

**\$1,490,000 CITY OF MOUNT HOPE
WATERWORKS AND SEWERAGE SYSTEM
REVENUE BONDS SERIES 1999 A**

Closing: May 20, 1999

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TRANSCRIPT OF PROCEEDINGS

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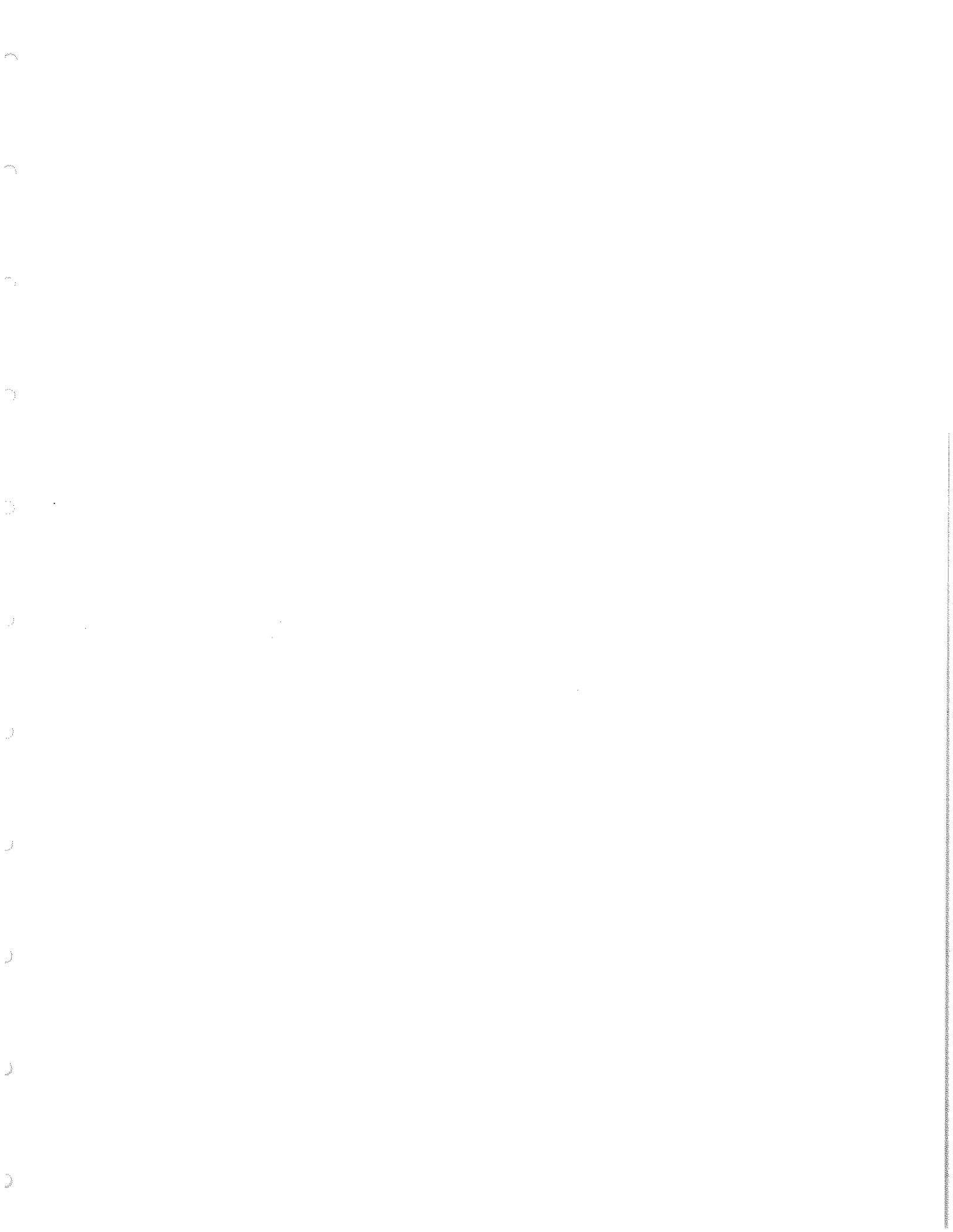
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The closing of the sale of the City of Mount Hope Waterworks and Sewerage System Revenue Bonds, Series 1999 A (the "Bonds"), will take place at the offices of the West Virginia Water Development Authority in Charleston, West Virginia, at 10:00 a.m., prevailing time on May 20, 1999. No transaction shall be deemed to have been completed and no documents shall be deemed to have been delivered unless or until all transactions are complete and all documents delivered.

CHASFS3:118852



State of West Virginia



Certificate

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

THIS IS A TRUE COPY OF CHAPTER 8, ARTICLE 20 OF THE WEST VIRGINIA CODE, AS INDICATED BY THE RECORDS OF THIS OFFICE.



*Given under my hand and the
Great Seal of the State of
West Virginia on this
Seventeenth day of
May 19 99*

Ken Hechler
Secretary of State

governing body, as may be provided by the governing body, and if such alternative is followed, said committee, board or commission shall have and be limited to all the powers, authority and duties granted to and imposed upon a board as provided in article sixteen [§ 8-16-1 et seq.] of this chapter. (1961, c. 104; 1969, c. 86; 1978, c. 72; 1990, c. 141.)

§ 8-19-20. Article to be liberally construed.

This article is necessary for the public health, safety and welfare and shall be liberally construed to effectuate its purposes. (1933, Ex. Sess., c. 26, § 14; 1969, c. 86; 1990, c. 141.)

§ 8-19-21. Specifications for water mains and water service pipes.

Considering the importance of public fire protection, any state or local government, public service district, public or private utility which installs, constructs, maintains, or upgrades water mains, shall ensure that all new mains specifically intended to provide fire protection are supplied by mains which are not less than six inches in diameter. A permit or other written approval shall be obtained from the department of health and human resources for each hydrant or group of hydrants installed in compliance with section nine [§ 16-1-9], article one, chapter sixteen of the West Virginia code as amended: Provided, That all newly constructed water distribution systems transferred to a public or private utility shall have mains at least six inches in diameter where fire flows are desired or required by the public or private utility: Provided, however, That the utility providing service has sufficient hydraulic capacity as determined by the department of health and human resources. (1994, c. 31.)

ARTICLE 20.

COMBINED WATERWORKS AND SEWERAGE SYSTEMS.

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| Sec. | or charges as liens; civil action for recovery thereof; deferral of filing fees and costs in magistrate court action; limitations with respect to foreclosure. | Sec. | constructing, etc., and financing combined waterworks and sewerage system; cumulative authority. |
| 8-20-11. Discontinuance of water service for nonpayment of rates or charges. | | Part V. Operation by Board; Construction. | |
| 8-20-12. Use of revenues; sinking fund. | | 8-20-18. Alternative procedure for acquisition, construction, etc., of combined waterworks and sewerage system. | |
| 8-20-13. Repair and maintenance of municipal sewerage system outside corporate limits. | | 8-20-19. Article to be liberally construed. | |
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Part IV. Grants, Loans and Advances; Cumulative Authority.

- 8-20-16. Grants, loans and advances.
- 8-20-17. Additional and alternative method for

Revision of chapter. — See note under the same catchline at the beginning of this chapter. Legislative intent. — It appears clear that the legislature recognized the need for municipal utility systems; however, it did not wish the municipality to become generally obligated for the building or acquisition of the system. Filing is provided for primarily by revenue bonds, and bondholders are assured of a safe investment through the collection of sufficient user charges to service the bonds and maintain the assets of the system. Op. Atty Gen., April 3, 1979.

PART I. COMBINED WATERWORKS AND SEWERAGE SYSTEMS AUTHORIZED; DEFINITIONS.

§ 8-20-1. Acquisition and operation of combined waterworks and sewerage systems; extension beyond corporate limits; definitions.

Any municipality may acquire, construct, establish and equip and thereafter repair, maintain and operate a combined waterworks and sewerage system either wholly within or partly within and partly without the corporate limits thereof, under the provisions of this article, and any municipality owning and operating either a waterworks or a sewerage system, but not both, may acquire, construct, establish and equip the waterworks or sewerage system which it does not then own and operate, and in either of such cases such municipality may provide by ordinance that when such waterworks or sewerage system, or both, shall have been acquired, constructed, established and equipped, the same shall thereafter be owned, repaired, maintained and operated as a combined undertaking under the provisions of this article, and any municipality already owning and operating an existing waterworks system and an existing sewerage system may by ordinance combine the same into a single undertaking under the provisions of this article.

Any municipality which has combined its waterworks and sewerage system under the provisions of this article, or pursuant to provisions of any other law,

may hereafter construct extensions, additions, betterments and improvements to either the waterworks system or the sewerage system of said combined waterworks and sewerage system, or both, and may finance the acquisition, construction, establishment and equipment of any such waterworks or sewerage system, or both, or the construction of extensions, additions, betterments and improvements to either the waterworks system or the sewerage system of such combined waterworks and sewerage system, or both, by the issuance of revenue bonds under the provisions of this article.

Notwithstanding the provisions of any other law or charter to the contrary, any such municipality may serve and supply the area included within twenty miles outside its corporate limits with the water or sewer services and facilities, or both, of its combined waterworks and sewerage system: Provided, That such water or sewer services and facilities shall not be served or supplied within the corporate limits of any other municipality without the consent of the governing body of such other municipality.

When used in this article, the term "waterworks system" shall be construed to mean and include a waterworks system in its entirety or any integral part thereof, including mains, hydrants, meters, valves, standpipes, storage tanks, pump tanks, pumping stations, intakes, wells, impounding reservoirs, pumps, machinery, purification plants, softening apparatus, and all other facilities necessary, appropriate, useful, convenient or incidental in connection with or to a water supply system; the term "sewerage system" shall be construed to mean and include any or all of the following: A sewage treatment plant or plants, collecting, intercepting and outlet sewers, lateral sewers, drains, force mains, conduits, pumping stations, ejector stations and all other appurtenances, extensions, additions and improvements necessary, appropriate, useful, convenient or incidental for the collection, treatment and disposal in a sanitary manner of sewage and industrial wastes; and the term "combined waterworks and sewerage system" shall be construed to mean and include a waterworks and sewerage system, which a municipality determines by ordinance to operate in combination. (1939, c. 98, §§ 1, 2; 1947, c. 112; 1955, c. 131; 1969, c. 86.)

Eminent domain. — Municipalities that the general grant of authority provided by operate sewer systems may exercise the power § 8-12-5(32) there is no language in this article of eminent domain. When such a municipality that would prevent a municipality from granting funds to its combined waterworks and sewerage system to be used for plant expansion or repair. What this section does say, however, is that if the municipality wishes to finance any of the public service commission may require the exercise of the power by appropriate order. *Broadmoor/Timberline Apts. v. Public Serv. Comm'n*, 180 W. Va. 387, 376 S.E.2d 593 (1988).

Plant expansion or repair. — Considering under § 8-20-16. Op. Atty Gen., April 3, 1979.

§ 8-20-1a. Cooperation with other governmental units.

In carrying out any lawful purpose prescribed by this article, any municipality may, in the exercise of its powers, duties and responsibilities, cooperate or join with the State of West Virginia or any political subdivision, agency, board, commission, office or department thereof, however designated, or with

the United States of America or any agency or department thereof. (1976, c. 83.)

§ 8-20-1b. Severance of combined system.

Any municipality which has combined its waterworks and sewerage system under the provisions of this article, or pursuant to provisions of any other law, may hereafter sever said combined waterworks and sewerage system if the following conditions are met:

(a) An ordinance is enacted by the governing body of the municipality severing the combined waterworks and sewerage system into a separate waterworks system and a separate sewerage system.

(b) If revenue bonds or notes or other obligations with a lien on or pledge of the revenues of said combined waterworks and sewerage system, or any part thereof, are outstanding, then the municipality must provide in said ordinance (i) that the severance of the combined waterworks and sewerage system is not effective until all such outstanding revenue bonds or notes or other obligations with a lien on or pledge of the revenues of the system, or any part thereof, are paid and (ii) the method for paying said outstanding revenue bonds or notes or other obligations. For the purposes of this section, said municipality may provide for payment of said outstanding revenue bonds or notes or other obligations by:

(1) Depositing moneys and funds with the West Virginia municipal bond commission or in escrow with a corporate trustee, which may be a trust company or bank having powers of a trust company within or without the state of West Virginia selected by the issuer to pay interest when due and to pay principal when due, whether at maturity or earlier redemption;

(2) Depositing securities with the municipal bond commission or said escrow trustee, the principal of and earnings on which will provide moneys sufficient to pay interest when due and to pay principal when due, whether at maturity or earlier redemption; or

(3) Depositing with the municipal bond commission or said escrow trustee any combination of the foregoing sufficient to pay interest when due and to pay principal when due, whether at maturity or earlier redemption.

(c) If the combined waterworks and sewerage system is under the supervision and control of a separate committee, board or commission, then the governing body of the municipality must provide for the dissolution of such committee, board or commission, and the creation of such other committees, boards or commissions as may be required by law. (1986, c. 118.)

