.O. Box 812, Charleston, WV 25323.

A complete copy of the proposed rates is available to all customers, prospective customers or their agents at:

City of Martinsburg
City Hall
232 North Queen Street
Martinsburg, WV 25401

A copy of the proposed rates is available for public inspection at the Office of the Secretary of the Public Service Commission at 201 Brooks Street, P.O. Box 812, Charleston, WV.

11:16,23(2t)

Certificate of Publication

This is to certify the annexed advertisement

City of Martinsburg
Municipal Rate Change Form #1
Furnishing Water Service

appeared for 2 consecutive days/weeks in The Journal Publishing Company, a newspaper published in the City of Martinsburg, WV in its issue beginning:

11/16

and ending

11/23

The Journal
207 W. King Street
Martinsburg, WV 25401

Fee $ 115.22

THE STATE OF WEST VIRGINIA
COUNTY OF BERKELEY

The foregoing instrument was acknowledged before me this 11-23-98 by

My commission expires 8/16/05

Notary Public

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
SANDRA B. SPERRY
ROUTE 4, BOX 266
HEDGESVILLE, WV 25427
My Commission Expires August 16, 2005

CITY OF MARTINSBURG
SPECIAL SESSION
SEPTEMBER 7, 2000
CITY COUNCIL CHAMBERS

With a quorum present, the special session of the Martinsburg City Council was called to order by Mayor George Karos at 5:00 p.m. The following Council Members were present: Donald Anderson, Gregg Wachtel, Christopher Baker, Richard Yauger, Max Parkinson, Roger Lewis and Glenville Twigg. Also present were: Mark S. Baldwin, City Manager, J. Oakley Seibert, City Attorney, Sharon A. Flick, City Recorder, Brad Waldeck, Fire Chief and Taylor Whittington, Assistant Utilities Director.

4. APPROVE/DENY BUDGET ALLOCATION TO BERKELEY SENIOR SERVICES - $10,000

5. APPROVE/DENY BUDGET ALLOCATION TO BERKELEY COUNTY HISTORIC LANDMARKS COMMISSION TO CONDUCT SURVEYS - $4,800

6. APPROVE/DENY BUDGET ALLOCATION TO EASTERN WEST VIRGINIA REGIONAL AIRPORT AUTHORITY FOR INTERNAL PROJECTS AND AIRPORT IMPROVEMENTS – $23,333

7. APPROVE/DENY BUDGET ALLOCATION TO APPLE HARVEST FESTIVAL - $1,500

8. APPROVE/DENY BUDGET ALLOCATION TO MAIN STREET FOR DOWNTOWN CHRISTMAS LIGHTS ON QUEEN STREET (RACE TO STEPHEN) - $8,100

9. APPROVE/DENY BIDDING FOR TWO (2) FIRE ENGINES

Motion made by Councilman Yauger, seconded by Councilman Parkinson to approve items 4-9 as a result of a Budget and Finance Committee meeting.

Councilman Anderson questioned if the Budget and Finance Committee received a financial statement from the Berkeley Senior Services as has been requested from other outside agencies.

Councilman Yauger stated that a financial statement has not been received.

Councilman Anderson advised that the Council has supported this group for many years and felt that the Council should have a financial statement.

Councilman Lewis stated that the Council did get a synopsis of the Berkeley Senior Services request with one of the items requested being a new van for approximately $9,700. Councilman Lewis further stated that he had no problem with the Council requesting a financial statement.

Councilman Anderson felt that the Council should be consistent, as financial statements have been requested from other groups.

Councilman Yauger amended his motion and Councilman Parkinson amended his second to approve items 5-9 as a result of a Budget and Finance Committee meeting and refer the request of the Berkeley Senior Services back to the Budget and Finance Committee. Motion carried unanimously.

3. FIRST AND SECOND READING OF ORDINANCE 2000-13 – CITY OF MARTINSBURG COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS – SERIES 2000A (WEST VIRGINIA DWTRF PROGRAM), SERIES 2000B (WEST VIRGINIA INFRASTRUCTURE FUND) AND SERIES 2000C (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY)

Motion made by Councilman Wachtel, seconded by Councilman Anderson to read through the first and second reading of Ordinance 2000-13 – City of Martinsburg Combined Waterworks and Sewerage System Revenue Bonds – Series 2000A (West Virginia DWTRF Program), Series 2000B (West Virginia Infrastructure Fund) and Series 2000C (West Virginia Water Development Authority), by title only. Motion carried unanimously.

The City Manager reported that the last time the Council met they discussed an 11.8 million dollar project being financed through three loans. The City Manager further reported that the City's funding submittals were for the 12.5 million dollars from the three funding sources. The State of West Virginia

has asked the City of Martinsburg, over the past few days, to try and make sure that all the costs associated with Phase I were allocated to Phase I as best as could be up to the 12.5 million dollars. The City Manager stated that the additional monies from 11.8 million up to 12.5 million will be removed from the borrowing of Phase II and put in Phase I. The City Manager presented Council with cost schedules for Phase I and Phase II with Phase I total project cost being 13,056,000. The City Manager stated that the additional monies above 12.5 million in the amount of 515,668 will be reimbursed to the City once the loans are closed for Phase II.

Councilman Anderson questioned why the sewerage system is mentioned in the Ordinance when all the work deals strictly with the water system.

The City Attorney stated that the City of Martinsburg is a combined water and sewer system and is treated as one system.

10. APPROVE/DENY PARKING AUTHORITY RECOMMENDATION FOR FREE PARKING ON FRIDAY, NOVEMBER 24, 2000 AND DECEMBER 11 – 22, 2000

Motion made by Councilman Anderson, seconded by Councilman Lewis to approve the Parking Authority recommendation for free parking on Friday, November 24, 2000 and December 11 – 22, 2000. Motion carried unanimously.

11. APPROVE/DENY CARNIVAL IN DOWNTOWN MARTINSBURG OCTOBER 20 & 21, 2000

Councilman Yauger stated that the Parking Authority recommended that the carnival be held in the Train Station parking lot. Councilman Yauger further stated that individuals have already paid for permit parking and they should be allowed to use the lot. Councilman Yauger recommended that the City of Martinsburg review this matter further through the City Property Committee.

Councilman Twigg advised that he suggested to Mr. Fink to check into the area around Commerce Street.

Mayor Karos noted that a memorandum from the Parking Authority they had recommended either the lot owned by Mr. Chatfield-Taylor on E. Martin Street or the City's Train Station lot.

Councilman Anderson felt that the use of the Train Station lot would be depriving people that have permits of at least two days parking. Councilman Anderson questioned if the lot would be damaged due to the heavy equipment associated with a carnival.

Councilman Yauger expressed concern about the amount of individuals that would be using the bathroom facilities during this carnival and the potential cost of a large water bill.

Mayor Karos suggested that the Jaycees revisit the Chatfield-Taylor parking lot as well as the lots on Commerce Street.

Councilman Anderson suggested that they also contact Chatfield-Taylor regarding the lots on Stephen and College and the County Commission regarding the vacant lot on King Street.

12. DISCUSS TREES LOCATED IN PLANTERS ALONG QUEEN STREET

Mayor Karos stated that the trees along Queen Street are becoming very expensive to maintain. Every year they are trimmed and sprayed for birds. Mayor Karos further stated that three or four times a day the City crews are cleaning and sweeping the sidewalks to clear them of bird droppings. Mayor Karos stated that the City Manager has asked Antietam Tree Company to make recommendations on what to do with the trees. However, they have not had an opportunity to do so. Mayor Karos further stated that one of the City employees have been trained to trim, cut down, etc. trees. Mayor Karos recommended that the Public Works Department cut down the trees in the planters along Queen Street. Mayor Karos suggested that the Garden Club plant shrubs in the planters.

Mayor Karos stated that the Public Works Department was leery of trying to remove the stumps as they may be under the sidewalk area.

Councilman Lewis expressed concern about the appearance of downtown with the Apple Harvest season approaching and suggested that the City strongly prune the trees and allow Antietam to make recommendations on the type of trees that should be planted in the planters.

The City Manager stated that Antietam is saying that because of the size of the trees they are not going to be able to be topped without ruining them. However, they can be thinned and pruned.

Councilman Parkinson advised that he visited a small City that had planters with Golden Jupiter shrubs along with other shrubs that were very attractive.

Councilman Yauger suggested planting Alberta Spruce or an upright Yew in the planters.

Motion made by Councilman Anderson, seconded by Councilman Baker to empower the City Manager to remove the trees in the planters along Queen Street immediately. Motion carried unanimously.

The consensus of the Council was to thin and prune the remaining trees along Queen Street.

13. EXECUTIVE SESSION (LEGAL AND/OR PERSONNEL IF NEEDED)

There was no Executive Session.

14. ADJOURNMENT

Motion made by Councilman Wachtel, seconded by Councilman Parkinson to adjourn the meeting at 5:30 p.m. Motion carried unanimously.

George Karos

George Karos, Mayor

Sharon A. Flick

Sharon A. Flick, City Recorder

CITY OF MARTINSBURG
REGULAR SESSION
SEPTEMBER 14, 2000
CITY COUNCIL CHAMBERS

With a quorum present, the regular session of the Martinsburg City Council was called to order by Mayor George Karos at 7:00 p.m. The following Council Members were present: Donald Anderson, Gregg Wachtel, Christopher Baker, Richard Yauger, Max Parkinson, Roger Lewis and Glenville Twigg. Also present were: Mark S. Baldwin, City Manager, J. Oakley Seibert, City Attorney, Sharon A. Flick, City Recorder, Michael Covell, City Engineer/Planner, Brad Waldeck, Fire Chief and Ted Anderson, Police Chief.

3. SALUTE TO FLAG

Councilman Parkinson led the Pledge of Allegiance to the Flag.

4. PRAYER – PASTOR ALFRED STATESMAN – MT. ZION UNITED METHODIST CHURCH

The invocation was given by Pastor Statesman.

Mayor Karos announced that the Finance Director was out of town on business.

5. APPROVAL OF AUGUST 10, 2000 REGULAR COUNCIL MEETING MINUTES

Motion made by Councilman Anderson, seconded by Councilman Lewis to approve the August 10, 2000 regular Council meeting minutes. Motion carried unanimously.

6. APPROVAL OF JULY 2000 ADMINISTRATIVE AND FINANCIAL REPORT

Motion made by Councilman Yauger, seconded by Councilman Parkinson to approve the July 2000 Administrative and Financial Report. Motion carried unanimously.

7. PETITIONS FROM CITIZENS

NORWALK SOAP BOX DERBY – MR. RON BUTTS

Mr. Ron Butts, Norwalk Soap Box Derby, thanked Council for their help and support on the Soap Box Derby. Mr. Butts reported that 38 children participated with 2 going to Akron. Mr. Butts stated that without the City's help the Soap Box Derby would not have been successful. He presented a plaque to Council and requested Councils help and support for the June 9, 2001 Soap Box Derby.

Mayor Karos asked that Mr. Butts meet with the Police Chief to work out details and come back to Council for approval.

A. DISCUSS PROPERTY LOCATED AT 743-745 FAULKNER AVENUE

Ms. Laura Rose, attorney, addressed Council to discuss 743-745 Faulkner Avenue. Ms. Rose stated that she represents the owner of the property and in December 1999 a decision was rendered by Council essentially leaving the matter open for a period of six months in the event that there were any additional complaints of nuisance. Ms. Rose advised that at the end of the six month period the Council continued to leave the matter open. Ms. Rose stated that it has been almost twelve months since the Council issued its order and they were requesting that the Council make a decision on the property.

Attorney Staggers, City Prosecutor, recommended that the complaint be dismissed. Attorney Staggers advised that the property is currently for sale and any new information on the property would need to be forwarded to the owners.

Motion made by Councilman Anderson, seconded by Councilman Twigg to accept the recommendation of Attorney Staggers and dismiss the complaint. Motion carried. Lewis, No; Wachtel, No.

REQUEST FOR IMPROVEMENT OF TENNIS COURTS AT P.O. FAULKNER PARK – MR. RON FASSIG

Mr. Ron Fassig, 217 Surrey Court and a member of the United States Professional Tennis Association, advised that during the summer he taught several tennis classes for Berkeley County Parks and Recreation. Mr. Fassig asked that Council consider improving the tennis courts at P.O. Faulkner Park.

Mr. Fassig requested that the Council consider purchasing additional blacktop and allow Parks and Recreation to purchase the asphalt from the City.