PART II. RIGHT OF EMINENT DOMAIN.

§ 8-20-2. Right of eminent domain; limitations.

For the purpose of acquiring, constructing, establishing or extending any waterworks system or any sewerage system, or a combined waterworks and sewerage system, or for the purpose of constructing any additions, betterments or improvements to any such waterworks or sewerage system, or a combined

§ 8-20-4. Publication of abstract of ordinance and notice; hearing.

After the ordinance for any project under the provisions of this article has been adopted, an abstract of the ordinance, determined by the governing body to contain sufficient information as to give notice of the contents of such ordinance, together with the following described notice, shall be published as a Class II legal advertisement in compliance with the provisions of article three (§ 59-3-1 et seq.), chapter fifty-nine of this code, and the publication area for such publication shall be such municipality. The notice to be published with said abstract of the ordinance shall state that said ordinance has been adopted, that the municipality contemplates the issuance of the bonds described in the ordinance, that any person interested may appear before the governing body upon a certain date, which shall not be less than ten days subsequent to the date of the first publication of such abstract and notice and which shall not be prior to the date of the last publication of such abstract and notice, and present protests and that a certified copy of the ordinance is on file with the governing body for review by interested parties during the office hours of the governing body. At such hearing all protests and suggestions shall be heard and the governing body shall take such action as it shall deem proper in the premises: Provided, That if at such hearing written protest is filed by thirty percent or more of the freeholders of the municipality, then the governing body of said municipality shall not take further action unless four fifths of the qualified members of said governing body assent thereto. (1939, c. 98, § 5; 1947, c. 112; 1967, c. 105; 1969, c. 86; 1971, c. 103; 1981, 1st Ex. Sess., c. 2.)

§ 8-20-5. Amount, negotiability and execution of bonds; refund of outstanding obligations or securities by sale or exchange of bonds.

For the purpose of defraying the cost of acquisition, construction, establishment or equipment of any such waterworks or sewerage system, or a combined waterworks and sewerage system, and for the purpose of paying the cost of constructing any extensions, additions, betterments or improvements to either the waterworks or sewerage system of said combined waterworks and sewerage system, or both, any such municipality may issue revenue bonds under the provisions of this article. All such bonds may be authorized, issued and sold pursuant to ordinance in installments at different times or an entire issue or series may be sold at one time. Such bonds shall bear interest at a rate not to exceed twelve percent per annum, payable at such times, and shall mature within the period of usefulness of the project involved, to be determined by the governing body and in any event within a period of not more than forty years. Such bonds may be in such denomination or denominations, may be in such form, either coupon or registered, may carry such registration and conversion privileges, may be executed in such manner, may be payable in such medium of payment, at such place or places, may be subject to such terms of redemption, with or without a premium, may be declared to become due before

waterworks and sewerage system, or for the purpose of acquiring any property necessary, appropriate, useful, convenient or incidental for or to any waterworks or sewerage system, or combined waterworks and sewerage system, under the provisions of this article, the municipality shall have the right of eminent domain as provided in chapter fifty-four (§ 54-1-1 et seq.) of this code: Provided, That such right of eminent domain for the acquisition of a complete privately owned waterworks system shall not be exercised without prior approval of the public service commission, and in no event shall any municipality construct, establish or extend beyond the corporate limits of said municipality a municipal waterworks system or a combined waterworks and sewerage system under the provisions of this article to supply service in competition with an existing privately or municipally owned waterworks system or combined waterworks and sewerage system in such municipality or within the proposed extension of such system, unless a certificate of public convenience and necessity therefor shall have been issued by the public service commission. (1947, c. 112; 1969, c. 86.)

PART III. REVENUE BOND FINANCING.

§ 8-20-3. Ordinance describing project; contents.

The governing body of any municipality availing itself of the provisions of this article shall adopt an ordinance describing in a general way the contemplated project. If it is intended to include in the combined waterworks and sewerage system any existing waterworks system or any existing sewerage system, or both, such ordinance shall provide that it or they be so included in such combined system and shall describe in a general way such existing waterworks or sewerage system or both to be included in the combined waterworks and sewerage system. Such ordinance shall state the means provided for refunding any obligations unpaid and outstanding payable solely from the revenues of any such waterworks or sewerage system, or both. Such ordinance shall determine the period of usefulness of the contemplated project. If it is intended to acquire, construct, establish and equip a combined waterworks and sewerage system or any part thereof, or to construct extensions, additions, betterments and improvements to either the waterworks system or the sewerage system of said combined waterworks and sewerage system, or both, the ordinance shall describe in a general way the works or property or system to be acquired, constructed, established or equipped or the extensions, additions, betterments and improvements to be constructed. Such ordinance shall fix the amount of revenue bonds proposed to be issued, the interest rate or rates, and any other details in connection with such bonds deemed advisable. Such ordinance may state that the bonds, or such ones thereof as may be specified, shall, to the extent and in the manner prescribed, be subordinated and be junior in standing, with respect to principal and interest and the security thereof, to such other bonds as are designated in the ordinance. (1939, c. 98, § 4; 1947, c. 112; 1949, c. 91; 1969, c. 86.)

the maturity date thereof, may provide for the replacement of mutilated, destroyed, stolen or lost bonds, may be authenticated in such manner and upon compliance with such conditions, and may contain such other terms and covenants, as may be provided by ordinance of the governing body of the municipality. Notwithstanding the form or tenor thereof, and in the absence of an express recital on the face thereof that the bond is nonnegotiable, all such bonds shall at all times be, and shall be treated as, negotiable instruments for all purposes. Said bonds and the interest thereon, together with all properties and facilities of said municipality owned or used in connection with said combined waterworks or sewerage system, and all the moneys, revenues and other income of such municipality derived from such combined waterworks and sewerage system shall be exempt from all taxation by this State or any county, municipality, political subdivision or agency thereof. Such bonds may be sold in such manner as the governing body shall determine. If any such bonds shall be issued to bear interest at a rate of twelve percent per annum, the price at which they may be sold shall be such that the interest cost of such municipality of the proceeds of such bonds shall not exceed thirteen percent per annum computed to maturity according to the standard table of bond values. If the governing body of the municipality determines to sell any revenue bonds of such combined waterworks and sewerage system for refunding purposes, the proceeds of such bonds shall be deposited at the place of payment of the bonds, obligations or securities being refunded thereby. In case any officer whose signature appears on such bonds or coupons attached thereto shall cease to be such officer before the delivery of the bonds to the purchaser, such signature shall nevertheless be valid and sufficient for all purposes, with the same effect as if he had remained in office until the delivery of the bonds. All signatures on the bonds or coupons and the corporate seal may be mechanically reproduced if authorized in the ordinance authorizing the issuance of the bonds. Such bonds shall have all the qualities of negotiable instruments under the laws of this State.

Whenever a waterworks and sewerage system is included in a combined waterworks and sewerage system under the provisions of this article and there are unpaid and outstanding revenue bonds or any other obligations or securities previously issued which are payable solely from the revenues of such waterworks or such sewerage system or any part thereof, such outstanding bonds, obligations or securities may be refunded by the issuance and sale or exchange thereof of revenue bonds to be issued under the provisions of this article. Whenever any outstanding bonds, obligations or securities previously issued which are payable solely from the revenues of any waterworks or sewerage system included in a combined waterworks and sewerage system under the provisions of this article are refunded and the refunding is to be accomplished by exchange, such outstanding bonds, obligations or securities shall be surrendered and exchanged for revenue bonds of such combined waterworks and sewerage system of a total principal amount which shall not be more and may be less than the principal amount of the bonds, obligations or securities surrendered and exchanged plus the interest to accrue thereon to the date of surrender and exchange, and if the refunding is to be accomplished

through the sale of revenue bonds of such combined waterworks and sewerage system the total principal amount of such revenue bonds which may be sold for refunding purposes shall not exceed the principal amount of the bonds, obligations or securities being refunded plus the interest to accrue thereon to the retirement date or the next succeeding interest payment date, whichever date may be earlier. Provision may be made that each bond to be exchanged for refunding bonds shall be kept intact and shall not be canceled or destroyed until the refunding bonds, and interest thereon, have been finally paid and discharged: but each such bond shall be stamped with a legend to the effect that the same has been refunded pursuant to the provisions of this article. (1939, c. 98, § 3; 1947, c. 112; 1957, c. 123; 1969, c. 86; 1970, c. 7; 1980, c. 33; 1981, 1st Ex. Sess., c. 2.)

§ 8-20-6. Bonds payable solely from revenues; not to constitute municipal indebtedness.

Bonds issued under the provisions of this article shall be payable solely from the revenues derived from the combined waterworks and sewerage system, and such bonds shall not in any event constitute an indebtedness of such municipality within the meaning of any constitutional or statutory provision or limitation and it shall be plainly stated on the face of each bond that the same has been issued under the provisions of this article, and that it does not constitute an indebtedness of such municipality within any constitutional or statutory provision or limitation. The ordinance authorizing the issuance of the bonds may contain such covenants and restrictions upon the issuance of additional revenue bonds thereafter as may be deemed necessary or advisable for the assurance of payment of the bonds thereby authorized and as may thereafter be issued. (1939, c. 98, § 6; 1969, c. 86.)

§ 8-20-7. Lien of bondholders.

There shall be and there is hereby created and granted a statutory mortgage lien upon such combined waterworks and sewerage system which shall exist in favor of the holder of bonds hereby authorized to be issued, and each of them, and to and in favor of the holder of the coupons attached to said bonds, and such combined waterworks and sewerage system shall remain subject to such statutory mortgage lien until payment in full of the principal of and interest upon said bonds.

Any municipality in acquiring an existing waterworks system may provide that payment therefor shall be made by issuing revenue bonds and delivering the same at such prices as may be agreed upon within the limitations prescribed in section five [§ 8-20-5] hereof. Any revenue bonds so issued in payment for such an existing waterworks system shall for all purposes be regarded as partaking of the nature of and as being secured by a purchase money mortgage upon the property so acquired; and the holders thereof shall have, in addition to any other remedies and rights prescribed by this article, such remedies and rights as may now or hereafter exist in law in the case of purchase money mortgages. (1939, c. 98, § 8; 1947, c. 112; 1969, c. 86.)

§ 8-20-8. Covenants with bondholders.

Any ordinance authorizing the issuance of bonds hereunder, or any trust indenture with any banking institution or trust company, within or without the State, for the security of said bonds, which any such municipality is hereby empowered and authorized to enter into and execute, may contain covenants with the holders of such bonds as to:

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

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

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

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

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

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

(g) Budgets for the annual repair, maintenance and operation of such combined waterworks and sewerage system and restrictions and limitations

upon expenditures for such purposes, and the manner of adoption, modification, repeal or amendment thereof, including the approval of such budgets by consulting engineers designated by holders of bonds issued hereunder;

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

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

Any such ordinance or trust indenture may also contain such other additional covenants as shall be deemed necessary or desirable for the security of the holders of bonds issued hereunder, notwithstanding that such other covenants are not expressly enumerated above, it being the intention hereof to grant to municipalities plenary power and authority to make any and all covenants or agreements necessary in order to secure greater marketability for bonds issued hereunder as fully and to the same extent as such covenants or agreements could be made by a private corporation rendering similar services and facilities and to grant to municipalities full and complete power and authority to enter into any contracts, covenants or agreements with holders of bonds issued hereunder not inconsistent with the Constitution of this State. (1955, c. 131; 1969, c. 86.)

§ 8-20-9. Operating contract.

Any such municipality may enter into contracts or agreements with any persons for (1) the repair, maintenance and operation and management of the facilities and properties of said combined waterworks and sewerage system, or any part thereof, or (2) the collection and disbursement of the income and revenues thereof, or for both (1) and (2), for such period of time and under such terms and conditions as shall be agreed upon between such municipality and such persons. Any such municipality shall have plenary power and authority to provide in the ordinance authorizing the issuance of bonds hereunder, or in any trust indenture securing such bonds, that such contracts or agreements shall be valid and binding upon the municipality as long as any of said bonds, or interest thereon, is outstanding and unpaid. (1955, c. 131; 1969, c. 86.)

§ 8-20-10. Power and authority of municipality to enact ordinances and make rules and regulations and fix rates or charges; change in rates or charges; failure to cure delinquency; delinquent rates or charges as liens; civil action for recovery thereof; deferral of filing fees and costs in magistrate court action; limitations with respect to foreclosure.

(a) The governing body of any municipality availing itself of the provisions of this article shall have plenary power and authority to make, enact and

except through the bringing and maintenance of a civil action for such purpose brought in the circuit court of the county wherein the municipality lies. In every such action, the court shall be required to make a finding based upon the evidence and facts presented that the municipality had exhausted all other remedies for the collection of debts with respect to such delinquencies prior to the bringing of such action. In no event shall foreclosure procedures be instituted by any municipality or on its behalf unless such delinquency had been in existence or continued for a period of two years from the date of the first such delinquency for which foreclosure is being sought. (1939, c. 98, § 7; 1947, c. 112; 1969, c. 86; 1989, c. 133; 1990, c. 140.)