Mayor Karos suggested that Mr. Fassig approach the City Manager and Parks and Recreation and work out the details.

Mr. Steve Catlett, Director Parks and Recreation, advised that he would know better on Nov. 8, 2000 if Parks and Recreation would be in a position to take on the cost of this project. Mr. Catlett reported that the cost to improve the four tennis courts would be over $30,000.

Councilman Yauger reminded Council that there is $137,000 in the capital reserve account..

Mr. Catlett stated that the capital reserve account has been set aside for the recreation center at Lambert Park.

Mayor Karos suggested bidding the asphalt with the City street repaving project.

DISCUSS CHRISTMAS PARADE ON DECEMBER 2, 2000 – MR. KEN BRILL

Mr. Ken Brill, St. Joseph's Church, advised that the journal had announced that the Christmas parade would be held on December 2, 2000 at 5:30 p.m. Mr..Brill further advised that the concern of St. Joseph's Parrish is that they would have to cancel their Saturday evening mass at 5:30 p.m. which means they would have to incorporate approximately 300 people into their Sunday masses. Mr. Brill stated that they are now in the process of completing their new Parrish School with the addition of a new gymnasium with the cost of the completed project being 5.4 million dollars. Mr. Brill further stated that they are considering expanding the Church to handle seating for 650 people. Further, Parishioners need all the parking available for their masses. Mr. Brill stated that they use the Magistrate Court parking lot located on College Street because they do not have sufficient parking available. Mr. Brill advised that last year they canceled mass because of the Christmas parade. Mr. Brill stated that they were told that this would not happen again because it interfered with their schedule. Mr. Brill further stated that they may considering moving their facility to another location outside of the City. The presence of a Catholic Church in Martinsburg has been here since 1774 with the current location started in 1840. Mr. Brill stated that he has been told that a new parade route from Queen Street to King Street going west on King Street to Maple Avenue is being reviewed. However, Mr. Brill indicated that the new parade route still poses parking problems and difficulty allowing parishioners to reach the Church. Mr. Brill asked that the Council consider moving the parade to another day.

Mayor Karos advised Mr. Brill that neither Main Street Martinsburg or the City Council had anything to do with the advertisement in the Journal.

Councilman Lewis felt that Main Street Martinsburg was trying to accommodate the Church needs.

Mr. Brill stated that the Church almost had to cancel their mass for the Soap Box Derby. However, that was completed by around 3:30 p.m.

Mayor Karos advised that he was in receipt of a memorandum from Ms. Pam Fawley stating that the parade would be no longer than fifty minutes beginning at 5:00 p.m.

Councilman Parkinson questioned if the parade was always held on Friday night.

Chief Anderson stated that last year the parade actually was brought back to Martinsburg and they were hoping to have this parade in conjunction with the tree lighting ceremony.

Councilman Lewis asked if moving the time to 5:30 p.m. would help.

Chief Anderson expressed concern regarding the use of barricades that are not light sensitive. They were hoping to begin the parade as early as possible because of the young people.

Councilman Anderson asked if Friday evening had been considered for the parade.

Ms. Traci Ford, Main Street Martinsburg, advised that the Committee has suggested having the tree lighting ceremony immediately following the Christmas Parade.

Councilman Anderson suggested that the parade start slightly later to resolve the Church issues.

Mayor Karos suggested starting the parade at 5:45 p.m.

Motion made by Councilman Anderson, seconded by Councilman Lewis to begin the parade on Saturday December 2, 2000 at 6:30 p.m. Motion carried unanimously.

FRANKLIN MANOR APARTMENTS – OPEN HOUSE INVITATION – MS. SUSAN MIDDLEKUFF

Ms. Susan Middlekuff, Manager Franklin Manor Apartments, stated that with the help of the City of Martinsburg they have received several drug grants, built a community room, installed surveillance, etc. Ms. Middlekuff advised that they will be opening their community room on Friday, September 15, 2000 with a computer networking center. Ms. Middlekuff invited everyone to the opening on Friday, September 15, 2000 at 1:00 p.m.

A. THIRD AND FINAL READING OF ORDINANCE 2000-13 – CITY OF MARTINSBURG COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS – SERIES 2000A (WEST VIRGINIA DWTRF PROGRAM), SERIES 2000B (WEST VIRGINIA INFRASTRUCTURE FUND) AND SERIES 2000C (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY)

Motion made by Councilman Wachtel, seconded by Councilman Parkinson to read through the third and final reading of Ordinance 2000-13 – City of Martinsburg Combined Waterworks and Sewerage System Revenue Bonds – Series 2000A (West Virginia DWTRF Program), Series 2000B (West Virginia Infrastructure Fund) and Series 2000C (West Virginia Water Development Authority), by title only and adopt. Motion carried unanimously.

C. PUBLIC HEARING FOR BOND ORDINANCE WATER PROJECT SCHEDULED FOR MONDAY, SEPTEMBER 25, 2000 6:00 P.M.

Mayor Karos announced the Public Hearing for the Bond Ordinance would be held on Monday, September 25, 2000 at 6:00 p.m.

X. APPROVE/DENY RESOLUTION 2000-29 APPROVING INVOICES RELATING TO CONSTRUCTION AND OTHER SERVICES FOR THE MARTINSBURG WATER TREATMENT IMPROVEMENTS PROJECT AND AUTHORIZING PAYMENT THEREOF

The City Manager reported that this Resolution at loan closing indicates what the first draw will be on each of the three loans. $1,473,233.24 of which $664,237 will be drawn down from the drinking water loan to pre-fund the bond reserve. $680,941.24 will be drawn from the Infrastructure Loan, which the amount will be returned to the City of Martinsburg, as the invoices will basically be paid up front by the City of Martinsburg. $128,055 will be drawn from the Water Development Authority, which will be placed in the pre-fund reserve account for bond issues. The City Manager further reported that those checks will be wired to the necessary accounts at closing.

Motion made by Councilman Wachtel, seconded by Councilman Parkinson to adopt Resolution 2000-29 approving invoices relating to construction and other services for the Martinsburg Water Treatment Improvements Project and authorizing payment thereof. Motion carried unanimously.

8. PRESENTATIONS

A. PROCLAMATION – BREAST CANCER AWARENESS MONTH – OCTOBER 2000

Mayor Karos read and presented the proclamation for the month of October 2000 being Breast Cancer Awareness Month.

B. PROCLAMATION – 2ND ANNUAL PARENTS OF MURDERED CHILDREN MARTINSBURG DAY OF REMEMBRANCE – SEPTEMBER 25, 2000

There was no one present to accept the Proclamation.

C. PROCLAMATION – UNDOING RACISM DAY – SEPTEMBER 20, 2000

There was no one present to accept the Proclamation.

D. MARTINSBURG-BERKELEY COUNTY PARKS & RECREATION BOARD – DISCUSS CONSTRUCTION OF PEDESTRIAN BRIDGE AT WAR MEMORIAL PARK – MR. STEVE CATLETT

Mr. Steve Catlett, Martinsburg-Berkeley County Parks and Recreation, discussed the project for a linear park along the Tuscarora Creek. Mr. Catlett felt that this project has tremendous potential. Mr. Catlett stated that there would be some funding in future through public and private grants to help with this project. Long range plans would be to develop trails linked from the origin of the Creek, which is approximately one mile south of the Poorhouse Farm Park, all the way through the City of Martinsburg to the Opequon Creek. Short term goals would be to develop already owned public access to the Creek hopefully setting the tone from private owners to consider their creek frontage to be used by either selling, donating or perhaps leasing the property. Mr. Catlett stated that the Committee has been offered assistance from a local scout troop to build a pedestrian bridge at War Memorial Park across the creek on a piece of property that is currently City owned. Mr. Catlett further stated that this property allows access for City employees to get back to Kilmer Springs. Mr. Catlett advised that the Committee was not quite ready to proceed with the development. However, with volunteers it is hard to deny their request. Mr. Catlett felt that maintenance of a developed linear park needs to be considered. Mr. Catlett stated that another scout would like to develop a trail back to Kilmer Springs. However, there are concerns about the security of the City's water source.

Mayor Karos stated that there are several issues that need to be addressed by the City Department Heads.

Councilman Twigg suggested that in the near future the Council meet with the Linear Park Committee to discuss the issue. Councilman Twigg felt that the Council should approve the project of the pedestrian bridge as timing is essential.

Councilman Parkinson stated that the Committee is very hard working and suggested that the City proceed with the bridge only, at this time.

Motion made by Councilman Parkinson, seconded by Councilman Twigg to grant permission to build the bridge and at the conclusion of the construction have a meeting to determine the limits of how it is to be used. Motion carried unanimously.

E. MAIN STREET MARTINSBURG – CHRISTMAS EVENTS APPROVAL

Traci Ford, Main Street Martinsburg, reported that they would like to schedule the 3rd annual "Hometown Christmas" Celebration on Saturday, December 2, 2000 at 6:00 p.m. at the library square. Ms. Ford also requested that a segment of East King Street be blocked off from Friday, December 1 at 12:00 p.m. to Sunday, December 3 at 5:00 p.m. for the placement of a carousel. Also Main Street was requesting the approval of a Model Railroad Showcase Competition, Santa's Workshop, a Yule log and new Christmas wreaths bought by the City.

Motion made by Councilman Lewis, seconded by Councilman Wachtel to approve the Main Street Martinsburg Christmas events beginning at 6:00 p.m. Motion carried unanimously.

9. RECEIVE AND FILE REPORTS-MINUTES-CORRESPONDENCE OF THE FOLLOWING:

A. MAIN STREET MARTINSBURG BOARD OF DIRECTORS – MINUTES MAY 15, 2000
B. VETERANS' SERVICE ORGANIZATION – MINUTES JULY 27, 2000
C. BERKELEY COUNTY ANIMAL CONTROL REPORT – AUGUST 2000
D. EASTERN WEST VIRGINIA REGIONAL AIRPORT AUTHORITY – 4TH QUARTER/YEAR END BUDGET REPORTS
E. LETTER FROM P.C. DIMAGNO REQUESTING THE APPOINTMENT OF TWO ALTERNATE MEMBERS TO THE CODE APPEALS BOARD – AUGUST 25, 2000
F. PARKING AUTHORITY – MINUTES AUGUST 29, 2000
G. EASTERN PANHANDLE TRANSIT AUTHORITY – MONTHLY PROJECT EXPENDITURE REPORT – AUGUST 2000
H. HUMAN RELATIONS COMMUTTEE – MINUTES AUGUST 17, 2000

Motion made by Councilman Anderson, seconded by Councilman Twigg to receive and file items 9 a-h. Motion carried unanimously.

10. REPORTS OF CHAIRPERSONS OF COUNCIL STANDING COMMITTEES

A. BUDGET AND FINANCE COMMITTEE – MINUTES AUGUST 21, 2000

Mayor Karos advised that the Budget and Finance Committee recommendations would be addressed under new business.

B. CODE ENFORCEMENT COMMITTEE – MINUTES AUGUST 23, 2000

Councilman Twigg stated that the minutes would stand for the report.

C. CITY PROPERTY COMMITTEE – MINUTES AUGUST 31, 2000

Councilman Lewis advised that several items are awaiting additional information and they will be addressed at the next City Property Committee meeting.

11. REPORT OF MAYOR

A. APPOINTMENT TO HUMAN RELATIONS COMMITTEE – COUNCILMAN ROGER LEWIS

Mayor Karos recommended that Councilman Roger Lewis be appointed to the Human Relations Committee.

Motion made by Councilman Parkinson, seconded by Councilman Anderson to approve the recommendation of the Mayor. Motion carried unanimously.

B. ADVERTISE FOR TWO ALTERNATE MEMBERS TO THE CODE APPEALS BOARD

Mayor Karos asked that the City advertise for members to the Code Appeals Board. Mayor Karos asked Council for recommendations.

D. ACCEPT RESIGNATION OF COUNCILMAN MAX PARKINSON FROM TUSCARORA CREEK LINEAR PARK COMMITTEE AND APPOINT COUNCILMAN GLENVILLE TWIGG AS HIS REPLACEMENT

Motion made by Councilman Lewis, seconded by Councilman Yauger to appoint Councilman Glenville Twigg to the Tuscarora Creek Linear Park Committee. Motion carried unanimously.

E. SUBMIT LETTER OF REQUEST TO PLANNING COMMISSION TO PROVIDE WRITTEN REPORT ON ZONING REWRITE STATUS

Mayor Karos questioned the length of time the Council should allow for the Planning Commission to submit their written report.

Motion made by Councilman Yauger, seconded by Councilman Twigg to have a draft copy available to Council on January 2, 2001 for their review. Motion carried unanimously.

Mayor Karos asked that Public Works Committee meet in the near future.

F. DISCUSS, IF ANY, EMERGENCY COUNCIL MEMBER ISSUES REQUIRING AN IMMEDIATE VOTE OF COUNCIL

CODE ENFORCEMENT MEETING – COUNCILMAN TWIGG

Councilman Twigg reminded Council that the Code Enforcement Committee would be meeting on September 20, 2000 at 5:00 p.m. in the Council Chambers.

RALEIGH STREET EXTENSION – COUNCILMAN TWIGG

Councilman Twigg stated that the City needs to send correspondence to Charleston asking for a meeting on the Raleigh Street extension.

MEETING ANNOUNCEMENTS

Councilman Yauger stated that Council should be made aware of all Committee meetings especially regarding matters in their Ward.

12. REPORT OF CITY ATTORNEY

A. ADOPT RESOLUTION 2000-28 AUTHORIZING GS COMMUNICATIONS TO TRANSFER THEIR ASSETS TO ADELPHIA COMMUNICATIONS

The City Attorney advised that all they are asking that the government adopt a resolution authorizing GS Communications to transfer their assets to Adelphia GS Cable LLC.

Motion made by Councilman Yauger, seconded by Councilman Lewis to adopt Resolution 2000-28 authorizing GS Communications to transfer their assets to Adelphia Communications. Motion carried. Anderson; No.

Councilman Anderson asked if the City telephone number could be removed from the Cable bills.

The City Attorney advised that he will check the federal regulation regarding this matter.

B. DISCUSS ZONING FOR CITY PROPERTY LOCATED IN ARDEN DISTRICT (WATER FILTRATION TANK SITE)

The City Attorney advised that the City purchased a 2 acre parcel from Mr. Leavitt, which will be located next to the proposed school off of Boyd Orchard Road, for the installation of a water tank, and the area should be zoned in the near future. The City Attorney stated that the Council should consider a proposed zoning classification to present to the Planning Commission.

The City Engineer/Planner stated that utilities are permitted in any zoning district.

Mayor Karos suggested waiting until the remainder of the area is zoned.

Motion made by Councilman Anderson, seconded by Councilman Twigg to table this item. Motion carried unanimously.

13. REPORT OF CITY MANAGER

The City Manager had no report.

15. NEW BUSINESS

A. FIRST AND SECOND READING OF ORDINANCE 2000-14 TO AMEND THE CITY OF MARTINSBURG ZONING MAP TO ZONE A PARCEL OF REAL ESTATE CONSISTING OF 3.1467 ACRES LOCATED SOUTH OF TUSCARORA AVENUE AND ALONG THE WEST SIDE OF INTERSTATE 81 FROM ITS PRESENT ZONING CLASSIFICATION OF RUA (URBAN RESIDENTIAL CLASS A) TO BC (COMMUNITY BUSINESS)

Dr. Iosso, Neurologist in Martinsburg for approximately 7 years, advised that the Planning Commission voted against rezoning this property as they felt that it would be considered spot zoning. Dr. Iosso stated that there was no opposition from any neighbors. Further, all of the immediate neighbors were recommended for the BC zoning classification by the Planning Commission. Dr. Iosso reported that he wishes to place his office on that property and wishes to link up to City water and sewer service. Mrs. Iosso, Curves for Women, also is proposing to move her business to this property.

Councilman Anderson questioned what type of structures would be put on the property.

Dr. Iosso stated that while they have no plans completely set they are considering one story structures.

The City Engineer/Planner stated that this parcel is located at the southern tip of what is identified as Tuscarora Avenue.

Councilman Anderson questioned if this parcel was adjacent to Interstate 81.

Dr. Iosso advised that this parcel is adjacent to Interstate 81.

Councilman Anderson advised that based on the recommendation of the Martinsburg Planning Commission the resolution reads that the majority of the members voted affirmatively for the resolution.

Dr. Iosso stated that the resolution is worded in the negative.

Dr. Rick Farley, owner of the property, advised that he had requested the change of zoning. He reported that there is a 50' right-of-way for entrance to the property off of Tuscarora Avenue.

The City Attorney stated that the recommendation of the Planning Commission was to deny the zoning change.

Councilman Lewis, ex-officio member of the Planning Commission pointed out that the Planning Commission noted that there was no roadway, no public water or sewer utilities currently serve this area and no master comprehensive plan exists. However, since then the same thing applies to other parcels that have been recommended for Community Business (BC) classification by the Planning Commission. Councilman Lewis saw no reason why this request should not be granted.

Councilman Twigg stated that plans will come from the developers to the Planning Commission.

Motion made by Councilman Twigg, seconded by Councilman Wachtel to read through the first and second reading of Ordinance 2000-14 to amend the City of Martinsburg zoning map to zone a parcel of real estate consisting of 3.1467 acres located south of Tuscarora Avenue and along the west side of Interstate 81 from its present zoning classification of RUA (Urban Residential Class A) to BC (Community Business), by title only. Motion carried unanimously.

B. FIRST AND SECOND READING OF ORDINANCE 2000-15 TO AMEND THE CITY OF MARTINSBURG ZONING MAP TO ZONE A PARCEL OF REAL ESTATE CONSISTING OF 12,125.76 SQUARE FEET KNOWN FOR POSTAL PURPOSES AS 307-311 ½ WEST KING STREET, 301-305 WEST KING STREET AND 205-207 SOUTH MAPLE AVENUE FROM ITS PRESENT ZONING CLASSIFICATION OF BC (COMMUNITY BUSINESS) TO BD (DOWNTOWN BUSINESS)

The City Attorney advised that this property is located at the corner of King Street and Maple Avenue.

Motion made by Councilman Anderson, seconded by Councilman Wachtel to read through the first and second reading of Ordinance 2000-15 to amend the City of Martinsburg zoning map to zone a parcel of real estate consisting of 12,125.76 square feet known for postal purposes as 307-311½ West King Street, 301-305 West King Street and 205-207 South Maple Avenue from its present zoning classification of BC (Community Business) to BD (Downtown Business), by title only. Motion carried unanimously.

C. APPROVE/DENY PARKING AUTHORITY RECOMMENDATION REGARDING THE REMOVAL OF METERS IN RESIDENTIAL NEIGHBORHOODS

Councilman Anderson noted that the Parking Authority is recommending a trial period from October 1, 2000 through December 31, 2000.

Motion made by Councilman Anderson, seconded by Councilman Lewis to approve the Parking Authority recommendation to remove the meters in residential neighborhoods for a trial period of October 1, 2000 through December 31, 2000. Motion carried unanimously.

D. APPROVE/DENY ANIMAL CONTROL AGREEMENT WITH BERKELEY COUNTY COMMISSION

Motion made by Councilman Lewis, seconded by Councilman Parkinson to approve the Animal Control Agreement with the Berkeley County Commission. Motion carried unanimously.

E. APPROVE/DENY NEW POLICY FOR SIDEWALK LOAN PROGRAM

Councilman Yauger questioned if a promissory note should be notarized.

The City Attorney stated that it is not necessary to notarize the note.

Motion made by Councilman Parkinson, seconded by Councilman Anderson to approve the new Sidewalk Loan Program policy. Motion carried unanimously.

Councilman Twigg felt that the City of Martinsburg should be more consistent with collecting money owed to the City of Martinsburg.

F. AUTHORIZE CITY MANAGER TO BID REPAVING OF NORTH RALEIGH STREET (FROM RACE TO KING), TENNESSEE AVENUE (PARK AVE. TO KING ST.), KING STREET (RED HILL TO KENTUCKY), ILLINOIS (WEST RACE TO MARTIN) – SPRING 2001 PROJECT

Motion made by Councilman Yauger, seconded by Councilman Lewis to authorize the City Manager to bid the repaving of North Raleigh Street (from Race to King), Tennessee Avenue (Park Ave. to King St.), King Street (Red Hill to Kentucky), Illinois (West Race to Martin) do be done as a spring 2001 project. Motion carried unanimously.

G. AUTHORIZE CITY MANAGER TO BID QUEEN STREET ELECTRIC UPGRADES FOR DECORATIVE LIGHTS AND ELECTRICITY TO POLES AND PLANTERS

Motion made by Councilman Wachtel, seconded by Councilman Parkinson to authorize the City Manager to bid Queen Street electric upgrades for Decorative Lights and electricity to poles and planters. Motion carried unanimously.

H. APPROVE/DENY THE PURCHASE OF APPROXIMATELY 20 SPRUCE TREES TO BE PLANTED IN AMBROSE PARK BY THE PARKS AND RECREATION BOARD - $800

Councilman Anderson felt that the Council should consider all residents visible to the plant located on Rocky Lane including Circle Drive, Wall Street and Linden Lane. Councilman Anderson suggested planting more spruce trees for all the residences. Councilman Anderson noted that there are only two houses on Circle Drive that back up to the park.

Councilman Twigg expressed concern regarding this matter as there have been many requests for trees throughout the City. Councilman Twigg stated that several years ago there was a request for trees on North Queen Street. Councilman Twigg advised that these residents were promised that trees would be planted when funds became available.

Councilman Baker stated that the request came from Ms. Tucker to also assist with the dust from the plant.

Mayor Karos suggested turning this item over to the Public Works Superintendent, Recreation Board and the City Property Committee to come back to Council with a recommendation.

Councilman Anderson suggested that the Council consider planting a small tree between the planters on Queen Street.

Councilman Anderson stated that the Council could approve the purchase of the 20 spruce trees and then the City Property Committee could come back with additional recommendations.

Motion made by Councilman Wachtel, seconded by Councilman Baker to approve the purchase of approximately 20 spruce trees to be planted in Ambrose Park by the Parks and Recreation Board at a cost of $800. Motion carried. Yauger; No.

I. AUTHORIZE CITY MANAGER TO SUBMIT LETTER TO WEST VIRGINIA DEPARTMENT OF TRANSPORTATION SEEKING APPROVAL TO INSTALL OVERHANGING STREET SIGNS

Motion made by Councilman Yauger, seconded by Councilman Parkinson to authorize the City Manager to submit a letter to the West Virginia Department of Transportation seeking approval to install overhanging street signs. Motion carried unanimously.

J. AUTHORIZE CITY MANAGER TO BID THE DESIGN AND CONSTRUCTION OF THE SPRING STREET AND RACE STREET INTERSECTION

Motion made by Councilman Lewis, seconded by Councilman Parkinson to authorize the City Manager to bid the design and construction of the Spring Street and Race Street intersection. Motion carried unanimously.

K. AUTHORIZE CITY MANAGER TO PURCHASE SHUTTERS FOR CITY HALL/POLICE DEPARTMENT BUILDING – APPROXIMATELY $3,500

Motion made by Councilman Anderson, seconded by Councilman Baker to authorize the City Manager to purchase shutters for City Hall/Police Department building at a cost of approximately $3,500. Motion carried unanimously.

L. APPROVE/DENY LIFE CHAIN ON THE SQUARE AT ONE VALLEY BANK – OCTOBER 1, 2000 FROM 2:00 P.M. – 3:00 P.M. – BERKELEY COUNTY RIGHT TO LIFE

Motion made by Councilman Yauger, seconded by Councilman Baker to approve the Berkeley County Right to Life Life Chain on the square at One Valley Bank on October 1, 2000 from 2:00 p.m. – 3:00 p.m. Motion carried unanimously.

M. DISCUSS "TRICK-OR-TREAT" DATE AND TIME

Motion made by Councilman Anderson, seconded by Councilman Wachtel to designate Tuesday, October 31, 2000 as Trick-or-Treat from 6:00 p.m. – 8:00 p.m. Motion carried unanimously.

N. DISCUSS LETTER FROM GS COMMUNICATIONS REGARDING THE DISCONTINUATION OF THE ANALOG FEED OF CINEMAX

There was no discussion.

O. DISCUSS LETTER FROM WEST VIRGINIA DEVELOPMENT OFFICE REGARDING THE GOVERNOR'S COMMUNITY PARTNERSHIP PROGRAM

The City Manager stated that the City received two grant applications which one was for the Boys and Girls Club in the amount of $10,000 and one for the City of Martinsburg Explorer Post in the amount of $2,000.