§ 8-20-11. Discontinuance of water service for nonpayment of rates or charges.

Any such municipality shall also have plenary power and authority, and may covenant with the holders of any bonds issued hereunder, to shut off and discontinue the supplying of the water service of said combined waterworks and sewerage system for the nonpayment of the rates or charges for said water service or sewer service, or both. (1955, c. 133; 1969, c. 86.)

§ 8-20-12. Use of revenues; sinking fund.

All revenues derived from the operation of any combined waterworks and sewerage system under the provisions of this article shall be set aside as collected and used only for the purpose of paying the cost of repairing, maintaining and operating such system, providing an adequate reserve fund, an adequate depreciation fund, and paying the principal of and interest upon the revenue bonds issued by the municipality under the provisions of this article. The ordinance pursuant to which any such bonds are issued shall pledge the revenues derived from the combined waterworks and sewerage system to the purposes aforesaid and shall definitely fix and determine the amount of revenues which shall be necessary and set apart in a special fund for the bond requirements. The amounts as and when so set apart into said special fund for the bond requirements shall be remitted to the West Virginia municipal bond commission to be retained and paid out by said commission consistent with the provisions of this article and the ordinance pursuant to which such bonds have been issued. Provided, That payments of principal of and interest on any bonds owned by the United States of America or any agency or department thereof may be made by the municipality directly to the United States of America or said agency or department thereof. (1939, c. 98, § 9; 1969, c. 86; 1986, c. 118.)

§ 8-20-13. System of accounts; audit.

Any municipality operating a combined waterworks and sewerage system under the provisions of this article shall set up and maintain a proper system of accounts in accordance with the requirements of the public service commission, showing the amount of revenues received from such combined water-

§ 8-20-10

enforce all needful rules and regulations for the repair, maintenance and operation and management of the combined waterworks and sewerage system of such municipality and for the use thereof, and shall also have plenary power and authority to make, enact and enforce all needful rules and regulations and ordinances for the care and protection of any such system, which may be conducive to the preservation of the public health, comfort and convenience and to rendering the water supply of such municipality pure and the sewerage harmless insofar as it is reasonably possible so to do, and any such municipality shall have plenary power and authority to charge the users for the use and service of such combined waterworks and sewerage system and to establish rates or charges for such purpose. Separate rates or combined rates or fixed for the water and sewer services respectively or combined rates or charges for the combined water and sewer services. Such rates or charges, whether separate or combined, shall be sufficient at all times to pay the cost of repair, maintenance and operation of the combined waterworks and sewerage system, provide an adequate reserve fund and adequate depreciation fund and pay the principal of and interest upon all revenue bonds issued under this article. Rates or charges shall be established, revised and maintained by ordinance and become payable as the governing body may determine by ordinance, and such rates or charges shall be changed from time to time as needful, consistent with the provisions of this article.

(b) Whenever any rates and charges for services or facilities furnished remain unpaid for a period of thirty days after the same become due and payable, the user of the services and facilities provided shall be delinquent and the user shall be held liable at law until such time as all such rates and charges are fully paid.

(c) All rates or charges for water service and sewer service whenever delinquent, as provided by ordinance of the municipality, shall be liens of equal dignity, rank and priority with the lien on such premises of state, county, school and municipal taxes for the amount thereof upon the real property served, and the municipality shall have plenary power and authority from time to time to enforce such lien in a civil action to recover the money due for such services rendered plus court fees and costs and a reasonable attorney's fee: Provided, That an owner of real property may not be held liable for the delinquent rates or charges for services or facilities of a tenant, nor shall any lien attach to real property for the reason of delinquent rates or charges for services or facilities of a tenant of such real property, unless the owner has contracted directly with the municipality to purchase such services or facilities.

(d) Municipalities are hereby granted a deferral of filing fees or other fees and costs incidental to the bringing and maintenance of an action in magistrate court for the collection of the delinquent rates and charges. If the municipality collects the delinquent account, plus fees and costs, from its customer or other responsible party, the municipality shall pay to the magistrate court the filing fees or other fees and costs which were previously deferred.

(e) No municipality may foreclose upon the premises served by it for delinquent rates, fees or charges for which a lien is authorized by this section

works and sewerage system and the application of the same. At least once each year such municipality shall cause such accounts to be properly audited, and a report of such audit shall be open to the public for inspection at all reasonable times. (1939, c. 98, § 10; 1969, c. 86.)

§ 8-20-14. Repair and maintenance of municipal sewerage system outside corporate limits.

Whenever a municipality collects rates or charges from users of any part of a sewerage system located outside the corporate limits of such municipality for sewerage service rendered to such users, pursuant to the provisions of this article or other act or law, such municipality shall be responsible for the repair and maintenance of such sewerage system and the county court [county commission] of the county or counties in which such sewerage system is located shall not be liable or responsible for the repair and maintenance of such sewerage system. (1957, c. 127; 1969, c. 86.)

Editor's notes. — The bracketed words were inserted by the editor. See W. Va. Const., art. IX, § 9.

§ 8-20-15. Protection and enforcement of rights of bondholders, etc.; receivership.

Any holder of any bonds issued under the provisions of this article or of any coupons representing interest accrued thereon may by civil action, mandamus or other proper proceeding enforce the statutory mortgage lien created and granted in section seven (§ 8-20-7) of this article, protect and enforce any and all rights granted hereunder or under any such ordinance or trust indenture, and may enforce and compel performance of all duties required by the provisions of this article or by any such ordinance or trust indenture to be performed by the municipality or by the governing body or any officer, including the making and collecting of reasonable and sufficient rates or charges for services rendered by the combined waterworks and sewerage system. If there be default in the payment of the principal of or interest upon any of such bonds, or of both principal and interest, any court having jurisdiction shall appoint a receiver to administer said combined waterworks and sewerage system on behalf of the municipality, and the bondholders or trustee, or both, with power to charge and collect rates or charges sufficient to provide for the retirement of the bonds and pay the interest thereon, and for the payment of the repair, maintenance and operation expenses, and such receiver shall apply the revenues in conformity with the provisions of this article and the ordinance pursuant to which such bonds have been issued or trust indenture, or both. (1939, c. 98, § 8; 1947, c. 112; 1969, c. 86.)

PART IV. GRANTS, LOANS AND ADVANCES; CUMULATIVE AUTHORITY.

§ 8-20-16. Grants, loans and advances.

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

In no event shall any such loan or temporary advance be a general obligation of the municipality and such loans or temporary advances, including the interest thereon, shall be paid solely from the sources specified in this section. (1961, c. 106; 1969, c. 86; 1981, 1st Ex. Sess., c. 2; 1986, c. 118.)

§ 8-20-17. Additional and alternative method for constructing, etc., and financing combined waterworks and sewerage system; cumulative authority.

This article is, without reference to any other statute or charter provision, full authority for the acquisition, construction, establishment, extension, equipment, additions, betterment, improvement, repair, maintenance and operation of or to the combined waterworks and sewerage system herein provided for and for the issuance and sale of the bonds by this article authorized, and is an additional and alternative method therefor and for the financing thereof, and no petition, referendum or election or other or further proceeding with respect to any such undertaking or to the issuance or sale of bonds under this article and no publication of any resolution, ordinance, notice

or proceeding relating to any such undertaking or to the issuance or sale of such bonds is required, except as prescribed by this article, any provisions of other statutes of the state to the contrary notwithstanding: Provided, That all functions, powers and duties of the bureau of public health and the division of environmental protection remain unaffected by this article.

This article is cumulative authority for any undertaking herein authorized, and does not repeal any existing laws with respect thereto. (1933, Ex. Sess., c. 26, § 13; 1969, c. 86; 1994, c. 61.)

PART V. OPERATION BY BOARD; CONSTRUCTION.

§ 8-20-18. Alternative procedure for acquisition, construction, etc., of combined waterworks and sewerage system.

(a) As an alternative to the procedure hereinabove provided, any municipality is hereby empowered and authorized to acquire, construct, establish, extend, equip, repair, maintain and operate a combined waterworks and sewerage system or to construct, maintain and operate additions, betterments and improvements thereto, whether acquired, constructed, established, extended or equipped under the provisions of this article or not, and to collect the revenues therefrom for the services rendered thereby, through the supervision and control of a committee, by whatever name called, composed of all or of a portion of the governing body, or of a board or commission appointed by such governing body, as may be provided by the governing body, and if such alternative is followed, said committee, board or commission shall have and be limited to all the powers, authority and duties granted to and imposed upon a board as provided in article sixteen [§ 8-16-1 et seq.] of this chapter.

(b) In the event that the waterworks or sewerage system or both are in existence prior to the creation of the combined waterworks and sewerage system, and the waterworks or sewerage system or both are supervised and controlled by a committee, board or commission, and the alternative provided for in subsection (a) of this section is to be followed with respect to the supervision and control of the combined waterworks and sewerage system, the governing body may by ordinance, after the creation of the combined waterworks and sewerage system, provide (1) the manner of and procedure for transferring such supervision and control from each such separate committee, board or commission to the committee, board or commission which is supervising and controlling the combined waterworks and sewerage system, or (2) the manner of and procedure for combining each such separate committee, board or commission into one committee, board or commission and transferring thereto such supervision and control as aforesaid. (1961, c. 104; 1969, c. 86.)

§ 8-20-19. Article to be liberally construed.

This article is necessary for the public health, safety and welfare and shall be liberally construed to effectuate its purposes. (1933, Ex. Sess., c. 26, § 14; 1969, c. 86.)

ARTICLE 20A.

NEIGHBORHOOD REHABILITATION.

Sec.

8-20A-1. Legislative findings and purpose.
8-20A-2. Definitions.
8-20A-3. Neighborhood rehabilitation fund.

Sec.

8-20A-4. Inspection and technical assistance.
8-20A-5. Deferral of repayment.

§ 8-20A-1. Legislative findings and purpose.

(a) The legislature hereby finds and declares that the lack of safe, decent, sanitary and affordable owner-occupied and rental dwellings is one of the most serious problems facing this State and that a major contributing factor to this problem is the deterioration of the State's existing housing stock; that these deteriorating dwellings exist in both the urban and rural areas of the State; that a disproportionate number of owners of these deteriorating dwellings are older, less affluent and otherwise less able to afford the expense of the remodeling, repairing and rehabilitating of their residences necessary to maintain such residences in a sanitary, safe and decent condition; that because of the lack of acceptable loan collateral, the age of their residences and the location and age of the neighborhoods in which their residences are located, many of such owners have not been able to borrow funds necessary to effect such remodeling, repair and rehabilitation; and that some of such homeowners who have been able to obtain funds for such purposes have been able to do so only upon rates of interest and upon other terms and conditions which are particularly onerous and disadvantageous to such owners.

(b) The legislature further finds and declares that the assistance authorized in this article will provide, and will encourage private lenders to provide, to such owners, more readily and at rates of interest and upon other terms and conditions significantly more favorable to such owners, the loans necessary to finance the cost of such remodeling, repair and rehabilitation.

(c) The legislature further finds and declares that the powers granted to municipalities and counties in this article will enable them to maximize the use of federal programs for housing rehabilitation.

(d) The legislature further finds and declares that it is manifestly in the public interest to foster the pride, self-respect and esteem incident to homeownership and to encourage and assist in the maintenance of residences, both owner occupied and rental, in a safe, decent and sanitary condition; that without the assistance authorized in this article, there will be continued deterioration of housing with the resultant proliferation of slums, higher crime rates and general decline in civic pride, public spirit and the quality of life, with all of the public cost, direct and indirect, attendant thereon; and that accordingly by providing such assistance, any municipality or county will be acting in all respect for the benefit of the people of the State of West Virginia and shall thereby serve a public purpose in improving and otherwise promoting their health, welfare and prosperity. In order to carry out the general purposes stated herein, the legislature further declares that the governing body of any county or municipality shall, insofar as it may deem reasonable

State of West Virginia



Certificate

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

THIS IS A TRUE COPY OF CHAPTER 22C, ARTICLE 2 OF THE WEST VIRGINIA CODE, AS INDICATED BY THE RECORDS OF THIS OFFICE.



Given under my hand and the Great Seal of the State of West Virginia on this
Seventeenth day of
May 19 99

Ken Hechler
Secretary of State

ARTICLE 2.

WATER POLLUTION CONTROL REVOLVING FUND ACT.

Sec.	Definitions.	Sec.	ment of fund moneys; administration of the fund.
22C-2-1.	Designation of division instrumental protection as state instrumentality for purposes of capitalization agreements with the United States environmental protection agency.	22C-2-4.	Annual audit.
22C-2-2.	West Virginia water pollution control revolving fund; disbursement of money due to the fund.	22C-2-5.	State construction grants program established; special fund projects.
22C-2-3.	Conflicting provisions.	22C-2-7.	Environmental review of funded projects.
		22C-2-8.	Conflicting provisions.