Motion made by Councilman Yauger, seconded by Councilman Wachtel approve the submission of the grant applications. Motion carried unanimously.

P. DISCUSS LETTER FROM BOARMAN ARTS CENTER ASKING FOR COUNCIL SUPPORT FOR RELOCATION TO THE OLD POST OFFICE

Motion made by Councilman Wachtel, seconded by Councilman Lewis to authorize the City to send a letter of support for the relocation of the Boarman Arts Center to the Old Post Office. Motion carried unanimously.

Ms. Patricia Perez, advised that the Boarman Arts Center has outgrown its current facility and they are asking for no financial commitment from the City at this time.

Q. DISCUSS MEMORANDUM REGARDING NORTH QUEEN STREET UNDERPASS

Councilman Lewis advised that there has been ongoing work with the underpass and he asked the Utilities Director to give an update on the situation and make recommendations. Councilman Lewis further advised that the Utilities Director feels that if they continue to monitor the underpass frequently it will be sufficient at this time.

R. APPROVE/DENY FLU SHOTS FOR CITY EMPLOYEES ADMINISTERED BY THE BERKELEY COUNTY HEALTH DEPARTMENT 2000-2001 - $5.00 PER EMPLOYEE

Motion made by Councilman Wachtel, seconded by Councilman Baker to approve flu shots for City employees to be administered by the Berkeley County Health Department at a cost of $5.00 per employee. Motion carried unanimously.

S. APPROVE/DENY PURCHASE OF PUBLIC WORKS LAWN TRACTOR - $7,428

Motion made by Councilman Baker, seconded by Councilman Wachtel to approve the purchase of a Public Works Lawn Tractor at a cost of $7,428. Motion carried unanimously.

T. AUTHORIZE CITY MANAGER TO BID CITY HALL ROOF

Motion made by Councilman Yauger, seconded by Councilman Baker to authorize the City Manager to bid the roof for City Hall. Motion carried unanimously.

U. AUTHORIZE CITY MANAGER TO BID PUBLIC WORKS GARBAGE TRUCK

Motion made by Councilman Wachtel, seconded by Councilman Baker to authorize the City Manager to bid the Public Works garbage truck. Motion carried unanimously.

V. AUTHORIZE CITY MANAGER TO BID PUBLIC WORKS AIR COMPRESSOR

Motion made by Councilman Wachtel, seconded by Councilman Baker to authorize the City Manager to bid an air compressor for the Public Works Department. Motion carried unanimously.

W. AUTHORIZE CITY MANAGER TO BID TWO (2) POLICE CRUISERS – POLICE LEVY FUND

Motion made by Councilman Parkinson, seconded by Councilman Lewis to authorize the City Manager to bid two Police cruisers with funds to be taken from the Police Levy Fund. Motion carried unanimously.

APPROVE/DENY CITY MANAGER TO BID SEWER CLEANING EQUIPMENT.

The City Manager advised that the sewer cleaning equipment is included in this fiscal year budget.

Motion made by Councilman Anderson, seconded by Councilman Baker to authorize the City Manager to bid the sewer cleaning equipment. Motion carried unanimously.

16. EXECUTIVE SESSION

Motion made by Councilman Wachtel, seconded by Councilman Parkinson to go into Executive Session at 9:15 p.m. for legal and personnel matters. Motion carried unanimously.

Motion made by Councilman Anderson, seconded by Councilman Parkinson to go out of Executive Session at 9:50 p.m. Motion carried unanimously.

Motion made by Councilman Wachtel, seconded by Councilman Parkinson to submit the name of George Karos to the Berkeley County Commission for reappointment to the Berkeley County Development Authority beginning 10-01-00. Motion carried unanimously.

17. ADJOURNMENT

Motion made by Councilman Wachtel, seconded by Councilman Lewis to adjourn the meeting at 9:55 p.m. Motion carried unanimously.

George Karos, Mayor

Sharon A. Flick, City Recorder

CITY OF MARTINSBURG
SPECIAL SESSION
SEPTEMBER 25, 2000
CITY COUNCIL CHAMBERS

With a quorum present, the special session of the Martinsburg City Council was called to order by Mayor George Karos at 6:00 p.m. The following Council Members were present: Donald Anderson, Christopher Baker, Max Parkinson, Roger Lewis and Glenville Twigg. Also present were: Mark S. Baldwin, City Manager, J. Oakley Seibert, City Attorney, Sharon A. Flick, City Recorder, Steve Knipe, Utilities Director, Taylor Whittington, Assistant Utilities Director and Michael Covell, City Engineer.

TUSCARORA CREEK LINEAR PARK ADDITION TO AGENDA

Motion made by Councilman Twigg, seconded by Councilman Parkinson to add a Tuscarora Creek Linear Park item to the agenda. Motion carried unanimously.

3. PUBLIC HEARING – ORDINANCE 2000-13 ENTITLED:

> **ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING COMBINED WATERWORKS AND SEWERAGE SYSTEM OF THE CITY OF MARTINSBURG AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE CITY OF MARTINSBURG OF NOT MORE THAN TWELVE MILLION FIVE HUNDRED FORTY THOUSAND THREE HUNDRED FIFTY-TWO DOLLARS ($12,540,352) IN AGGREGATE PRINCIPAL AMOUNT OF CITY OF MARTINSBURG COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS IN THREE SERIES, THE FIRST SERIES TO BE DESIGNATED SERIES 2000A (WEST VIRGINIA DWTRF PROGRAM) IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED SEVEN MILLION FIVE HUNDRED SIXTY-FOUR THOUSAND DOLLARS ($7,564,000), THE SECOND SERIES TO BE DESIGNATED SERIES 2000B (WEST VIRGINIA INFRASTRUCTURE FUND) IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED THREE MILLION DOLLARS ($3,000,000), AND THE THIRD SERIES TO BE DESIGNATED SERIES 2000C (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY) IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED ONE MILLION NINE HUNDRED SEVENTY-SIX THOUSAND THREE HUNDRED FIFTY-TWO DOLLARS ($1,976,352); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE HOLDERS OF THE RESPECTIVE SERIES OF SUCH COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS; APPROVING, RATIFYING AND CONFIRMING (I) A LOAN AGREEMENT WITH THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY ACTING ON BEHALF OF THE WEST VIRGINIA BUREAU FOR PUBLIC HEALTH RELATING TO SUCH SERIES 2000A BONDS, (II) A LOAN AGREEMENT WITH THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY ACTING ON BEHALF OF THE WEST VIRGINIA INFRASTRUCTURE AND JOBS DEVELOPMENT COUNCIL RELATING TO SUCH SERIES 2000B BONDS, AND (III) A LOAN AGREEMENT WITH THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY RELATING TO SUCH SERIES 2000C BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS; AND ADOPTING OTHER PROVISIONS RELATING THERETO.**

Mayor Karos opened the Public Hearing at 6:05 p.m.

The City Manager advised that Mr. Cam Siegrist the Bond Counsel with Bowles Rice McDavid Graff & Love in Charleston was present.

There was no one present to speak on this matter.

Mr. Siegrist reported that a legal advertisement was placed in the Journal on two different occasions announcing the Public Hearing as is required by law. Mr. Siegrist asked that, if there was no one present from the public to speak, that the public hearing be closed and further that Council vote Ordinance 2000-13 into effect.

Mayor Karos closed the Public Hearing at 6:06 p.m.

4. APPROVE/DENY A MOTION TO PUT ORDINANCE 2000-13 INTO EFFECT

Motion made by Councilman Anderson, seconded by Councilman Baker to place Ordinance 2000-13 into effect as of September 25, 2000. Motion carried unanimously.

5. ADOPT SUPPLEMENTAL RESOLUTION 2000-30 RELATING TO THE ABOVE DESCRIBED ORDINANCE

Mr. Cam Siegrist advised that the Supplemental Resolution 2000-30 provides for the exact principal amounts, interest rates, maturities and other terms in the three series of bonds. Mr. Siegrist stated that the total financing package is $12,540, 352 which is broken into three series of bonds. The first is the Series A Bond (Drinking Water Treatment Revolving Fund Bond) in the amount of $7,564,000, the Series B Bond (West Virginia Infrastructure Bond) in the amount of $3,000,000 and the Series C Bond (West Virginia Water Development Authority Bond) in the amount of $1,976,352.

Mr. Siegrist advised that the Series A Bond has a 2% interest rate with a 1% administrative fee. Also, the Counsel interest rate is 3% and the WDA interest rate is 5.8%. Mr. Siegrist further advised that the amortization of the Series A and Series B Bonds does not begin until June 1, 2000. The amortization on the Series C Bonds begins immediately. The Series C Bonds will mature on October 1, 2039 and the maturity on the Series A and Series B Bonds is March 1, 2022.

Mr. Siegrist stated that Section 2 of the Supplemental Resolution includes changes to the Ordinance at Section 7.10.

Mr. Siegrist stated that the West Virginia Municipal Bond Commission has been designated as the City's pay agent, Jefferson Security Bank has been designated as the City's depository bank and One Valley Bank in Charleston will serve as the Registrar.

Motion made by Councilman Lewis, seconded by Councilman Parkinson to adopt Resolution 2000-30 relating to the above described Ordinance. Motion carried unanimously.

6. ADOPT RESOLUTION 2000-31 CLARIFYING REIMBURSEMENT RESOLUTION PREVIOUSLY ADOPTED ON FEBRUARY 10, 2000

Mr. Siegrist stated that the intent of the Resolution was to make it clear that there are two phases to the project and the City is not closing the door on being reimbursed when the first series of bonds go to closing.

Motion made by Councilman Twigg, seconded by Councilman Anderson to adopt Resolution 2000-31 clarifying reimbursement Resolution previously adopted on February 10, 2000. Motion carried unanimously.

7. APPROVE/DENY SALT BID – CARGILL, INCORPORATED - $41.60 PER TON

Motion made by Councilman Lewis, seconded by Councilman Parkinson to approve the salt bid with Cargill, Incorporated at a cost of $41.60 per ton. Motion carried unanimously.

8. APPROVE/DENY PURCHASE OF TWO (2) VIDEO CAMERAS FOR POLICE VEHICLES – STATE BID PRICE - $11,160 – POLICE LEVY FUND

Motion made by Councilman Twigg, seconded by Councilman Lewis to approve the purchase of two video cameras for Police vehicles at a cost of $11,160 to be taken from the Police Levy Fund. Motion carried unanimously.

9. DISCUSS PARKING METER REQUEST FROM COUNCILMAN YAUGER REGARDING METERS LOCATED ON THE NORTH SIDE OF EAST JOHN STREET FROM QUEEN STREET TO SPRING STREET

Mayor Karos suggested that this matter be referred to the Parking Authority.

The City Manager stated that the parking meters are scheduled to be removed on September 28th and 29th, 2000.

Councilman Lewis advised that there are two or three areas throughout the City where the meters are scheduled to be removed that have similar situations as the one addressed by Councilman Yauger. Councilman Lewis further advised that the Parking Authority felt that all the meters on the blocks discussed should be removed during the trial period of ninety (90) days. Councilman Lewis stated that if this matter were referred back to the Parking Authority, and they agreed with Councilman Yauger's recommendation, the meters could be put back up at that time.

Motion made by Councilman Anderson, seconded by Councilman Lewis to refer this matter to the Parking Authority. Motion carried unanimously.

Councilman Anderson stated that his motion meant to proceed with what the Council previously approved regarding the removal of the parking meters.

Councilman Anderson stated that there are customers that come to City Hall and the two customer spaces in front of the building are designated as loading zones in the morning. Councilman Anderson asked that the matter be looked into.

LINEAR PARK

Councilman Twigg stated that there was a Linear Park Committee meeting on September 26, 2000 and during the last Council meeting there were several questions regarding maintaining the Linear Park once it is developed. Councilman Twigg further stated that the Committee is looking for a declaration of intent for help from the City of Martinsburg. Councilman Twigg advised that he needed something in writing of the type of help the City could offer such as in-kind services, help from the Public Works Department, engineering services, etc. Councilman Twigg has asked that the Linear Park Committee provide him with a copy of what Berkeley County has submitted to get an idea of what they are requesting. Councilman Twigg also requested from them a list of what they would like to do so the City could perhaps come to some agreement.

Motion made by Councilman Twigg, seconded by Councilman Lewis that any services that the City will offer be referred to the Budget and Finance Committee, Personnel Committee and the Engineer Department. Motion carried unanimously.

10. EXECUTIVE SESSION (LEGAL AND/OR PERSONNEL IF NEEDED)

Motion made by Councilman Baker, seconded by Councilman Parkinson to go into Executive Session for real estate matters at 6:30 p.m. Motion carried unanimously.

Motion made by Councilman Parkinson, seconded by Councilman Lewis to go out of Executive Session at 7:20 p.m. Motion carried unanimously.

11. ADJOURNMENT

Motion made by Councilman Parkinson, seconded by Councilman Lewis to adjourn the meeting at 7:20 p.m. Motion carried unanimously.

George Karos, Mayor

Sharon A. Flick, City Recorder

NOTICE OF
PUBLIC HEARING

CITY OF MARTINSBURG
NOTICE OF PUBLIC
HEARING
ON BOND ORDINANCE

A Public Hearing will be held on the following entitled Ordinance at a special meeting of the Council of the City of Martinsburg to be held on Monday, September 25, 2000, at 6:00pm, in the Council Chambers at the Martinsburg City Hall, 232 North Queen Street, Martinsburg, West Virginia, and at such hearing all objections and suggestions shall be heard by the Council and it shall then take such actions as it shall deem proper in the premises upon an Ordinance entitled:

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING COMBINED WATER WORKS AND SEWERAGE SYSTEM OF THE CITY OF MARTINSBURG AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE CITY OF MARTINSBURG OF NOT MORE THAN TWELVE MILLION FIVE HUNDRED FORTY THOUSAND THREE HUNDRED FIFTY-TWO DOLLARS ($12,540.352) IN AGGREGATE PRINCIPAL AMOUNT OF CITY OF MARTINSBURG COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS IN THREE SERIES, THE FIRST SERIES TO BE DESIGNATED SERIES 2000A (WEST VIRGINIA DWTRF PROGRAM) IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED SEVEN MILLION FIVE HUNDRED SIXTY-FOUR THOUSAND DOLLARS ($7,564,000), THE SECOND SERIES TO BE DESIGNATED SERIES 2000B (WEST VIRGINIA INFRASTRUCTURE FUND) IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED THREE MILLION DOLLARS ($3,000,000), AND THE THIRD SERIES TO BE DESIGNATED SERIES 2000C (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY) IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED ONE MILLION NINE HUNDRED SEVENTY-SIX THOUSAND THREE HUNDRED FIFTY-TWO DOLLARS ($1,976,352); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE HOLDERS OF THE RESPECTIVE SERIES OF SUCH COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS; APPROVING, RATIFYING AND CONFIRMING (I) A LOAN AGREEMENT WITH THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY ACTING ON BEHALF OF THE WEST VIRGINIA BUREAU FOR PUBLIC HEALTH RELATING TO SUCH SERIES 2000A BONDS, (II) A LOAN AGREEMENT WITH THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY ACTING ON BEHALF OF THE WEST VIRGINIA INFRASTRUCTURE AND JOBS DEVELOPMENT COUNCIL RELATING TO SUCH SERIES 2000B BONDS, AND (III) A LOAN AGREEMENT WITH THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY RELATING TO SUCH SERIES 2000C BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS; AND ADOPTING OTHER PROVISIONS RELATING THERETO.

The above-entitled Ordinance was enacted by the Council of the City of Martinsburg on September 14, 2000.

The above quoted title of the Ordinance describes generally the contents thereof and the purposes of the Bond issues contemplated thereby. The Bonds are to provide permanent financing of a portion of the costs of acquisition and construction of certain additions, betterments and improvements to the water treatment facilities for the City of Martinsburg (the "Project"). The bonds are payable solely from Revenues derived from the ownership and operation of the combined waterworks and sewerage system of the City of Martinsburg. No taxes may at any time be levied for the payment of the Bonds or the interest thereon.

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

Following the said public hearing, the City Council intends to put said Ordinance into effect.

Dated: September 15, 2000.

Sharon Flick, Recorder
9/15, 22(2)

Certificate of Publication

This is to certify the annexed advertisement

City Of Martinsburg

Public Hearing on Bond Ordinance

appeared for 2 consecutive days/weeks in The Journal Publishing Company, a newspaper published in the City of Martinsburg, WV in its issue beginning:

9/15

and ending

9/22

The Journal
207 W. King Street
Martinsburg, WV 25401

Fee $ 146.09

THE STATE OF WEST VIRGINIA
COUNTY OF BERKELEY

The foregoing instrument was acknowledged before me this 9-18-00 by A. DiBartolomeo.

My commission expires 8-16-05.

Notary Public

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
SANDRA B. SPERRY
ROUTE 4, BOX 298
HEDGESVILLE, WV 25427
My Commission Expires August 16, 2005

Form **8038-G**

(Rev. May 1999)

Department of the Treasury
Internal Revenue Service

Information Return for Tax-Exempt Governmental Obligations

▶ Under Internal Revenue Code section 149(e)

▶ See separate Instructions.

Caution: *Use Form 8038-GC if the issue price is under $100,000.*

COPY

OMB No. 1545-0720

Part I Reporting Authority

If Amended Return, check here ▶ ☐

1 Issuer's name: City of Martinsburg	2 Issuer's employer identification number: 55-6000206
3 Number and street (or P.O. box if mail is not delivered to street address): 232 North Queen Street	Room/suite:	4 Report number: G 2000-1
5 City, town, or post office, state, and ZIP code: Martinsburg, West Virginia 25401	6 Date of issue: September 27, 2000
7 Name of issue: Combined Waterworks and Sewerage System Revenue Bonds, Series 2000B (West Virginia Infrastructure Fund)	8 CUSIP number: None
9 Name and title of officer or legal representative whom the IRS may call for more information: Mark Baldwin, City Manager	10 Telephone number of officer or legal representative: (304) 264-2131

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

11	☐ Education	11	
12	☐ Health and hospital	12	
13	☐ Transportation	13	
14	☐ Public safety	14	
15	☒ Environment (including sewage bonds)	15	3,000,000
16	☐ Housing	16	
17	☐ Utilities	17	
18	☐ Other. Describe ▶	18	
19	If obligations are TANs or RANs, check box ▶ ☐ If obligations are BANs, check box ▶ ☐		
20	If obligations are in the form of a lease or installment sale, check box ▶ ☐		

Part III Description of Obligations. (Complete for the entire issue for which this form is being filed.)

	(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21	3/1/2022	$ 3,000,000	$ 3,000,000	12.543 years	3.02186 %

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

22	Proceeds used for accrued interest			22	-0-
23	Issue price of entire issue (enter amount from line 21, column (b))			23	3,000,000
24	Proceeds used for bond issuance costs (including underwriters' discount)	24	20,000		
25	Proceeds used for credit enhancement	25			
26	Proceeds allocated to reasonably required reserve or replacement fund	26			
27	Proceeds used to currently refund prior issues	27			
28	Proceeds used to advance refund prior issues	28			
29	Total (add lines 24 through 28)			29	20,000
30	Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)			30	2,980,000

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

31	Enter the remaining weighted average maturity of the bonds to be currently refunded ▶	years
32	Enter the remaining weighted average maturity of the bonds to be advance refunded ▶	years
33	Enter the last date on which the refunded bonds will be called ▶	
34	Enter the date(s) the refunded bonds were issued ▶	

RECEIVED NOV 17 2000 OGDEN, UT IRS-OSC

Part VI Miscellaneous

35	Enter the amount of the state volume cap allocated to the issue under section 141(b)(5)	35	-0-
36a	Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (see instructions)	36a	
b	Enter the final maturity date of the guaranteed investment contract ▶		
37	Pooled financings: a Proceeds of this issue that are to be used to make loans to other governmental units	37a	

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 ▶ State of West Virginia and the date of the issue ▶ May 25, 1999

38 If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box ▶ ☐

39 If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box ▶ ☐

40 If the issuer has identified a hedge, check box ▶ ☐

Please Sign Here

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete.

▶ Signature of issuer's authorized representative — Date: 9/27/00

▶ George Karos, Mayor — Type or print name and title

FILE COPY

Bowles Rice McDavid Graff & Love PLLC

ATTORNEYS AT LAW

1000 Technology Drive, Suite 2310
Fairmont, West Virginia 26554
Telephone (304) 368-4000

105 West Burke Street
Martinsburg, West Virginia 25401
Telephone (304) 263-0836

7000 Hampton Center, Suite K
Morgantown, West Virginia 26505
Telephone (304) 599-1390

3 West Piccadilly Street
Winchester, Virginia 22601
Telephone (540) 723-8877

600 Quarrier Street
Charleston, West Virginia 25301

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Telephone (304) 347-1100
www.bowlesrice.com

5th Floor, United Square
501 Avery Street
Parkersburg, West Virginia 26101
Telephone (304) 485-8500

World Trade Center, Suite 1200
333 West Vine Street
Lexington, Kentucky 40507
Telephone (606) 225-8700

475 H Street, NW, Suite 300
Washington, D.C. 20001
Telephone (202) 682-3711

Camden P. Siegrist
Telephone — (304) 347-1129
Facsimile — (304) 343-3058

E-mail Address:
csiegris@bowlesrice.com

November 13, 2000

Internal Revenue Service Center
Ogden, Utah 84201

CERTIFIED MAIL
RETURN RECEIPT REQUESTED
No. 7000 0600 0024 4477 8524

Re: City of Martinsburg Combined Waterworks and Sewerage System Revenue Bonds, Series 2000B (West Virginia Infrastructure Fund)

Dear Sirs:

Please find enclosed Form 8038-G, Information Return for Tax-Exempt Governmental Obligations, submitted in connection with the City of Martinsburg Combined Waterworks and Sewerage System Revenue Bonds, Series 2000B (West Virginia Infrastructure Fund).

Also enclosed, please find a copy of said Form 8038-G which has been stamped "COPY" in the upper right-hand corner. It would be greatly appreciated if you would stamp said copy acknowledging the receipt of the subject Form 8038-G and indicate the date on which said Form 8038-G was received by your office. Please then return said copy to the undersigned in the enclosed self-addressed, postage prepaid, envelope.

ie foregoing, please contact the

ist

SENDER:
- ☐ Complete items 1 and/or 2 for additional services. Complete items 3, 4a, and 4b.
- ☐ 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):
1. ☐ Addressee's Address
2. ☐ Restricted Delivery

3. Article Addressed to:
Internal Revenue Service Center
Ogden, Utah 8420

IRS - OSC
RECEIVED
Ogden, UT 84201

4a. Article Number
7000 0600 0024 4477 8524

4b. Service Type
☐ Registered ☒ Certified
☐ Express Mail ☐ Insured
☐ Return Receipt for Merchandise ☐ COD

7. Date of Delivery

5. Received By: *(Print Name)*

NOV 17 2000

6. Signature *(Addressee or Agent)*

8. Addressee's Address *(Only if requested and fee is paid)*

Thank you for using Return Receipt Service.

PS Form **3811**, December 1994 102595-99-B-0223 Domestic Return Receipt

7000 0600 0024 4477 8524

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

Series 2000B Return to Cam

Postage	$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	$

Postmark Here

CHARLESTON WV MPO 25301 NOV 13 2000 USPS

Recipient's Name (Please Print Clearly) (to be completed by mailer)
Internal Revenue Service Center
Street, Apt. No.; or PO Box No.

City, State, ZIP+4
Ogden, Utah 84201

PS Form 3800, February 2000 See Reverse for Instructions

COPY

Form **8038-G**

(Rev. May 1999)

Department of the Treasury
Internal Revenue Service

Information Return for Tax-Exempt Governmental Obligations

▶ Under Internal Revenue Code section 149(e)

▶ See separate Instructions.