Editor's notes. — The Water Pollution Control Revolving Fund Act was formerly compiled in c. 20, art. 51.

§ 22C-2-1. Definitions.

Unless the context in which used clearly requires a different meaning, as used in this article:

- (a) "Authority" means the water development authority provided for in section four [§ 22C-1-4], article one of this chapter.
- (b) "Cost" as applied to any project financed under the provisions of this article means the total of all costs incurred by a local entity that are reasonable and necessary for carrying out all works and undertakings necessary or incident to the accomplishment of any project including:
 - (1) Developmental, planning and feasibility studies, surveys, plans and specifications;
 - (2) Architectural, engineering, financial, legal or other special services;
 - (3) Acquisition of land and any buildings and improvements on the land or buildings, including the discharge of any obligations of the sellers of the land, buildings or improvements;
 - (4) Site preparation and development, including demolition or removal of existing structures, construction and reconstruction, labor, materials, machinery and equipment;
 - (5) The reasonable costs of financing incurred by the local entity in the course of the development of the project, carrying charges incurred before placing the project in service, interest on funds borrowed to finance the project to a date subsequent to the estimated date the project is to be placed in service, necessary expenses incurred in connection with placing the project in service, and the funding of accounts and reserves which the authority may require; and
 - (6) Other items that the division of environmental protection determines to be reasonable and necessary.
- (c) "Fund" means the state water pollution control revolving fund provided for in this article as it may be expanded or modified from time to time pursuant

§ 22C-1-24. Environmental resources

the necessary appurtenances in the new location in, on, over or under the property of the authority for as long a period and upon the same terms as it had the right to maintain and operate such facilities in their former location. (1994, c. 61.)

§ 22C-1-24. Financial interest in contracts prohibited; penalty.

No officer, member or employee of the authority shall be financially interested, directly or indirectly, in any contract of any person with the authority, or in the sale of any property, real or personal, to or from the authority. This section does not apply to contracts or purchases of property, real or personal, between the authority and any governmental agency. If any officer, member or employee of the authority has such financial interest in a contract or sale of property prohibited hereby, he or she is guilty of a misdemeanor, and, upon conviction thereof, shall be fined not more than one thousand dollars, or imprisoned in the county jail not more than one year, or both fined and imprisoned. (1994, c. 61.)

§ 22C-1-25. Meetings and records of authority to be kept public.

All meetings of the authority shall be open to the public and the records of the authority shall be open to public inspection at all reasonable times, except as otherwise provided in this section. All final actions of the authority shall be journalized and such journal shall also be open to the inspection of the public at all reasonable times. Any records or information relating to secret processes or secret methods of manufacture or production which may be obtained by the authority or other persons acting under authority of this article are confidential and shall not be disclosed. (1994, c. 61.)

§ 22C-1-26. Liberal construction of article.

The provisions of this article are hereby declared to be remedial and shall be liberally construed to effectuate its purposes and intents. (1994, c. 61.)

§ 22C-1-27. Authorized limit on borrowing.

The aggregate principal amount of bonds and notes issued by the authority shall not exceed three hundred million dollars outstanding at any one time. Provided, That in computing the total amount of bonds and notes which may at any one time be outstanding, the principal amount of any outstanding bonds or notes refunded or to be refunded either by application of the proceeds of the sale of any refunding bonds or notes of the authority or by exchange for any refunding bonds or notes, shall be excluded. (1994, c. 61; 1995, c. 252.)

to the clean water act, as amended, the federal safe drinking water act, as amended or by the executive order of the governor issued to comply with federal laws relating to the acts.

(d) "Instrumentality" means the division of environmental protection or the agency designated by an order of the governor as having the primary responsibility for administering the fund pursuant to the federal clean water act, as amended, and the federal safe drinking water act, as amended, or other federal laws.

(e) "Local entity" means any county, city, town, municipal corporation, authority, district, public service district, commission, banking institution or political subdivision in West Virginia.

(f) "Project" means any public water or wastewater treatment facility located or to be located in or outside this state by a local entity and includes:

- (1) Sewage and wastewater collection, treatment and disposal facilities;
- (2) Public water transportation, treatment and distribution facilities;
- (3) Drainage facilities and projects;
- (4) Administrative, maintenance, storage and laboratory facilities related to the facilities delineated in subdivisions (1), (2) and (3) of this subsection;
- (5) Interests in land related to the facilities delineated in subdivisions (1), (2), (3) and (4) of this subsection; and
- (6) Other projects allowable under federal law. (1994, c. 61; 1996, c. 257.)

§ 22C-2-2. Designation of division of environmental protection as state instrumentality for purposes of capitalization agreements with the United States environmental protection agency.

The division of environmental protection shall act as the instrumentality that is empowered to enter into capitalization agreements with the United States environmental protection agency, to accept capitalization grant awards made under the federal clean water act, as amended, the safe drinking water act, as amended, and other federal laws and to otherwise manage the fund provided for in this article in accordance with the requirements of said federal laws. (1994, c. 61.)

§ 22C-2-3. West Virginia water pollution control revolving fund; disbursement of fund moneys; administration of the fund.

(a) Under the direction of the division of environmental protection, the water development authority shall establish, administer and manage a permanent and perpetual fund, to be known as the "West Virginia Water Pollution Control Revolving Fund." The fund shall be comprised of moneys appropriated to the fund by the Legislature, moneys allocated to the state by the federal government expressly for the purposes of establishing and maintaining a state water pollution control revolving fund, all receipts from loans made from the fund to local entities, all income from the investment of moneys held in the

fund, and all other sums designated for deposits to the fund from any source, public or private. Moneys in the fund shall be used solely to make loans to local entities to finance or refinance the costs of a project. Provided, That moneys in the fund shall be utilized to defray the costs incurred by the authority and the division of environmental protection in administering the provisions of this article. Provided, however, That moneys in the fund shall be used to make grants for projects to the extent allowed or authorized by federal law.

(b) The director of the division of environmental protection, in consultation with the authority, shall promulgate legislative rules in accordance with the provisions of article three [§ 29A-3-1 et seq.], chapter twenty-nine-a of this code, to:

- (1) Govern the disbursement of moneys from the fund; and
- (2) Establish a state water pollution control revolving fund program to direct the distribution of grants or loans from the fund to particular local entities and establish the interest rates and repayment terms of the loans.
- (c) In order to carry out the administration and management of the fund, the authority is authorized to employ officers, employees, agents, advisers and consultants, including attorneys, financial advisers, engineers, other technical advisers and public accountants and, notwithstanding any provisions of this code to the contrary, to determine their duties and compensation without the approval of any other agency or instrumentality.
- (d) The authority shall promulgate legislative rules in accordance with the provisions of article three [§ 29A-3-1 et seq.], chapter twenty-nine-a of this code to govern the pledge of loans to secure bonds of the authority.

(e) All moneys belonging to the fund shall be kept in appropriate depositories and secured in conformance with this code. Disbursements from the fund shall be authorized for payment by the director of the authority or the director's designee. Any depository or officer of the depository to which moneys of the fund are paid shall act as trustee of the moneys and shall hold and apply them solely for the purposes for which the moneys are provided under this article. Moneys in the fund shall not be commingled with other moneys of the authority. If not needed for immediate use or disbursement, moneys in the fund may be invested or reinvested by the authority in obligations or securities which are considered lawful investments for public funds under this code. (1994, c. 61; 1996, c. 257.)

§ 22C-2-4. Annual audit.

The authority shall cause an audit of its books and accounts to be made at least once each fiscal year by certified public accountants, and the cost thereof may be defrayed as a part of the cost of construction of a project or as an administrative expense under the provisions of subsection (a), section three [§ 22C-2-3(a)] of this article. (1994, c. 61.)

§ 22C-2-5. Collection of money due to the fund.

In order to ensure the timely payment of all sums due and owing to the fund under a revolving fund loan agreement between the state and a local entity,

and notwithstanding any provisions of this code to the contrary, the authority has and may, at its option, exercise the following rights and remedies in the event of any default by a local entity under a loan agreement:

- (a) The authority may directly impose, in its own name and for its own benefit, service charges upon all users of a project funded by a loan distributed to a local entity pursuant to this article, and may proceed directly to enforce and collect the service charges, together with all necessary costs of the enforcement and collection.
- (b) The authority may exercise, in its own name or in the name of and as the agent for a particular local entity, all of the rights, powers and remedies of the local entity with respect to the project or which may be conferred upon the local entity by statute, rule, regulation or judicial decision, including all rights and remedies with respect to users of the project funded by the loan distributed to that local entity pursuant to this article.
- (c) The authority may, by civil action, mandamus or other judicial or administrative proceeding, compel performance by a local entity of all of the terms and conditions of the loan agreement between the state and that local entity including:

- (1) The adjustment of service charges as required to repay the loan or otherwise satisfy the terms of the loan agreement;
- (2) The enforcement and collection of service charges; and
- (3) The enforcement by the local entity of all rights and remedies conferred by statute, rule, regulation or judicial decision.

The rights and remedies enumerated in this section are in addition to rights and remedies conferred upon the authority by law or pursuant to the loan agreement. (1994, c. 61; 1996, c. 257.)

§ 22C-2-6. State construction grants program established; special fund.

(a) The director of the division of environmental protection shall promulgate rules in accordance with the provisions of chapter twenty-nine-a [§ 29A-1-1 et seq.] of this code to establish a state construction grants program that is designed to complement and supplement the state water pollution control revolving fund program established pursuant to subsection (b), section three [§ 22C-2-3(b)] of this article.

(b) The special fund designated "The West Virginia Construction Grants Fund" established in the state treasury is continued. The special fund shall be comprised of moneys appropriated to said fund by the Legislature, assessments on existing wastewater treatment facilities, and all other sums designated for deposit to the special fund from any source, public or private: Provided, That such assessments shall be made and collected in accordance with fee schedules to be established by legislative rules promulgated by the director of the division of environmental protection, in accordance with chapter twenty-nine-a of this code. Moneys in the special fund shall be used solely for the state construction grants program established under subsection (a) of this section: Provided, however, That moneys in the special fund may be utilized to

defray the costs incurred by the division of environmental protection in administering the provisions of this section. (1994, c. 61.)

§ 22C-2-7. Environmental review of funded projects.

(a) The division of environmental protection shall conduct an environmental review on each project funded under this article. The director of the division of environmental protection shall promulgate legislative rules in accordance with the provisions of article three [§ 29A-3-1 et seq.], chapter twenty-nine-a of this code to implement the environmental review of funded projects: Provided, That the rules shall be consistent with the regulations promulgated by the United States environmental protection agency pursuant to the federal clean water act, as amended.

(b) The director of the division of environmental protection is authorized to direct a local entity, or its agent, to implement all measures that, in the judgment of the director, are necessary in order to mitigate or prevent adverse impacts to the public health, safety or welfare or to the environment that may result from a project funded under this article. The director is further authorized to require all projects to comply with all other appropriate federal laws and regulations that are required of the projects under the federal clean water act, as amended. (1994, c. 61; 1996, c. 257.)

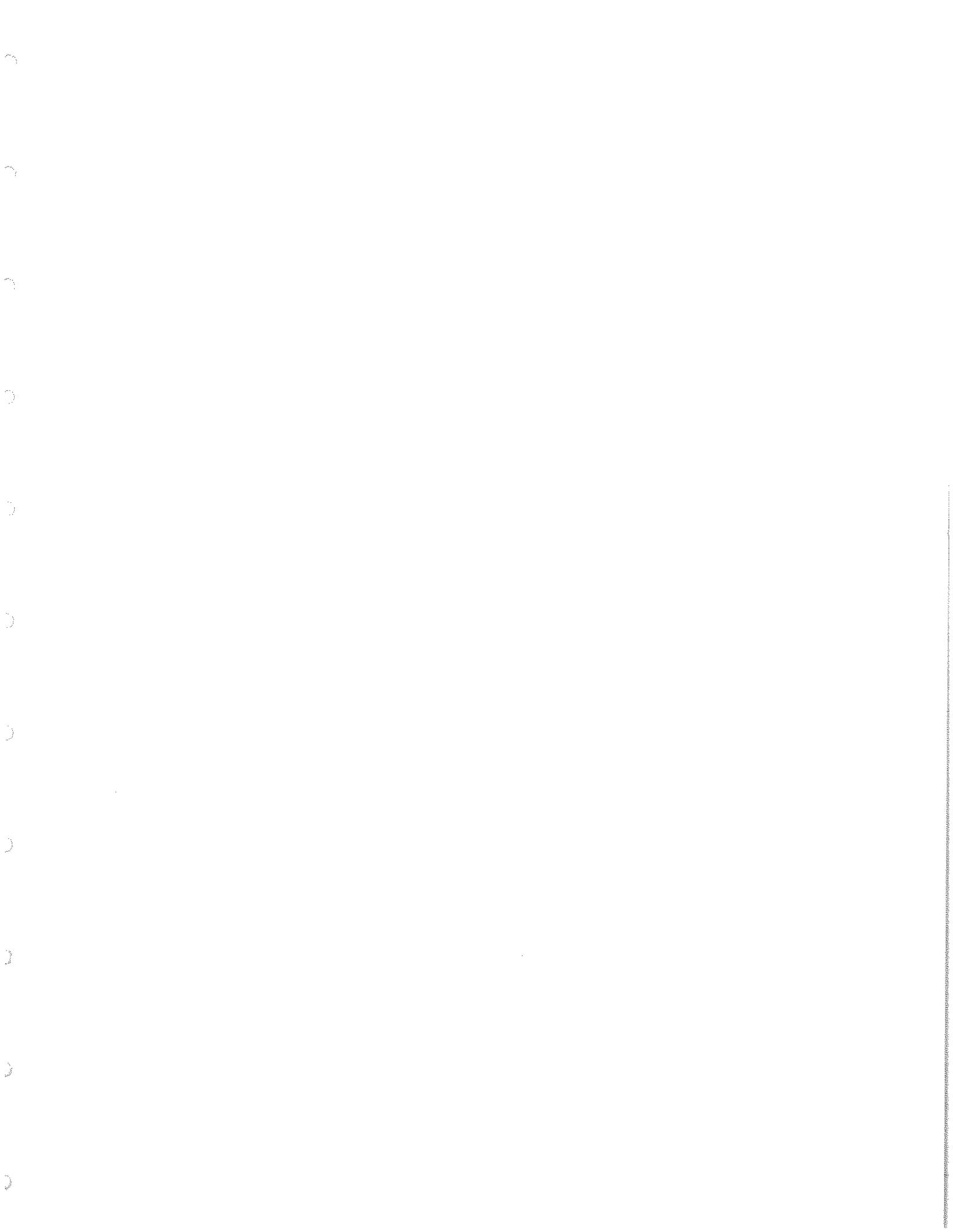
§ 22C-2-8. Conflicting provisions.