Caution: *Use Form 8038-GC if the issue price is under $100,000.*

OMB No. 1545-0720

Part I Reporting Authority

If **Amended Return,** check here ▶ ☐

1 Issuer's name: City of Martinsburg	2 Issuer's employer identification number: 55-6000206
3 Number and street (or P.O. box if mail is not delivered to street address): 232 North Queen Street; Room/suite:	4 Report number: G 2000-2
5 City, town, or post office, state, and ZIP code: Martinsburg, West Virginia 25401	6 Date of issue: September 27, 2000
7 Name of issue: Combined Waterworks and Sewerage System Revenue Bonds, Series 2000C (West Virginia Water Development Authority)	8 CUSIP number: None
9 Name and title of officer or legal representative whom the IRS may call for more information: Mark Baldwin, City Manager	10 Telephone number of officer or legal representative: (304) 264-2131

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

11	☐ Education	11	
12	☐ Health and hospital	12	
13	☐ Transportation	13	
14	☐ Public safety	14	
15	☒ Environment (including sewage bonds)	15	1,976,352
16	☐ Housing	16	
17	☐ Utilities	17	
18	☐ Other. Describe ▶	18	
19	If obligations are TANs or RANs, check box ▶ ☐ If obligations are BANs, check box ▶ ☐		
20	If obligations are in the form of a lease or installment sale, check box ▶ ☐		

Part III Description of Obligations. (Complete for the entire issue for which this form is being filed.)

	(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21	10-1-2039	$ 1,976,352	$ 1,976,352	26.636 years	5.79993 %

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

22	Proceeds used for accrued interest		22	-0-
23	Issue price of entire issue (enter amount from line 21, column (b))		23	1,976,352
24	Proceeds used for bond issuance costs (including underwriters' discount)	24 -0-		
25	Proceeds used for credit enhancement	25		
26	Proceeds allocated to reasonably required reserve or replacement fund	26 128,932		
27	Proceeds used to currently refund prior issues	27		
28	Proceeds used to advance refund prior issues	28		
29	Total (add lines 24 through 28)		29	128,932
30	Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)		30	1,847,420

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

31 Enter the remaining weighted average maturity of the bonds to be currently refunded ▶ years

32 Enter the remaining weighted average maturity of the bonds to be advance refunded ▶ years

33 Enter the last date on which the refunded bonds will be called ▶

34 Enter the date(s) the refunded bonds were issued ▶

RECEIVED NOV 16 2000 OGDEN, UT

Part VI Miscellaneous

35	Enter the amount of the state volume cap allocated to the issue under section 141(b)(5)	35	-0-
36a	Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (see instructions)	36a	
b	Enter the final maturity date of the guaranteed investment contract ▶		
37	Pooled financings: **a** Proceeds of this issue that are to be used to make loans to other governmental units	37a	

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 ▶ June 15, 1999

38 If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box ▶ ☐

39 If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box ▶ ☐

40 If the issuer has identified a hedge, check box ▶ ☐

Please Sign Here

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete.

▶ George Karos — Signature of issuer's authorized representative — Date 9/27/00

▶ George Karos, Mayor — Type or print name and title

For Paperwork Reduction Act Notice, see page 2 of the Instructions. ISA

STF FED6403F

FILE COPY

Bowles Rice McDavid Graff & Love PLLC

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475 H Street, NW, Suite 300
Washington, D.C. 20001
Telephone (202) 682-3711

Camden P. Siegrist
Telephone — (304) 347-1129
Facsimile — (304) 343-3058

E-mail Address:
csiegris@bowlesrice.com

November 13, 2000

Internal Revenue Service Center
Ogden, Utah 84201

CERTIFIED MAIL
RETURN RECEIPT REQUESTED
No. 7000 0600 0024 4477 8517

Re: City of Martinsburg Combined Waterworks and Sewerage System Revenue Bonds, Series 2000C (West Virginia Development Authority)

Dear Sirs:

Please find enclosed Form 8038-G, Information Return for Tax-Exempt Governmental Obligations, submitted in connection with the City of Martinsburg Combined Waterworks and Sewerage System Revenue Bonds, Series 2000C (West Virginia Development Authority).

Also enclosed, please find a copy of said Form 8038-G which has been stamped "COPY" in the upper right-hand corner. It would be greatly appreciated if you would stamp said copy acknowledging the receipt of the subject Form 8038-G and indicate the date on which said Form 8038-G was received by your office. Please then return said copy to the undersigned in the enclosed self-addressed, postage prepaid, envelope.

he foregoing, please contact the

,

ist

SENDER:

- ☐ Complete items 1 and/or 2 for additional services. Complete items 3, 4a, and 4b.
- ☐ 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):

1. ☐ Addressee's Address
2. ☐ Restricted Delivery

3. Article Addressed to:

Internal Revenue Service Center
Ogden, Utah 8420

IRS - OSC
RECEIVED
Ogden, UT 84201

4a. Article Number
7000 0600 0024 4477 8517

4b. Service Type
☐ Registered ☒ Certified
☐ Express Mail ☐ Insured
☐ Return Receipt for Merchandise ☐ COD

7. Date of Delivery

5. Received By: *(Print Name)*
NOV 16 2000

6. Signature *(Addressee or Agent)*

8. Addressee's Address *(Only if requested and fee is paid)*

Thank you for using Return Receipt Service.

PS Form **3811**, December 1994 102595-99-B-0223 Domestic Return Receipt

7000 0600 0024 4477 8517

U.S. Postal Service

CERTIFIED MAIL RECEIPT

(Domestic Mail Only; No Insurance Coverage Provided)

Series 2000C Return to Carr

Postage	$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	$

CHARLESTON WV MPO 25301 USPS Postmark Here OCT 13 2000

Recipient's Name *(Please Print Clearly) (to be completed by mailer)*

Internal Revenue Service Center

Street, Apt. No.; or PO Box No.

City, State, ZIP+4

Ogden, Utah 84201

PS Form 3800, February 2000 See Reverse for Instructions

WV MUNICIPAL BOND COMMISSION
Suite ~~300~~ 500
~~XXXXXXXXXXXXXXXX~~ 8 Capitol Street
Charleston, WV 25301
(304) 558-3971

NEW ISSUE REPORT FORM

Date of Report: September 27, 2000

(See Reverse for Instructions)

ISSUER & ISSUE: City of Martinsburg Combined Waterworks and Sewerage System Revenue Bonds Series 2000A (West Virginia DWTRF Program)

ADDRESS: 232 North Queen Street, Martinsburg, WV 25401 COUNTY: Berkeley

PURPOSE OF NEW ISSUE: New Money X
Refunding ___ Refunds issue(s) dated: ___

ISSUE DATE: September 27, 2000
ISSUE AMOUNT: $ 7,564,000
1st DEBT SERVICE DUE: June 1, 2002
1st DEBT SERVICE AMOUNT: $ 114,950

CLOSING DATE: September 27, 2000
RATE: 2% Admin. Fee: 1%
1st PRINCIPAL DUE: June 1, 2002
PAYING AGENT: Municipal Bond Commission

ISSUER'S BOND COUNSEL: Bowles Rice McDavid Graff & Love, PLLC
Contact Person: Camden P Siegrist, Esq.
Phone: (304) 347-1129

CLOSING BANK: Jefferson Security Bank
Contact Person: Vickie A. Cave
Phone: (304) 876-9033

KNOWLEDGEABLE ISSUER CONTACT:
Contact Person: Mark Baldwin
Position: City Manager
Phone: (304) 264-2131

UNDERWRITER'S BOND COUNSEL: Jackson & Kelly, PLLC
Contact Person: Samme L. Gee, Esq.
Phone: (304) 340-1318

ESCROW TRUSTEE: ___
Contact Person: ___
Phone: ___

OTHER: ___
Contact Person: ___
Function: ___
Phone: ___

DEPOSITS TO MBC AT CLOSE:
By X Wire
___ Check
___ IGT

Accrued Interest: ___ Days $ ___
Capitalized Interest: $ ___
Reserve Account: $ 459,802
Other: ___ $ ___

REFUNDS & TRANSFERS BY MBC AT CLOSE:
By ___ Wire
___ Check
___ IGT

To Escrow Trustee: $ ___
To Issuer: $ ___
To Other: ___ $ ___

NOTES: ___

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

Form MBC-1 (9/87)

WV MUNICIPAL BOND COMMISSION
Suite ~~300~~ 500
~~812 Quarrier Street~~ 8 Capitol Street
Charleston, WV 25301
(304) 558-3971

NEW ISSUE REPORT FORM

Date of Report: September 27, 2000

(See Reverse for Instructions)

ISSUER & ISSUE: City of Martinsburg Combined Waterworks and Sewerage System Revenue Bonds Series 2000B (West Virginia Infrastructure Fund)

ADDRESS: 232 North Queen Street, Martinsburg, WV 25401 COUNTY: Berkeley

PURPOSE OF NEW ISSUE: New Money X
Refunding ___ Refunds issue(s) dated: ___

ISSUE DATE: September 27, 2000
ISSUE AMOUNT: $ 3,000,000
1st DEBT SERVICE DUE: June 1, 2002
1st DEBT SERVICE AMOUNT: $ 50,005.00

CLOSING DATE: September 27, 2000
RATE: 3%
1st PRINCIPAL DUE: June 1, 2002
PAYING AGENT: Municipal Bond Commission

ISSUER'S BOND COUNSEL: Bowles Rice McDavid Graff & Love, PLLC
Contact Person: Camden P. Siegrist, Esq.
Phone: (304) 347-1129

CLOSING BANK: Jefferson Security Bank
Contact Person: Vickie A. Cave
Phone: (304) 876-9033

KNOWLEDGEABLE ISSUER CONTACT:
Contact Person: Mark Baldwin
Position: City Manager
Phone: (304) 264-2131

UNDERWRITER'S BOND COUNSEL: Jackson & Kelly, PLLC
Contact Person: Samme L. Gee, Esq.
Phone: (304) 340-1318

ESCROW TRUSTEE: ___
Contact Person: ___
Phone: ___

OTHER: ___
Contact Person: ___
Function: ___
Phone: ___

DEPOSITS TO MBC AT CLOSE:
By X Wire
___ Check
___ IGT

Accrued Interest: ___ Days $ ___
Capitalized Interest: $ ___
Reserve Account: $ 200,019*
Other: ___ $ ___

REFUNDS & TRANSFERS BY MBC AT CLOSE:
By ___ Wire
___ Check
___ IGT

To Escrow Trustee: $ ___
To Issuer: $ ___
To Other: ___ $ ___

NOTES: * To be funded from proceeds of the Series 2000A Bonds.

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

Form MBC-1 (9/87)

WV MUNICIPAL BOND COMMISSION
Suite ~~200~~ 500
~~XXXXXXXXXXXXXX~~ 8 Capitol Street
Charleston, WV 25301
(304) 558-3971

NEW ISSUE REPORT FORM

Date of Report: September 27, 2000

(See Reverse for Instructions)

ISSUER & ISSUE: City of Martinsburg Combined Waterworks and Sewerage System Revenue Bonds Series 2000C (West Virginia Water Development Authority)

ADDRESS: 232 North Queen Street, Martinsburg, WV 25401 COUNTY: Berkeley

PURPOSE OF NEW ISSUE: New Money X Refunding ___ Refunds issue(s) dated: ___

ISSUE DATE: September 27, 2000
ISSUE AMOUNT: $ 1,976,352
1st DEBT SERVICE DUE: April 1, 2001
1st DEBT SERVICE AMOUNT: $ 58,587.86

CLOSING DATE: September 27, 2000
RATE: 5.8%
1st PRINCIPAL DUE: October 1, 2001
PAYING AGENT: Municipal Bond Commission

ISSUER'S BOND COUNSEL: Bowles Rice McDavid Graff & Love, PLLC
Contact Person: Camden P. Siegrist, Esq.
Phone: (304) 347-1129

UNDERWRITER'S BOND COUNSEL: Jackson & Kelly, PLLC
Contact Person: Samme L. Gee, Esq.
Phone: (304) 340-1318

CLOSING BANK: Jefferson Security Bank
Contact Person: Vickie A. Cave
Phone: (304) 876-9033

ESCROW TRUSTEE: ___
Contact Person: ___
Phone: ___

KNOWLEDGEABLE ISSUER CONTACT:
Contact Person: Mark Baldwin
Position: City Manager
Phone: (304) 264-2131

OTHER: ___
Contact Person: ___
Function: ___
Phone: ___

DEPOSITS TO MBC AT CLOSE:
By X Wire
___ Check
___ IGT

Accrued Interest: ___ Days $ ___
Capitalized Interest: $ ___
Reserve Account: $ 128,932
Other: ___ $ ___

REFUNDS & TRANSFERS BY MBC AT CLOSE:
By ___ Wire
___ Check
___ IGT

To Escrow Trustee: $ ___
To Issuer: $ ___
To Other: ___ $ ___

NOTES: ___

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

Form MBC-1 (9/87)

CITY OF MARTINSBURG
COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS,

SERIES 2000A
(WEST VIRGINIA DWTRF PROGRAM)

SERIES 2000B
(WEST VIRGINIA INFRASTRUCTURE FUND)

SERIES 2000C
(WEST VIRGINIA WATER DEVELOPMENT AUTHORITY)

ACCEPTANCE OF DUTIES OF DEPOSITORY BANK

Jefferson Security Bank, a state banking corporation, with offices in the City of Martinsburg, West Virginia, hereby accepts appointment as Depository Bank in connection with the Bond Ordinance enacted September 14, 2000, as supplemented and amended by a Supplemental Resolution adopted September 25, 2000 (collectively, the "Bond Ordinance") of the City of Martinsburg (the "Issuer"), authorizing issuance of the Issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 2000A (West Virginia DWTRF Program), dated September 27, 2000, in the principal amount of $7,564,000, Combined Waterworks and Sewerage System Revenue Bonds, Series 2000B (West Virginia Infrastructure Fund), dated September 27, 2000, in the principal amount of $3,000,000 and Combined Waterworks and Sewerage System Revenue Bonds, Series 2000C (West Virginia Water Development Authority), dated September 27, 2000, in the principal amount of $1,976,352 (collectively, the "Bonds") and agrees to perform all duties of Depository Bank in connection with such Bonds, all as set forth in said Bond Ordinance.

Dated this 27th day of September, 2000.

JEFFERSON SECURITY BANK

By: _____

Its: Vice President

GBB.GBB.0071684

CITY OF MARTINSBURG
COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS,

SERIES 2000A
(WEST VIRGINIA DWTRF PROGRAM)

SERIES 2000B
(WEST VIRGINIA INFRASTRUCTURE FUND)

SERIES 2000C
(WEST VIRGINIA WATER DEVELOPMENT AUTHORITY)

ACCEPTANCE OF DUTIES OF REGISTRAR

One Valley Bank, National Association, a national banking association with offices in the City of Charleston, West Virginia, hereby accepts appointment as Registrar in connection with the City of Martinsburg Combined Waterworks and Sewerage System Revenue Bonds, Series 2000A (West Virginia DWTRF Program), dated September 27, 2000, in the principal amount of $7,564,000, Series 2000B (West Virginia Infrastructure Fund), dated September 27, 2000, in the principal amount of $3,000,000, and Series 2000C (West Virginia Water Development Authority), dated September 27, 2000, in the principal amount of $1,976,352 (collectively, the "Bonds") and agrees to perform all duties of Registrar in connection with the Bonds, all as set forth in the Bond Legislation authorizing issuance of the Bonds.

Dated this 27th day of September, 2000.

ONE VALLEY BANK, NATIONAL ASSOCIATION

By Charlotte A Morgan
Its: Assistant Vice President

CITY OF MARTINSBURG
COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS,

SERIES 2000A
(WEST VIRGINIA DWTRF PROGRAM)

SERIES 2000B
(WEST VIRGINIA INFRASTRUCTURE FUND)

SERIES 2000C
(WEST VIRGINIA WATER DEVELOPMENT AUTHORITY)

CERTIFICATE OF REGISTRATION OF BONDS

I, Charlotte S. Morgan, Assistant Vice President of One Valley Bank, National Association, as Registrar under the Bond Ordinance providing for the issuance of the above captioned bonds, hereby certifies that on the date hereof, the single, fully registered City of Martinsburg Combined Waterworks and Sewerage System Revenue Bond, Series 2000A (West Virginia DWTRF Program), dated September 27, 2000, in the principal amount of $7,564,000, numbered AR-1; the single, fully registered City of Martinsburg Combined Waterworks and Sewerage System Revenue Bond, Series 2000B (West Virginia Infrastructure Fund), dated September 27, 2000, in the principal amount of $3,000,000, numbered BR-1; and the single, fully registered City of Martinsburg Combined Waterworks and Sewerage System Revenue Bond, Series 2000C (West Virginia Water Development Authority), dated September 27, 2000, in the principal amount of $1,976,352, numbered CR-1, were each registered as to principal and interest in the name of "West Virginia Water Development Authority" in the books of the Issuer kept for that purpose at our office, by a duly authorized officer on behalf of One Valley Bank, National Association, as Registrar.

WITNESS my signature as of this 27th day of September, 2000.

ONE VALLEY BANK, NATIONAL ASSOCIATION

By: Charlotte S. Morgan
Its: Assistant Vice President

GBB.GBB.0071685

REGISTRAR'S AGREEMENT

THIS REGISTRAR'S AGREEMENT, dated as of the 27th day of September, 2000, by and between CITY OF MARTINSBURG, a municipal corporation and political subdivision of the State of West Virginia (the "Issuer"), and ONE VALLEY BANK, NATIONAL ASSOCIATION, a national banking association (the "Registrar").

WHEREAS, the Issuer has, contemporaneously with the execution hereof, issued and sold its $7,564,000 Combined Waterworks and Sewerage System Revenue Bonds, Series 2000A (West Virginia DWTRF Program), $3,000,000 Combined Waterworks and Sewerage System Revenue Bonds, Series 2000B (West Virginia Infrastructure Fund) and $1,976,352 Combined Waterworks and Sewerage System Revenue Bonds, Series 2000C (West Virginia Water Development Authority), in fully registered forms (collectively the "Bonds"), pursuant to a Bond Ordinance enacted September 14, 2000, and put into effect following a public hearing held on September 25, 2000, and a Supplemental Resolution adopted September 25, 2000 (the "Local Act");

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

WHEREAS, the Local Act provides for an appointment by the Issuer of a Registrar for the Bonds; and

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

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

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

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

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

4. For its fees and expenses hereunder, Registrar shall receive the amount of $500 if a representative of Registrar attends the closing or $250 if a representative of Registrar does not attend the closing, said fees and expenses to be payable upon the issuance of the Bonds.

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

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

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

Issuer:	City of Martinsburg 232 North Queen Street Martinsburg, West Virginia 25401
Registrar:	One Valley Bank, National Association One Valley Square Charleston, West Virginia 25301 Attention: Corporate Trust Department

8. The Registrar is hereby requested and authorized to authenticate and deliver the Bonds in accordance with the Local Act.

IN WITNESS WHEREOF, CITY OF MARTINSBURG and ONE VALLEY BANK, NATIONAL ASSOCIATION, have respectively caused this Registrar's Agreement to be signed in their names and on their behalf, all as of the day and year first above-written.

CITY OF MARTINSBURG

By: _____
Its: City Manager

ONE VALLEY BANK,
NATIONAL ASSOCIATION

By: _____
Its: Assistant Vice President

EXHIBIT A

[See Tab Numbers 1 and 2]

LOAN PROGRAM III
REQUISITION AS TO LOAN TO GOVERNMENTAL AGENCY

TO: The Bank of New York, Trustee

A. Name of Governmental Agency to which payment is to be made: City of Martinsburg (Berkeley, West Virginia)

B. Par Amount: $1,976,352.00

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 September 27, 2000, said Governmental Agency has sold its City of Martinsburg Combined Waterworks and Sewerage System Revenue Bonds, Series 2000C (West Virginia Water Development Authority) (the "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 Bond Payments and to pay Fees and Charges in accordance with Sections 9.06 and 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 Bond Payments, and other moneys available therefor, will be sufficient to pay interest on and Principal Installments of the Local Bonds, the proceeds of which were used to fund the Loan Obligations, as such interest and Principal Installments come do.

The above certification complies with Subsections 6.05(3)(i) (ii) and (v) of the General Resolution.

Barbara B Meadows
Authorized Representative
West Virginia Water Development Authority

DATE: September 27, 2000

ASSIGNMENT SEPARATE FROM BOND

FOR VALUE RECEIVED, the West Virginia Water Development Authority hereby sells, assigns and transfers unto The Bank of New York, New York, New York, the City of Martinsburg Combined Waterworks and Sewerage System Revenue Bonds, Series 2000C (West Virginia Water Development Authority), numbered CR-1, standing in the name of the West Virginia Water Development Authority on the books of registration of said Governmental Agency.

Dated: September 27, 2000

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

Barbara B Meadows

Authorized Representative

429198

C0427223.1

CONSENT

The undersigned, a duly authorized officer of MBIA Insurance Corporation, as bond insurer for the City of Martinsburg Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 1995 (the "Prior Bonds"), and as provider of the Debt Service Reserve Surety Bond with respect to the Prior Bonds, which Prior Bonds were authorized pursuant to the Bond Ordinance enacted by the City Council of the City of Martinsburg, West Virginia, on August 17, 1995 (the "Prior Ordinance"), hereby consents to the amending and supplementing of the Prior Ordinance by the Ordinance enacted by the City Council of the City of Martinsburg on September 14, 2000, and put into effect on September 25, 2000 (the "Series 2000 Bond Ordinance"), as such Series 2000 Bond Ordinance was supplemented by a Supplemental Resolution adopted on September 25, 2000.

Dated: September 27, 2000.

MBIA INSURANCE CORPORATION

By: _____
Drew D. Hoffman
Its: Director IPM-PF

West Virginia Infrastructure & Jobs Development Council

980 One Valley Square
Charleston, West Virginia 25301
Telephone: (304) 558-4607
Facsimile: (304) 558-4609

Public Members:
James D. Williams, Chairman
St. Albans
James L. Harrison, Sr., Vice Chairman
Princeton
Dwight Calhoun
Petersburg
William J. Harman
Grafton

Katy Mallory, P.E.
Executive Secretary

RECEIVED

FEB - 3 2000

CITY OF MARTINSBURG
CITY MANAGERS OFFICE

February 2, 2000

Mr. Mark S. Baldwin, City Manager
City of Martinsburg
232 North Queen Street
P.O. Box 828
Martinsburg, WV 25402

Re: City of Martinsburg water project 2000W-512

Dear Mr. Baldwin:

The West Virginia Infrastructure and Jobs Development Council (the "Council") has reviewed the City of Martinsburg's (the "City") preliminary application regarding the proposed project to upgrade its water treatment facilities, distribution improvements, interconnection with Hedgesville PSD and a storage tank (the "Project"). Based on the findings of the Water Technical Review Committee, the Council has determined that the Project is technically feasible within the guidelines of the Infrastructure and Jobs Development Act. The City should carefully review the enclosed comments of the Water Technical Review Committee, as certain issues raised in said comments may need to be addressed as it proceeds with the Project.

At this time, pursuant to its review of the preliminary application, the Council determined that the City should pursue a Water Development Authority loan of $9,972,931 to finance the Project. Please contact the Water Development Authority (WDA) at 558-3612 for specific

information on the steps the City needs to follow to apply for a WDA loan. **Please note that this letter <u>does not</u> constitute funding approval from the Water Development Authority.**

If you have any questions regarding this matter, please contact Katy Mallory at 558-4607.

Sincerely,

James D. Williams

JDW/km
Enclosure
cc: Bernie Yonkosky, WDA (w/o enclosures)
Walt Ivey , BPH (w/o enclosures)

CITY OF MARTINSBURG
COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS,

SERIES 2000A
(WEST VIRGINIA DWTRF PROGRAM)

SERIES 2000B
(WEST VIRGINIA INFRASTRUCTURE FUND)

SERIES 2000C
(WEST VIRGINIA WATER DEVELOPMENT AUTHORITY)

CERTIFICATE OF FILING OF FINANCING STATEMENT

The undersigned Secretary of State of the State of West Virginia, hereby certifies that on the date and at the hour set forth below, there was filed in my office:

(1) A FINANCING STATEMENT between the City of Martinsburg, as debtor, and the West Virginia Water Development Authority, as secured party, filed on September 27, 2000, at the hour of 9:51 a.m. as Financing Statement No. 0547680.