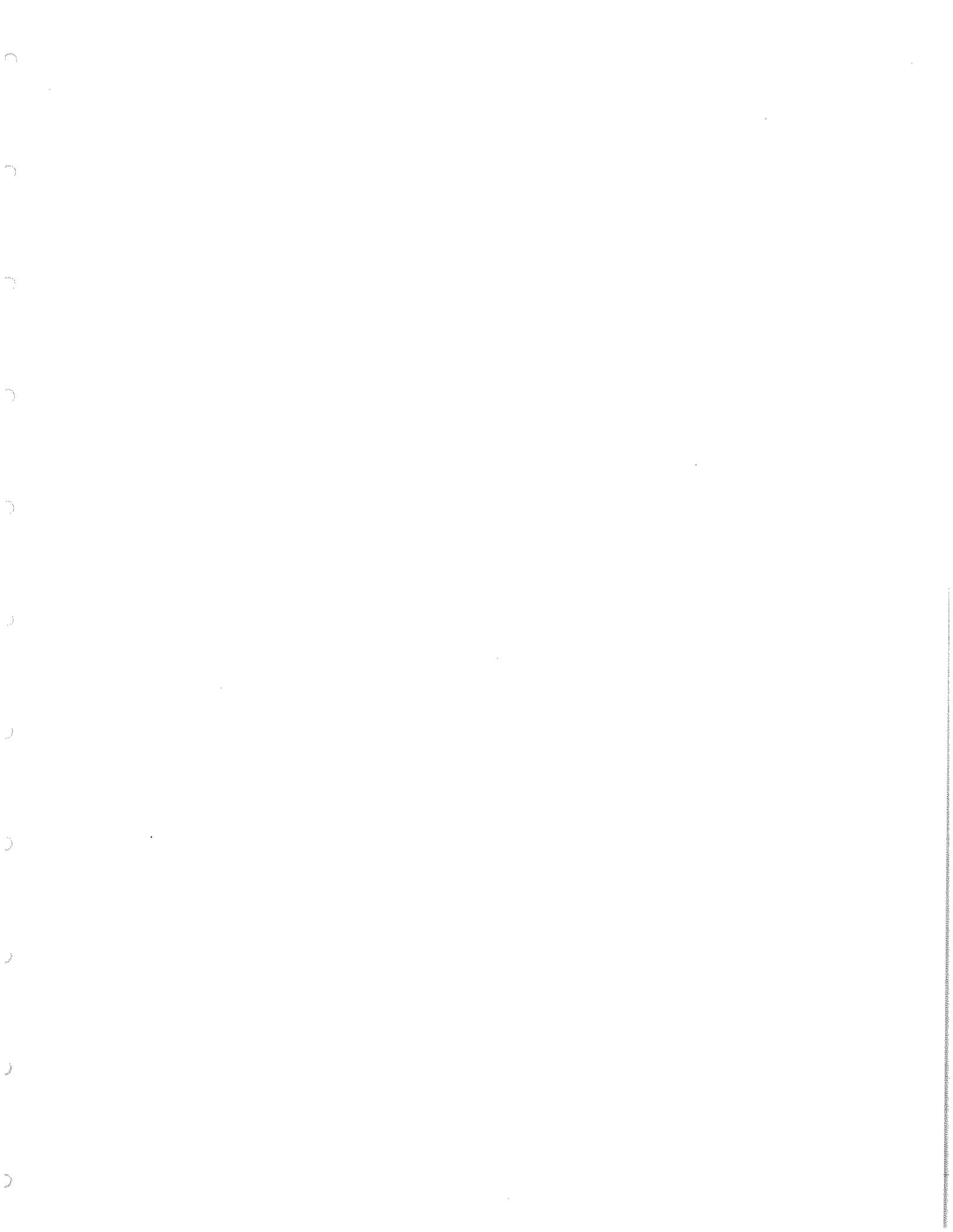
The provisions of this article shall be liberally construed to the end that its beneficial purposes may be effectuated. Insofar as the provisions of this article are inconsistent with the provisions of any other general, special or local law, the provisions of this article are controlling. (1994, c. 61.)

ARTICLE 3.

SOLID WASTE MANAGEMENT BOARD.

<p>Sec. 22C-3-1. Short title. 22C-3-2. Legislative findings; declaration of policy and responsibility; purpose and intent of article. 22C-3-3. Definitions. 22C-3-4. Solid waste management board; organization of board; appointment and qualification of board members; their term of office, compensation and expenses; director of board. 22C-3-5. Board to designate and establish disposal sheds; construction, maintenance, etc., of disposal projects; loan agreements; compliance with federal and state law. 22C-3-6. Powers, duties and responsibilities of board generally.</p>	<p>Sec. 22C-3-7. Development of state solid waste management plan. 22C-3-8. Power of board to collect service charges and exercise other powers of governmental agencies in event of default; power to require governmental agencies to enforce their rights. 22C-3-9. Development and designation of solid waste disposal sheds by board. 22C-3-10. Board empowered to issue solid waste disposal revenue bonds, renewal notes and refunding bonds; requirements and manner of such issuance. 22C-3-11. Establishment of reserve funds, replacement and improvement funds and sinking funds; fiscal</p>
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ORDINANCE OF THE CITY OF MOUNT HOPE
TO AMEND THE CITY CHARTER TO PROVIDE
FOUR (4) YEAR TERMS FOR ALL ELECTED OFFICIALS

That ARTICLE VIII of the City Charter be amended as follows:

ARTICLE VIII

Sec. 12. On the second Tuesday in May 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 office from the first day of June succeeding the year in which he is elected for a term of four years and until his successor is elected and qualified.

Sec. 13. No person shall be eligible to the office of mayor unless he or she has been a resident of the City of Mount Hope for at least one (1) year prior to the election at which he is elected and is a citizen entitled to vote at the election at which he is elected, and no person shall be elected to such office or retain or hold the same, 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.

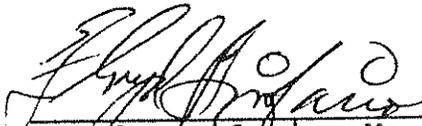
Sec. 14. On the second Tuesday in May 1996, there shall be elected by the qualified voters of the city five councilmen, to hold office from the first day of June 1996, until the first day of June 2000, or until their successors are elected and qualified. Beginning with the first election held under this act, which shall be on the second Tuesday in May 1996, and every four years thereafter, there shall be elected a clerk by the qualified voters of the city, to hold office from the term of four years, and so on every four years thereafter.

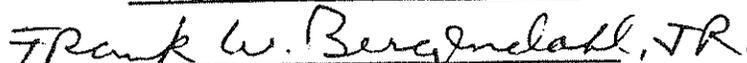
Sec. 15. No person shall be eligible to the office of councilman or clerk except he be a citizen entitled to vote at the election at which he is elected.

FIRST READING: 9-5-95

SECOND READING: 10-3-95

PASSAGE: 10-3-95


Floyd Bonifacio, Mayor


F. William Bergendahl,

56 inbefore provided levy assessments against the same in the mode
57 and manner herein provided.

58 Sections four, seven, thirty, thirty-two, thirty-three and thirty-
59 seven of chapter eighty-two of the acts of the legislature of the
60 year one thousand nine hundred and eleven in so far as they are
61 in conflict herewith are hereby repealed.

CHAPTER 17

Senate Bill No. 330—Mr. Lewis

AN ACT to create the municipal corporation of the "City of Mount
Hope," in the county of Fayette, to grant a charter thereto, and
to annul the charter of the "Town of Mount Hope."

[Passed April 25, 1921. In effect from passage. Approved by the Governor
May 4, 1921.]

SEC.	SEC.
1. City of Mount Hope.	28-29. Duties of the auditor.
2. Corporate limits.	31. Duties of city attorney.
3. Municipal authorities.	32. Duties of police judge.
4. Officers.	33-35. Ordinance: general provisions.
5-8. Corporate powers.	36. Emancipations.
9. Qualification of voters.	37-39. Estimate of expenses and levy.
10-11. Elections.	40-42. Taxes: how collected.
12-15. Election of officers.	44. Money: how appropriated.
16-17. Oath of mayor and other officers.	45-46. Sewers, paving and curbing.
18-20. Vacancies occurring.	47-50. Sewers.
21. Officers may perform other duties.	51. Bonded indebtedness.
22. To keep a journal of proceedings.	52. Building for city use, etc.
23. Meeting of council.	53-55. Health.
24. Quorum.	56. Police department.
25. Salaries.	57. Fire department.
26. Appointive officers.	58. Present officers, how long to con- tinue in office.
27. Duties of the mayor.	59. Inconsistent acts repealed.
28. Duties of the clerk.	

Be it enacted by the Legislature of West Virginia:

ARTICLE I.

The City of Mount Hope.

Section 1. That the inhabitants of so much of Fayette county
2 as are within the boundaries prescribed by article two of this act,
3 and their successors, shall constitute, be and remain a municipal
4 corporation by the name of "the City of Mount Hope."

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ARTICLE II.

Corporate Limits.

Sec. 2. The corporate limits of the city of Mount Hope shall be as follows: Beginning at the original corporation line at a stake near Mill Creek, thence north with the said original line seventeen degrees thirty minutes east six hundred and ninety feet; north twelve degrees fifteen minutes east one hundred and thirty feet; north thirty-three degrees fifteen minutes east four hundred and twenty-eight feet; north eleven degrees fifty-five minutes east four hundred and forty feet; north twenty-nine degrees east six hundred and forty-one feet to a stake on the north side of Dun Loop creek near the bottling works; thence, leaving the original corporation lines north thirty-eight degrees east two hundred eleven feet to a stake in the line of Glen Jean corporation; thence with same north twenty-six degrees west two thousand and seventy feet; thence leaving said Glen Jean corporation and through the Sugar creek lease south sixty-four degrees west five thousand three hundred and eighty feet to a stake in the original line, a corner to the McKell heirs; thence with the original lines south twenty-eight degrees east one thousand nine hundred and ninety-seven feet; south eighty-three degrees east two hundred and ten feet; south thirty-two degrees twenty minutes east one thousand six hundred and forty-three feet; north fifty-seven degrees east two thousand four hundred and thirty-five feet; south seventy-one degrees forty-five minutes east two hundred and seventy-two feet; north fifty-four degrees east crossing Mill Creek three hundred and seventy-eight feet to the beginning.

ARTICLE III.

Municipal Authorities.

Sec. 3. The municipal authorities of the city of Mount Hope shall be the mayor, clerk and five councilmen, who shall constitute the council.

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ARTICLE IV.

Officers.

Sec. 4. In addition to the municipal authorities mentioned in article three of this act, the said city of Mount Hope shall have a treasurer who may be sergeant, an auditor who may be clerk, chief of police, building inspector, who may be one of the council, a police judge, who shall be the mayor, and council may appoint a health commissioner, city attorney and such other officers and agents as the council may from time to time create or employ.

ARTICLE V.

Corporate Powers.

Sec. 5. All of the corporate powers of said city shall be exercised by the said council or under its authority, except as otherwise provided herein.

Sec. 6. 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 Mount Hope," 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 powers, to assess upon and collect from the property benefited thereby for the welfare of said corporation.

Sec. 7. The municipal authorities of said city, acting under the powers and in the manner herein specified, shall have and are hereby granted the power to have said city re-surveyed; to open, vacate, broaden, widen and repair streets and alleys; to curb and pave streets, sidewalks and gutters for public use, and to alter, improve, repair and light the same; to construct and maintain public sewers and laterals, and shall in all cases have power to assess upon and collect from the property benefitted thereby such part of the expense thereof as shall be fixed by ordinance, except as hereinafter provided; to have control of all streets and 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; to have the right to control all bridges within said city and traffic passing over them; to regulate and determine the width of streets, sidewalks, roads and alleys; to order and direct the curbing and

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16 paving of sidewalks and footways for public use in said city, to be
17 done and kept in good order by the owners of adjacent property; to
18 control the construction and repairing of all houses, bridges culverts
19 and sewers, and to prescribe and enforce all regulations affecting the
20 erecting, repairing or removal of all buildings and structures and to
21 require permits to be obtained for such buildings, plans and specifi-
22 cations thereof to be first submitted to the building inspector, and to
23 prescribe and enforce regulations controlling the erection of such
24 buildings, and to secure the safety and health of the public; to
25 control the opening and construction of ditches, drains, sewers.
26 cesspools and gutters, to deepen, widen and clear the same of stag-
27 nant water and filth, and to determine at whose expense the same
28 shall be done; to build and maintain station houses, police stations
29 and police courts, and to regulate the management thereof; to pur-
30 chase, lay off, appropriate and control public roads, squares and
31 parks, either within or without the city limits as hereinafer de-
32 fined, and when the council determines that any real estate is
33 necessary to be acquired by the said city for any such purpose.
34 the power of eminent domain is hereby conferred upon said city,
35 and it shall have the right to institute condemnation proceed-
36 ings against the owner thereof in the same manner and to the same
37 extent and under the same conditions as such power is conferred
38 upon public service corporations by chapter forty-eight of Barnes'
39 code of West Virginia of the edition of one thousand nine hundred
40 and eighteen; to provide, contract for and take care of all public
41 buildings and structures being proper for the use of said city; to
42 provide for and regulate the building of all houses or other struct-
43 tures, and to determine the distance they shall be built from the
44 street or alley; to cause the removal of unsafe walls or buildings;
45 to compel owners of property to fence in or wall their property
46 for the protection of the public safety; to prevent the injury and
47 annoyance to the business of individuals from anything dangerous,
48 offensive or unwholesome; to abate or cause to be abated all
49 nuisances; to regulate the keeping of gun powder and all other
50 combustibles; to provide and maintain proper places for the burial
51 of the dead; to regulate interment therein upon such terms and
52 conditions as to price and otherwise as may be determined; to pro-
53 vide for shade and ornamental trees and the protection or removal
54 of same; to provide for the draining of lots by proper drains and
55 ditches; to make proper regulation regarding danger and damage
56 from fire; to provide for the poor of the city; to organize and

57 maintain fire companies and provide the necessary apparatus; to
 58 levy taxes on persons, property and licenses; to provide revenue for
 59 the city and appropriate the same to its expenses; to provide for
 60 the valuation of property as often as it may be deemed proper
 61 and for the assessment of taxable persons and property; to adopt
 62 rules for the transaction of business and for the government and
 63 welfare of this corporate body; to promote the general welfare of
 64 the city and protect the person and property of citizens therein;
 65 to adopt rules for the transaction of business and for the govern-
 66 ment and regulation of its corporate body; to appoint such officers
 67 as they may deem proper and require and take from them bond
 68 with such security and in such penalty as may be determined,
 69 conditioned for the faithful discharge of their duty; to regulate
 70 and provide for the weighing of produce and other articles sold
 71 in said city; to regulate the transportation thereof through the
 72 streets; to establish and regulate markets, to prescribe the time
 73 for holding the same and what shall be sold in such markets, and
 74 to acquire and hold property for market purposes if deemed proper;
 75 to regulate the placing of signs, bill boards, posters and advertising
 76 and other obstructions in, or over the streets, alleys and sidewalks
 77 of said city, to preserve and protect the peace, order and health of
 78 the city and its inhabitants; to appoint and fix places for holding
 79 city elections; to erect, own, lease, regulate, authorize or prohibit
 80 the erection of gas works, electric light works in or near the city,
 81 and to operate the same and sell the products thereof and do all
 82 things necessary and incidental to the conduct of such business;
 83 to provide for and preserve the purity of the water and health of
 84 the city; to prescribe and enforce ordinances for the purpose of
 85 protecting the health, decency, morality and order of the city and
 86 its inhabitants, and to punish violations of such ordinances, even
 87 if the offenses under and against such ordinances shall also consti-
 88 tute offenses under the laws of the state of West Virginia or the
 89 common laws; to have and exercise all the rights, privileges and
 90 powers provided by chapter forty-seven of Barnes' code of West
 91 Virginia of the edition of one thousand nine hundred and eighteen,
 92 and amendments thereof not inconsistent with this act, and shall
 93 retain, keep and succeed to all rights, privileges, property, interest,
 94 claims and demands heretofore acquired by or vested in or trans-
 95 ferred to the "City of Mount Hope", or heretofore to the corpora-
 96 tion of Mount Hope.

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Sec. 8. To carry into effect these enumerated powers and all 2 other powers conferred upon said city, expressly or by implication 3 in this and other acts of the legislature, the municipal authorities 4 of said city shall have power in the manner heretofore prescribed 5 to adopt and enforce all needful orders, by-laws and ordinances not 6 contrary to the laws and constitution of this state, and to prescribe, 7 impose and enforce reasonable fines and penalties, including im- 8 prisonment.

ARTICLE VI.

Qualification of Voters.

Sec. 9. Every person who may have resided within the territory 2 of said city for six months next preceding an election held therein, 3 and who is a qualified voter under the laws and constitution of this 4 state, and none others, shall be entitled to vote at any election held 5 in said city. But no person shall be deemed a resident of said 6 city by reason of being a student of any school or college therein 7 for any temporary purpose.

ARTICLE VII.

Elections.

Sec. 10. The council shall by ordinance provide such regula- 2 tions for the registration of voters as the state laws may require.

Sec. 11. The first election under this act shall be held on 2 the second Tuesday in May in the year one thousand nine hundred 3 and twenty-two; and the second election on the second Tuesday in 4 May in the year one thousand nine hundred and twenty-four, and 5 on the same day every two years thereafter. Such first election and 6 all subsequent elections shall be held in such manner as is, or 7 shall be prescribed by law for the holding of state elections and 8 the council shall, for the first election held under this act, and 9 at least ten days before said first election under this act, designate 11 challengers to hold the said first election. Special elections for 12 any purpose must be authorized by the council and called by the 13 mayor. Notices of all special elections must be given by publica- 14 tion in at least one newspaper of general circulation 15 in the city of Mount Hope, at least thirty days before the date 16 fixed for all such special elections, and by posting notices in such 17 manner as the council may deem necessary. The council shall 18 sit on the seventh day, Sundays excepted, after every election as

19 a board of canvassers, each member of the council having one vote;
 20 and as such board of canvassers they shall canvass, ascertain, pub-
 21 lish and declare the result of any election held; and the circuit
 22 court of Fayette county shall have power to control proceedings
 10 the voting places and the names of the commissioners, clerks and
 23 of said board of canvassers by mandamus and prohibition. The
 24 said board shall keep in a separate book, marked for that purpose,
 25 a record of the proceedings, and shall take down and record any
 26 evidence, motion, or paper filed, or offered by any candidate, which
 27 book and record shall be open to the public and shall be kept in
 28 the custody of the clerk.

ARTICLE VIII.

Election of Officers.

Sec. 12. On the second Tuesday in May one thousand nine
 2 hundred and twenty-two, and on the same day every two years
 3 thereafter, there shall be elected by the qualified voters of the city,
 4 a mayor, who shall hold office from the first day of June succeeding
 5 the year in which he is elected for a term of two years and until
 6 his successor is elected and qualified.

Sec. 13. No person shall be eligible to the office of mayor except
 2 he be assessed with and own at least five hundred dollars worth
 3 of real or personal property, and is a citizen entitled to vote at
 4 the election at which he is elected, and no person shall be elected
 5 to such office or retain or hold the same, who shall be or become
 6 an officer or employee of any person, firm or corporation holding
 7 any franchise or contract under or with said city.

Sec. 14. On the second Tuesday in May, one thousand nine
 2 hundred and twenty-two there shall be elected by the qualified
 3 voters of the city five councilmen, to hold office from the first day
 4 of June one thousand nine hundred and twenty-two until the first
 5 day of June, one thousand nine hundred and twenty-four or until
 6 their successors are elected and qualified. Beginning with the first
 7 election held under this act, which shall be on the second Tuesday
 8 in May, one thousand nine hundred and twenty-two, and every two
 9 years thereafter, there shall be elected a clerk by the qualified voters
 10 of the city, to hold office for the term of two years, and so on every
 11 two years thereafter. The officers of the city elected under the old
 12 charter and at the election held in the year one thousand nine hun-
 13 dred and twenty-one shall hold over until their successors are
 14 elected and qualified.

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Sec. 15. No person shall be eligible to the office of councilman
 2 or clerk except he be assessed with and own at least five hundred
 3 dollars worth of real or personal property, and be a citizen entitled
 4 to vote at the election at which he is elected.

ARTICLE IX.

Oath of Mayor and Other Officers.

Sec. 16. The mayor, before taking his seat or performing any of
 2 the duties of said office, shall take and subscribe an oath or affir-
 3 mation that he possesses the qualifications prescribed by this act
 4 to hold such office, and is not subject to any of the disqualifications
 5 prescribed therein, and that he will support the constitution of the
 6 United States and the constitution of this state, and honestly dis-
 7 charge the duties of his office to the best of his skill and judgment
 8 which oath shall be written out and signed and filed and preserved
 9 among the records and books of the city.

Sec. 17. The clerk, councilmen and all other officers elected or
 2 appointed under this act shall take and subscribe an oath or
 3 affirmation in the time, manner, form and effect, prescribed for
 4 the mayor.

ARTICLE X.

Vacancies Occurring.

Sec. 18. If a vacancy should occur in the office of mayor, the
 2 council shall, as soon as practicable, fill the vacancy by the ap-
 3 pointment of some qualified person. If any vacancy occurs in any
 4 other office, whether elective or appointive, the council shall fill
 5 the same by the appointment of some qualified person subject to
 6 all regulations as required for the original appointment of elec-
 7 tion.

Sec. 19. All persons appointed to fill vacancies in the elective
 2 offices shall hold office until the next city election, and all vacan-
 3 cies in appointive offices shall be filled for the unexpired term.

Sec. 20. The council shall have and is hereby granted the power
 2 and authority to remove from office any officer, whether elective
 3 or appointive, for cause or upon written charges preferred by any
 4 responsible citizen to the council; but to remove from office under
 5 this provision, four-fifths of the members of the council must be
 6 present and four-fifths must concur in such removal, and the officer

7 against whom the charges are preferred shall be served with a
 8 reasonable notice of the same, together with the time of hearing
 9 upon such charges, together with a copy of such charges, and shall
 10 have the right to be represented before the council in person and
 11 by attorney; and the right to require all witnesses to be sworn and
 12 testify under oath before the council and to have the testimony
 13 taken down.

ARTICLE XI.

Officers May Perform Other Duties.

Sec. 21. Any member of the council, the mayor, clerk, treas-
 2 urer, or any other elective or appointive officer shall, during the
 3 time for which he was elected or appointed, be eligible for ap-
 4 pointment to any office under the city government; provided, such
 5 employment is authorized by the council, by resolution for such
 6 appointment; but in no case shall the time of service be for a
 7 longer period than said council is selected to serve under this act.

ARTICLE XII.

To Keep a Journal of Proceedings.

Sec. 22. The council shall keep a journal of all its proceedings,
 2 which shall, at all times, be open to the inspection of the taxpayers
 3 of the city, and be a public record, and the ayes and noes of the
 4 members shall be taken on any question, at the request of any
 5 member, and shall be taken down and entered on the journal.

ARTICLE XIII.

Meeting of Council.

Sec. 23. The council shall hold regular meetings on the first
 2 Tuesday of each month of the year, and such special meetings as
 3 the business to be transacted may require, at such time, place or
 4 places in the city as the council shall, from time to time, ordain
 5 or appoint; and the council shall have the power by proper ordi-
 6 nances or resolution, entered of record, to vest in any officer of the
 7 city or any member or number of members of their body, author-
 8 ity to call such special meetings and in like manner to prescribe
 9 the mode in and by which said meetings shall be called. All ques-
 10 tions put, except as to such matters, as herein otherwise provided,
 11 shall be decided by a majority of all the members elected. No

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12 business shall be transacted at any special meeting of the council
 13 unless specifically mentioned in the call for such meeting.

ARTICLE XIV.