[SEAL]

Secretary of State of the State of West Virginia

This FINANCING STATEMENT is presented to a filing officer for filing pursuant to the Uniform Commercial Code:

3 Maturity date (if any): 10/1/2039

1 Debtor(s) (Last Name First) and address(es)
City of Martinsburg, West Virginia
232 North Queen Street
Martinsburg, WV 25401

2 Secured Party(ies) and address(es)
West Virginia Water
Development Authority
180 Association Drive
Charleston, WV 25311

For Filing Officer (Date, Time, Number, and Filing Office)
0547680
00 SEP 27 AM 9 51
WV SEC. OF STATE
FILED

4 This financing statement covers the following types (or items) of property:

See Schedule I attached hereto and made a part hereof

Attachment

ASSIGNEE OF SECURED PARTY

Check [X] if covered: [X] Proceeds of Collateral are also covered [X] Products of Collateral are also covered No. of additional Sheets presented:

Filed with: Secretary of State of the State of West Virginia

CITY OF MARTINSBURG, WEST VIRGINIA

By: George Karo, Mayor
Signature(s) of Debtor(s)

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

By: Barbara B Meadows, Authorized Officer
Signature(s) of Secured Party(ies)

FILING OFFICER COPY—NUMERICAL

(Form approved by Secretary of State of West Virginia)

REORDER FROM
Registré, Inc.
514 PIERCE ST.
P.O. BOX 218
ANOKA, MN. 55303
(612) 421-1713

SCHEDULE I
TO
FINANCING STATEMENT

Debtor: City of Martinsburg, West Virginia (the "Debtor")
Secured Party: West Virginia Water Development Authority

All Gross Revenues from the System; the System; all funds in the Revenue Fund, the Depreciation Fund, the Series 2000A Bonds Construction Trust Fund, the Series 2000B Bonds Construction Trust Fund, the Series 2000C Construction Trust Fund, the Series 2000A Bonds Sinking Fund, the Series 2000B Bonds Sinking Fund, the Series 2000C Bonds Sinking Fund, the Series 2000A Bonds Reserve Account, the Series 2000B Bonds Reserve Account, and the Series 2000C Bonds Reserve Account; and all funds therein deposited from time to time; and all proceeds of the foregoing.

For the purposes of this financing statement, these terms are defined as follows:

"Depreciation Fund" means the Depreciation Fund established or continued by the Prior Ordinance and continued by Section 5.01 of the Bond Ordinance described below.

"Gross Revenues" means the aggregate gross operating and non-operating revenues of the System determined in accordance with generally accepted accounting principles, after deduction of prompt payment discounts, if any, and reasonable provision for uncollectible accounts, and include any gains from the sale or other disposition of, capital assets, but does not include any increase in the value of, capital assets (including Qualified Investments).

"Net Revenues" means Gross Revenues less Operating Expenses.

"Operating Expenses" means the current expenses, paid or accrued, of repair, operation and maintenance of the System, and includes, without limiting the generality of the foregoing, administrative, engineering, legal, auditing and insurance expenses (other than those capitalized as part of the costs of any project relating to the acquisition or construction of additions, betterments or improvements of the System), supplies, labor, wages, the cost of materials and supplies used for current operations, fees and expenses of fiscal agents and of the Depository Bank, Registrar and Paying Agent or Paying Agents, payments to pensions or retirement funds, taxes and such other reasonable operating costs and expenses as should normally and regularly be included under generally accepted accounting principles; provided, that "Operating Expenses" does not include payments on account of the principal of or redemption premium, if any, or interest on the Bonds, charges for depreciation, losses from sale or other disposition of or any decrease in the value of capital assets, amortization of debt discount or such miscellaneous deductions are reapplicable to prior accounting periods.

"Revenue Fund" means the Revenue Fund established or continued by the Prior Ordinance and continued by Section 5.01 of the Bond Ordinance described below.

"Series 2000A Bonds Construction Trust Fund" means the Series 2000A Bonds Construction Fund established by Section 5.01 of the Bond Ordinance described below.

"Series 2000A Bonds Reserve Account" means the Series 2000A Bonds Reserve Account established in the Series 2000A Bonds Sinking Fund pursuant to Section 5.02 of the Bond Ordinance described below.

"Series 2000 A Bonds Sinking Fund" means the Series 2000A Bonds Sinking Fund established by Section 5.02 of the Bond Ordinance described below.

"Series 2000B Bonds Construction Trust Fund" means the Series 2000B Bonds Construction Trust Fund established by Section 5.01 of the Bond Ordinance described below.

"Series 2000B Bonds Reserve Account" means the Series 2000B Bonds Reserve Account established in the Series 2000B Bonds Sinking Fund pursuant to Section 5.02 of the Bond Ordinance described below.

"Series 2000B Bonds Sinking Fund" means the Series 2000B Bonds Sinking Fund established by Section 5.02 of the Bond Ordinance described below.

"Series 2000C Bonds Construction Trust Fund" means the Series 2000C Bonds Construction Trust Fund established by Section 5.01 of the Bond Ordinance described below.

"Series 2000C Bonds Reserve Account" means the Series 2000C Bonds Reserve Account established in the Series 2000C Bonds Sinking Fund pursuant to Section 5.02 of the Bond Ordinance described below.

"Series 2000C Bonds Sinking Fund" means the Series 2000C Bonds Sinking Fund established by Section 5.02 of the Bond Ordinance described below.

"System" means, collectively, the complete existing municipal combined waterworks and sewerage system of the Debtor, consisting of a water filtration and treatment plant, reservoirs, water tanks, distribution lines and booster stations and a sewage treatment plant, collection and transportation lines and lift stations now owned by the Debtor or any integral part thereof, and all other facilities necessary, appropriate, useful, convenient or incidental in connection with or to a waterworks or sewage treatment and collection system, and any additions, betterments and improvements thereto hereafter acquired or constructed for said waterworks or sewage treatment and collection system from any sources whatsoever, both within and without the Debtor.

Other defined terms used in this Schedule I and not defined herein shall have the meanings ascribed to them in the Bond Ordinance authorizing the City of Martinsburg Combined Waterworks and Sewerage System Revenue Bonds, Series 2000A (West Virginia DWTRF Program), Series 2000B (West Virginia Infrastructure Fund) and Series 2000C (West Virginia Water Development Authority), a copy of which is on file and may be inspected at the office of the Secured Party indicated above.

Office Of Water Resources
1210 Greenbrier Street
Charleston, WV 25311-1088
Telephone: (304) 558-8855 or 558-4086
Fax: (304) 558-5903

West Virginia Division of Environmental Protection

Cecil H. Underwood
Governor

Michael C. Castle
Director

September 27, 2000

HONORABLE EARNEST L. SPARKS
MAYOR, CITY OF MARTINSBURG
BOX 828
224 WEST KING ST
MARTINSBURG, WV 25401

CERTIFIED RETURN RECEIPT REQUESTED

Re: WV/NPDES Permit No. WV0115754
General Permit Registration WVG640034
Big Springs Water Treatment Plant, Berkeley County

Dear Permittee:

The Office of Water Resources has reviewed your Permit Application / General Permit Site Registration Application Form for the discharge from your water treatment plant. Based upon the information you submitted on this application form, you are now authorized to operate under WV/NPDES General Water Pollution Control Permit No. WV 0115754, issued on August 28, 2000. A copy of General WV/NPDES Water Pollution Control Permit No. WV0115754 and FACT SHEET is included with this package. You should carefully read the contents of the permit and become familiar with all requirements needed to remain in compliance with the permit.

Although, you should be aware of all the terms and conditions of this permit, we wish to advise you of the following important requirements:

1. You are subject to the requirements of **Limitation Category 2** of the General Permit.

2. In accordance with Section B.3. of the General Permit, you are required to meet minimum treatment requirements.

3. In accordance with Section B.6. of the General Permit, you are required to have a groundwater protection plan (GPP) approved by this Agency.

4. Facilities permitted to discharge pollutants to the waters of the State under Chapter 22, Article 11 of the West Virginia Code are required to test their effluent in order to verify permit compliance. This testing is the responsibility of the permittee and these test results are to be submitted to this office on the Discharge Monitoring Report (DMR) form which is enclosed.

Failure to submit the required DMRs is a violation of the permit and can lead to enforcement actions being taken by this agency for noncompliance. It is suggested that several copies of the enclosed DMR be made for your future use, as this office does not supply permittees with DMR forms. Your first DMR is due on or before January 20, 2001.

5. This General Permit will expire on August 27, 2005. If you wish to continue a regulated activity after the expiration date of this permit, provisions for coverage will be made during the public notice process for any new General Permit to be issued at that time.

Finally note that copies of all future correspondence regarding the permit including copies of DMRs must be sent to the following addresses:

Division of Environmental Protection
Office of Water Resources
Engineering Branch
1201 Greenbrier Street
Charleston, WV 25311

Division of Environmental Protection
Environmental Enforcement
1 Depot Street
Romney, WV 26757

The validity of this General Permit Registration is contingent upon payment of the applicable annual permit fee, as required by Chapter 22, Article 11, Section 10 of the Code of West Virginia.

Also, enclosed find Administrative Order No. 4971 for General Permit Registration No. WVG640034 requiring you to upgrade your treatment to meet the requirements of this General Permit and/or submit a GPP.

If you have any questions, please contact Dwight McClure of this Office at (304) 558-8855 or our TTY number 558-2751.

Sincerely,

Allyn G. Turner
Chief

AGT:pdb

Enclosures

cc: Env. Insp. Supv.
Env. Insp.

CLOSING MEMORANDUM

To:	Financing Team
From:	Camden P. Siegrist
Closing Date:	September 27, 2000
Re:	City of Martinsburg Combined Waterworks and Sewerage System Revenue Bonds, Series 2000A (West Virginia DWTRF Program) Series 2000B (West Virginia Infrastructure Fund) Series 2000C (West Virginia Water Development Authority)

1. DISBURSEMENTS TO CITY

A.

Payor:	West Virginia Bureau for Public Health
Source:	Series 2000A Bonds Proceeds
Amount:	$4,416.00
Form:	Wire Transfer
Payee:	City of Martinsburg
Bank:	Jefferson Security Bank
Routing #:	057001971
Account #:	10340792
Contact:	Vickie A. Cave at (304)876-9033
Account:	Series 2000A Bonds Construction Trust Fund

B.

Payor:	West Virginia Infrastructure and Jobs Development Council
Source:	Series 2000B Bonds Proceeds
Amount:	$680,942.00
Form:	Wire Transfer
Payee:	City of Martinsburg
Bank:	Jefferson Security Bank
Routing #:	057001971
Account #:	10343523
Contact:	Vickie A. Cave at (304) 876-9033
Account:	Series 2000B Bonds Construction Trust Fund

C.

Payor:	West Virginia Water Development Authority
Source:	Series 2000C Bonds Proceeds
Amount:	$1,847,420
Form:	Wire Transfer
Payee:	City of Martinsburg
Bank:	Jefferson Security Bank
Routing #:	057001971
Account #:	10343515
Contact:	Vickie A. Cave at (304) 876-9033
Account:	Series 2000C Bonds Construction Trust Fund

2. DISBURSEMENTS TO MUNICIPAL BOND COMMISSION

A.

Payor:	West Virginia Bureau for Public Health
Source:	Series 2000A Bonds Proceeds
Amount:	$459,802
Form:	Wire Transfer
Payee:	West Virginia Municipal Bond Commission
Bank:	One Valley Bank, National Association
Routing #:	051900353
Account #:	846-387-9
Contact:	West Virginia Treasurer for West Virginia Municipal Bond Commission
Account:	Series 2000A Bonds Reserve Account

B.

Payor:	West Virginia Bureau for Public Health
Source:	Series 2000A Bonds Proceeds
Amount:	$200,019
Form:	Wire Transfer
Payee:	West Virginia Municipal Bond Commission
Bank:	One Valley Bank, National Association
Routing #:	051900353
Account #:	846-387-9
Contact:	West Virginia Treasurer for West Virginia Municipal Bond Commission
Account:	Series 2000B Bonds Reserve Account

C. Payor: West Virginia Water Development Authority
Source: Series 2000C Bonds Proceeds
Amount: $128,932
Form: Wire Transfer
Payee: West Virginia Municipal Bond Commission
Bank: One Valley Bank, National Association
Routing #: 051900353
Account #: 846-387-9
Contact: West Virginia Treasurer for West Virginia Municipal Bond Commission
Account: Series 2000C Bonds Reserve Account

3. DISBURSEMENTS BY CITY

A. Payor: City of Martinsburg
Source: Series 2000B Bonds Proceeds
(Series 2000B Bonds Construction Trust Fund)
Amount: $660,942
Form: Check
Payee: City of Martinsburg
Combined Waterworks and Sewerage System
Revenue and Depreciation Funds
Memo: Reimbursement for Project Costs

B. Payor: City of Martinsburg
Source: Series 2000B Bonds Proceeds
(Series 2000B Bonds Construction Trust Fund)
Amount: $20,000
Form: Check
Payee: Bowles Rice McDavid Graff & Love, PLLC
Memo: Bond Counsel Fee