Quorum.

Sec. 24. The majority of the whole number of members elected
 2 or appointed to the council shall constitute a quorum to transact
 3 business, but a smaller number may adjourn from time to time and
 4 may compel attendance of absent members in such manner and
 5 under such penalties as either body may by rules provide.

ARTICLE XV.

Salaries.

Sec. 25. The mayor, clerk, regular and other officers, em-
 2 ployees and appointees, shall receive for their official services such
 3 salaries as the council shall, from time to time, by ordinance fix
 4 and establish; but the salaries of such officers shall not be in-
 5 creased or diminished during the term for which such officers were
 6 elected or appointed; *provided*, that the salaries of all officers
 7 elected or appointed for any term shall be fixed not later than
 8 thirty days preceding any election.

ARTICLE XVI.

Appointive Officers.

Sec. 26. The council shall by a majority vote of its members
 2 fill all appointive offices under the city administration.

ARTICLE XVII.

Duties of the Mayor.

Sec. 27. The mayor shall be chief executive officer of the city
 2 and shall preside at all meetings of the council and shall have a
 3 vote in case of tie; he shall have charge and control of the police
 4 except as herein otherwise provided; he shall see that the laws and
 5 ordinances of the city are enforced; that the peace and good order
 6 of the city are preserved and that persons and property therein are
 7 protected, and to this end he may cause the arrest and detention
 8 of riotous and disorderly persons, and shall perform such other
 9 duties and services as the council may ordain in addition to the
 10 duties prescribed in this act and not inconsistent herewith. The

11 clerk, except as herein otherwise provided, shall perform the duties
 12 of the mayor whenever and so long as the mayor is from any
 13 cause not able to perform his official duties, and he shall, in the
 14 absence of the mayor perform any and all the duties of the mayor
 15 except he shall not preside over the council. In the absence of the
 16 mayor at a meeting of the council, the council shall select one of
 17 its own members to preside over its meetings, who shall have a
 18 vote as a councilman. If the mayor and clerk are both absent from
 19 the city, or otherwise disabled from performing the duties of the
 20 mayor, the council may elect a mayor *pro tempore*. The mayor
 21 shall have the power at any time to appoint special policemen, who
 22 shall be sworn in without confirmation of the council.

ARTICLE XVIII.

Duties of the Clerk.

Sec. 28. It shall be the duty of the clerk to keep a properly in-
 2 dexed journal of the proceedings of the council and board of health
 3 and have charge of and preserve the records of the city; he shall,
 4 whenever required by the mayor, attend the police court and at-
 5 tend to all the duties as clerk of the police court of the city. In
 6 the absence of the mayor or police judge, he shall exercise the func-
 7 tions of police judge; he shall perform all other duties required
 8 of him by order or by ordinance of the council; as clerk he shall
 9 receive compensation for his service to be fixed by the council,
 10 which shall not be increased or diminished during his term of
 11 office.

ARTICLE XIX.

Duties of the Auditor.

Sec. 29. The auditor shall be the city accountant and auditing
 2 officer of the city and it shall be his duty to see that the accounts
 3 of said city are kept in a detailed and systematic manner, under
 4 the proper classification so as to show the bonded and other in-
 5 debtedness of said city, and the amounts and claims due the same,
 6 as well from taxes, levies and assessments as from other sources.

Sec. 30. In addition to the other duties of the auditor, it shall
 2 be his duty, on or before the first day of August in each year to
 3 make a copy from the real and personal property books of prop-
 4 erty shown to be liable to taxation within the limits of the city of
 5 Mount Hope, and to certify such copies under his hand as a true

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6 and correct copy thereof, and to deliver the same to the council and
7 to assist the council in preparing the annual estimate of expenses
8 to be certified to the council as a basis for the annual levy. After
9 such levy is made in each year, it shall be the duty of the auditor
10 to extend said levy upon said real estate and personal property
11 books for said city and to prepare proper tax tickets therefrom
12 against all owners of real estate and personal property subject to
13 taxation in said city. He shall turn the said tax bills over to
14 the treasurer or sergeant, who shall collect said taxes when due and
15 payable, and the treasurer shall certify to the payment of same as
16 made. In addition to the above duties of the auditor, he shall per-
17 form such other duties as the council shall prescribe.

ARTICLE XX.

Duties of City Attorney.

Sec. 31. The council may appoint a city attorney, by a ma-
2 jority vote of its members, who shall be the legal adviser of the city
3 and all its officers in all matters arising and in which legal pro-
4 ceedings may be taken; he shall prosecute all the suits, actions
5 and proceedings instituted on behalf of said city and shall defend
6 all suits and actions against said city, and when requested to do
7 so in writing, shall give his written opinion to the mayor, council
8 or any committee thereof upon such questions as may be referred
9 to him affecting the city's interest; he shall perform such other
10 duties as may be requested, and for such services shall receive such
11 compensation as may be agreed on between him and the city
12 council.

ARTICLE XXI.

Duties of Police Judge.

Sec. 32. The mayor or police judge shall be *ex-officio* a justice
2 and conservator of the peace within the city and he shall, within
3 the same, have, possess and exercise all the powers and perform all
4 the duties vested by law in a justice of the peace, except that he
5 shall have no jurisdiction in civil causes of action arising out of
6 the corporate limits of the city. He shall have the same power to
7 issue attachments in civil actions as a justice of his county has,
8 though the cause of action arose out of the city limits, but in such
9 case he shall have no power to try the same but must have such at-
10 tachment returnable and heard before some justice of the county.

11 Any warrant or other process issued by him may be executed within
 12 the same territorial limits as that of a justice of the county. He
 13 shall have power to issue executions for all fines, costs and penal-
 14 ties imposed by him, or he may require the immediate payment
 15 thereof, and in default of such payment he may commit the party
 16 in default to the jail of the city, until the fine, penalty or costs
 17 shall be paid, but the term of imprisonment in such cases shall not
 18 exceed sixty days. But such mayor or police judge shall not re-
 19 ceive any money belonging to the state, or any individual, unless
 20 he shall give bond and security as required of a justice of the
 21 peace under the laws of the state of West Virginia, and all pro-
 22 visions under the laws of the state of West Virginia relating to
 23 moneys received by justices shall apply as to like moneys received
 24 by the mayor or police judge.

ARTICLE XXII.

Ordinance—General Provisions.

Sec. 33. The style of ordinances of the city shall be "Be it en-
 2 acted and ordained by the council of the city of Mount Hope,"
 3 but the ordinances now in force shall remain in effect until amend-
 4 ed or repealed, except where they are in conflict or inconsistent
 5 with this act.

Sec. 34. All ordinances shall be presented in writing and no
 2 ordinance shall be so amended in its passage as to change the
 3 general purpose. No ordinance shall be considered for final pas-
 4 sage at the meeting at which it is introduced unless the same shall
 5 have been reported on by a committee, but reference to a committee
 6 may be dispensed with by an affirmative vote of three-fifths of the
 7 council as elected. No ordinance shall contain more than one
 8 subject, which shall be clearly expressed in its title; nor shall any
 9 ordinance be passed by the council unless a majority of all the
 10 members elected to the council shall concur therein by ayes and
 11 nays when the question is put upon its passage.

Sec. 35. All ordinances passed by the council shall be spread
 2 upon the minutes and at the next regular meeting such ordinances
 3 shall be read in open council and the mayor shall sign said min-
 4 utes when found correct or corrected, in the presence of the council.
 5 The council shall provide a well-bound book, in which shall be
 6 copied all the ordinances in the order in which they are passed,
 7 which ordinances so copied shall be compared with the originals

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8 by the mayor and shall be signed by him when found correct.
9 Such book shall be indexed so as to show in brief from the sub-
10 stance of the ordinances. All copies thereof certified as herein-
11 after provided, shall be received by all the courts and justices in
12 this state as evidence; but the council may adopt by ordinance,
13 properly designing and describing it, a code of laws and ordi-
14 nances, which when adopted, shall be published in a newspaper of
15 general circulation in said city, or posted, and printed in book
16 form, or it may be adopted as a whole after it is printed, and the
17 said code shall be and become the laws and ordinances of the said
18 city, and shall be received as such by all the courts in this state,
19 and the printed volumes published under order of the council shall
20 be so received as evidence of what is printed therein till errors
21 or omissions be affirmatively shown therein.

ARTICLE XXIII.

Enfranchisements.

Sec. 36. All franchises granting the right of occupancy of any
2 portion of the streets of the city for work of public utility and
3 service shall be granted by the council, but no such franchise shall
4 hereafter be granted except under the following restrictions and
5 conditions:

6 No franchise shall be granted, except at the time of granting
7 it bond be made to the city providing that the grantee shall indem-
8 nify the city against all damages caused by construction, mainte-
9 nance or operation of such works. All reasonable additional pro-
10 visions and conditions may be made for the protection of the public
11 necessary damage or inconvenience by reason of the construction,
12 maintenance or operation thereof.

13 No grant of a franchise for the extension of, or in addition to,
14 any line of work or public service through, over or under any ad-
15 ditional street or territory of the city shall be made for a period
16 extending beyond the time limit for the expiration of the fran-
17 chise, if the principal work is one granted before this act goes into
18 effect and not limited as to time. Any franchise granted for an
19 extension or addition thereto shall nevertheless be made, subject
20 to the provisions hereof including the time limit of not exceeding
21 fifty years.

22 The council shall in all franchises hereafter granted, embody
23 therein a plainly expressed condition, when the franchise is to be

24 for work useful chiefly to the citizens of the city, that at the ex-
25 piration of the franchise the grantee shall, if required by the coun-
26 cil sell to the city the plant at what it is then worth.

27 If the city or the owner of the plant cannot agree upon its value,
28 then its value shall be ascertained by an impartial arbitration, one
29 arbitrator to be selected by the city, one by such owner of the
30 plant, these two to select a third, and the decision of any two to
31 be binding upon both parties.

ARTICLE XXIV.

Estimate of Expenses and Levy.

Sec. 37. A finance committee shall be appointed from the
2 council members, by the mayor, and said finance committee shall,
3 on or before the first day of August in each year, prepare and sub-
4 mit to the council an estimate of the amount of money necessary
5 and advisable to be expended by the city for the current year next
6 ensuing and to be provided for by the tax levy as herein provided
7 for such current year, in which estimate the finance committee
8 shall ascertain and present a detailed and itemized account or esti-
9 mate of the money necessary to pay interest on the bonded in-
10 debtedness of the city, the amount required for the several sink-
11 ing funds, for the reduction of the principals thereof, the amount
12 to be expended severally for the streets, alleys, curbing, water
13 works, police department, fire department, street paving, sewers, sal-
14 aries, parks, real and personal property, contingent expenses and
15 other expenses, together with an itemized statement of the esti-
16 mated receipts, other than that to be derived from the annual levy,
17 and after receiving such estimates, and before making the levy the
18 council shall apportion the rate thereof, (including estimated re-
19 cepts for licenses and all other sources), among the several funds
20 to ascertain and provide for, which said apportionment when
21 adopted, shall be spread upon the records of the council.

22 Upon the estimate of such expense, the council shall thereupon,
23 by ordinance, lay a levy for the ensuing tax year of a sum not to ex-
24 ceed one dollar on each one hundred dollars assessed valuation
25 of all taxable property, real and personal, subject to taxation in
26 said city, as well as a capitation tax not to exceed two dollars upon
27 every male inhabitant of said city over the age of twenty-one years
28 who is subject to the capitation tax under the laws of the state of
29 West Virginia, and said council is authorized to levy to such max-

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33 taxes.

Sec. 38. Who-
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Sec. 39. The c
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5 certified by the state auditor and sold for taxes, interest and penal-
6 ties and commissions thereon in the same manner, at the same time,
7 and by the same officer as real estate sold for taxes, interest, dam-
8 ages, costs and commissions due the state thereon, which officer
9 shall account therefor on settlement with the council and pay the
10 same over to the treasurer.

ARTICLE XXVI.

Money—How Appropriated.

Sec. 44. No money shall be appropriated and no debts shall be
2 contracted and no contracts authorized by the city, except by an
3 ordinance passed by the council as specified herein, and no such or-
4 dinances shall be passed except where the funds to meet the same
5 shall have first been provided by levy duly made in accordance with
6 this act and its provisions. No contract shall be entered into in-
7 volving or anticipating further levies, unless all the questions con-
8 nected with the same shall have been first submitted to the people
9 and shall have received three-fifths of all the votes cast at such
10 election.

ARTICLE XXVII.

Sewers, Paving and Curbing.

Sec. 45. The council shall have the power to establish the
2 width of any sidewalk along any street, alley or public square or
3 portion thereof, and any owner of ground fronting on such street,
4 alley or public square shall, in such manner as the council shall
5 reasonably prescribe, pave and curb the sidewalk adjacent to such
6 property. In case of a failure or refusal of the owner to pave or
7 curb the same, the council may cause the same to be properly
8 curbed and paved by the city, and levy and collect from such
9 owner the whole cost of such curbing and paving adjacent to such
10 property, with a penalty of five per centum added thereto, to-
11 gether with six per centum interest until paid; and in like manner
12 to require the owner of any property adjacent to any paved side-
13 walk heretofore or hereafter constructed, to keep the same in re-
14 pair, and in default of doing so to cause the same to be repaired,
15 and levy and collect the cost from said owner or owners with a
16 penalty of five per centum added thereto together with six per
17 centum interest per annum until paid. In all cases of such as-
18 sessment, whether for the original or for the repairing of side-
19 walks, payment thereof, including penalties and interest, shall be

20 made to the sergeant within sixty days after the completion of the
21 work, who shall have the power to collect the same from the owner
22 or owners of any such property by distress and sale, in the same
23 manner in which taxes levied for the benefit of the city are au-
24 thorized to be collected, and in addition, there shall be a lien upon
25 such real estate, which lien shall be enforced by appropriate suit
26 in any court of record of Fayette county.

Sec. 46. Whenever the council may deem it expedient to cause
2 any street or alley in said city, or portion thereof, to be paved in
3 a permanent manner, it shall upon a written petition signed by the
3-a property owners owning two-thirds of the property abutting on
3-b said street or alley, order the work done in the follow-
4 ing manner and upon the following terms: The contract for such
5 paving shall, after due advertising, in which the council shall re-
6 serve the right to reject any and all bids, be let, if let, to the low-
7 est responsible bidder. The contractor shall look only to the city
8 for the payment for the work and in no sense to the abutting land
9 owner. The total cost of grading and paving any such street or
10 alley (except when the streets are occupied by street car tracks,
11 for the distance between the rails and for two additional feet out-
12 side of each rail, which portion shall be borne and paid by the
13 company owning and operating such railway and track) shall be
14 borne by the owners of the land abutting upon said street, alley or
15 portion thereof, subject to the following plans, that is to say:
16 payment is to be made by all the land owners on either side of such
17 portion of a street or block so paved, in such portion of the total
18 cost, less the portion, if any, chargeable to such street railway
19 company, as the frontage in feet of his land bears to the total
20 frontage of all lands so abutting on such street, alley or portion
21 thereof so paved as aforesaid. The cost of such paving chargeable
22 to the abutting property is not to include any portion of the
23 amount paid for paving of any squares at intersections of streets,
24 which shall in all cases be borne and paid by the city. When the
25 paving of any street or alley or portion thereof shall have been
26 let to contract and the work done as hereinbefore provided, it shall
27 be the duty of the city engineer to cause the several frontages
28 abutting thereon to be measured, to calculate the assessment upon
29 each and every land owner so abutting, and to certify the same to
30 the council showing the proper amount to be determined as pro-
31 vided in the foregoing plan. It shall be the duty of the council

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32 to examine and compare such assessments, amounts and names so
33 certified to it. Thereupon, the council shall give notice by publi-
34 cation for two successive weeks in some newspaper of general circ-
35 lation published in said city that an assessment, under this act, is
36 about to be laid against abutting property for paving done on said
37 streets or alleys, describing the location of such paving. Any owner
38 or owners of abutting property shall have the right to appear before
39 the said council within three weeks from the first publication thereof
40 and move such council to correct any apportionment or assess-
41 ment improperly made; which corrections the said council shall
42 have the power to make. If found to be correct, or when recti-
43 fied, the council shall cause the same to be entered, together with
44 the description as to the location, frontage, depth and ownership
45 of the land, so far as the same may be ascertained, upon its rec-
46 ords, and to enter in its record that such owners and lots be as-
47 sessed and chargeable with the amount so ascertained to be borne
48 by them respectively. When so approved, certified and entered of
49 record, the same shall be and constitute an assessment against said
50 owners and lots for such respective amounts. It shall be the duty
51 of the council to immediately certify such assessment to the ser-
52 geant for collection as hereinbefore provided. A copy of such
53 order shall be certified by order to the clerk of the county court of
54 Fayette county, who shall be required to record and index the same
55 in the proper deed book in the name of each person against whose
56 property assessments appear therein. The amount so assessed
57 against any land owner, as aforesaid, shall be paid in seven pay-
58 ments, as follows, that is to say: one-fourth of said amount shall
59 be paid to the sergeant when said work is completed, certified and
60 entered of record as aforesaid, and the other three-fourths shall be
61 paid in equal semi-annual payments with six per cent interest
62 thereon until paid, the first of which shall be due and payable six
63 months from date first payment is due, and so on, every six months
64 until the full amount of assessment, with penalties and interest
65 is paid, the purpose being to require the payment regularly until
66 the entire amount is paid. *Provided, however,* that the abutting
67 land owner so liable for any costs of such paving shall have the
68 right at any time after the same is certified as aforesaid to the ser-
69 geant for correction, to anticipate the payment of either install-
70 ment. To each of said installments of assessments remaining un-
71 paid in the sergeant's hands at the time specified for such payment.

72 a penalty of four per cent shall be added and the payment thereof
 73 enforced, in all respects as hereinbefore provided for the collection
 74 of any other taxes due the city, and such shall be a lien upon the
 75 property liable therefor, the same as for other taxes, and the lien
 76 may be enforced in the same manner as provided for other taxes.
 77 The liens hereinbefore provided for shall have priority over all
 78 other liens except these due the state and county for taxes, and
 79 shall be on a parity with other taxes and assessments due the city.
 80 Upon the payment of any assessment to the sergeant he shall de-
 81 liver to the party paying the same a release of the lien therefor,
 82 which may be recorded in the office of the clerk of the county court
 83 as other releases for liens. Should such assessment not be in the
 84 hands of the sergeant, if the same shall have been shown to the
 85 satisfaction of the council to have been paid in full to any officer
 86 entitled to receive the same as designated by it, the council may
 87 direct the sergeant to execute a release of such liens, which release
 88 may in like manner be recorded.

ARTICLE XXVIII.

Sewers.

Sec. 47. Whenever the council shall order the construction of
 2 any public sewer in said city the owners of the property abutting
 3 upon any street, in which said sewer shall be constructed, shall be
 4 charged with and liable for sewerage assessments as follows: when
 5 said sewer is completed the city engineer shall report to the coun-
 6 cil in writing the total cost of such sewerage, with a description of
 7 the lot and land, as to the location, frontage, depth and ownership,
 8 liable for such sewerage assessment, so far as the same may be as-
 9 certained, together with the amounts chargeable against each lot
 10 and owner, estimated on the basis of cost, frontage measures on
 11 said sewer being considered, and thereupon said council shall give
 12 notice by publication in a newspaper of general circulation,
 13 in said city, as is required in the case of street paving as-
 14 sessment, and the same right shall exist as to the persons and
 15 property affected, and the same duty as to corrections by the coun-
 16 cil as are prescribed with reference to paving, which report shall,
 17 in like manner, be examined by the council, and if found to be cor-
 18 rect, or corrected as aforesaid, and such estimated assessments to
 19 be a fair and equitable apportionment of the costs of said sewer,
 20 it shall enter an order upon its records setting forth such location,

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21 depth, ownership, and said amount of said sewer assessments
22 against each property respectively, calculated as aforesaid, and
23 the entry of such order shall constitute and be an assessment
23-a for the proportion and amount so fixed therein, against
24 such respective owners and lots. If after such advertisement, no-
25 tice and hearing said council shall find that such apportionment
26 at such rate is unjust or inequitable, it shall ascertain, fix and as-
27 sess the cost thereof among and upon the abutting owners respect-
28 ively fairly and equitably and in like manner assess and enter the
29 amount so fixed, respectively, upon its records, and the council
30 shall in either event thereupon certify the same to the sergeant for
31 correction, and certify a copy of such order to the clerk of the
32 county court of Fayette county, who shall record the same in the
33 proper deed book, and index the same in the name of the owner of
34 any such lot so charged with such assessment. Such assessment
35 so made shall constitute and be a lien upon said lots respectively,
36 which shall have priority over all other liens except those for taxes
37 due the state and county, and shall be on a parity with other taxes
38 and assessments due the city. Said amounts so assessed against
39 said several land owners shall be paid by the parties liable there-
40 for to the said sergeant at the time, in the manner and with the at-
41 tendant penalties and interest, for failure to pay promptly at the
42 time prescribed in all respects as hereinbefore provided in the case
43 of assessment for paving of streets and alleys in a permanent man-
44 ner; and the parties liable therefor in the same manner and to the
45 same extent shall have the right and be entitled to anticipate any or
46 all of such installments. The owner or owners of any lot abutting
47 upon any street or alley in said city, on which a public sewer is or
48 may hereafter be laid and constructed upon which any business or
49 residence building is or may hereafter be erected, not otherwise
50 connected to the public sewer, may be required and compelled by
51 council to connect any such property with such sewer. Notice
52 to so connect may be given by the council to the owner, lessee or
53 occupant of such property. Each day's failure to comply with
54 such notice and to connect with such sewer by such owner or own-
55 ers, after ten days have elapsed after such notice has been given,
56 shall be a misdemeanor and a separate offense and a new offense
57 under this section, and each offense shall be punishable by a fine
58 of not less than five nor more than twenty-five dollars. Jurisdic-
59 tion to hear, try and determine and sentence for violation of this

60 section is vested in the police court of said city. If said owner or
61 owners fail to comply with the notice to make such sewer connec-
62 tion, then the council may by ordinance order the work to be done
63 at the expense of the city and the costs thereof be certified to the
64 clerk of the county court, and the same shall constitute a lien upon
65 said property, with the same force and effect as taxes.

Sec. 48. The liens herein and hereinbefore provided for street
2 paving and sewerage assessments shall constitute liens upon real
3 estate upon which they are assessed, as against creditors of the
4 owners thereof or purchasers for value from, and without actual
5 notice of such lien, only from and after the time that the state-
6 ment thereof, certified as aforesaid, shall be filed for record in the
7 office of the clerk of the county court of Fayette county.

Sec. 49. When the whole or any portion of the improvement
2 authorized by this act pass through or by a market space, park,
3 cemetery, structure for the fire department, water works, school
4 building, infirmary, market house, work house, hospital, house of
5 refuge, bridge, gas works, public prison, court house, church or
6 any other public structure or public ground within said city, and
7 belonging to said city, or to the county, state, or any church, as-
8 sociation or eleemosynary institution, the council may authorize
9 the assessment to be certified to the clerk of the county court of
10 Fayette county and the same shall thereupon be recorded by said
11 clerk in the proper deed book and shall thereupon become a lien
12 against said property and collectable as other assessments are col-
13 lected against individuals under this act. It shall be the duty of
14 those persons having charge of the fiscal affairs of any such prop-
15 erty or institution to make the proper arrangements for meeting
16 such assessments, when due and payable.

Sec. 50. The city of Mount Hope, by ordinance of the council
2 may borrow money in an amount equal to the amount of said liens
3 herein acquired, for the purpose of paying any contract for paving
4 or sewerage under this act, and may assign said liens as security
5 for such loan or loans; but in no event shall the money so borrowed
6 be expended for any other purpose than in the payment of the in-
7 debtedness owing by the city for such work; that is, liens for the
8 street paving can only be used by the city in borrowing money to
9 pay for street paving and liens for sewerage can only be used by the
10 city in borrowing money to pay for sewerage.

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ARTICLE XXIX.

Bonded Indebtedness.

Sec. 51. The council of said city upon the written petition signed
2 by the voters, citizens or corporations owning a majority of the
2-a total property, both real and personal in said city as shown by the
2-b assessed valuation thereof shall have the right to bond
2-c the said city for the purpose of paving the streets and alleys of
3 said city and for constructing water works or repairing the same,
4 and for constructing a sewerage system, or repairing the same, and
5 for the purpose of providing hose and other appliances for ex-
6 tinguishing fires, and for any and all public improvements when-
7 ever the council thereof shall deem such improvements necessary,
8-9 and to refund outstanding bonds at a lower rate of interest, and
10 to issue new bonds for the purpose of increasing the length of time
11 on any such indebtedness; but the aggregate indebtedness of said
12 city shall for all purposes not exceed five per centum on the assessed
13 valuation of the taxable property therein, based on the valuation
14 of the last assessment next preceding the date of the incurring of
15 such indebtedness; and the said council shall by taxation provide
16 a fund for the payment of the interest and any and all indebtedness
17 incurred in the manner aforesaid within the period of thirty-four
18 years. Such bonds shall not be sold for less than par nor ex-
19 changed for the evidence of indebtedness of said city except dol-
20 lar for dollar. A record of all the proceedings had hereunder shall
21 be kept by the council.

ARTICLE XXX.

Buildings for City Use, etc.

Sec. 52. The council shall have the authority to erect, buy,
2 sell and lease all buildings necessary to the use of the city govern-
3 ment, or any of its departments, and to provide for and regulate
4 the same; to establish and maintain public hospitals and receive
5 donations, gifts or bequests for the same, in trust or otherwise.

ARTICLE XXXI.

Health.

Sec. 53. The council shall have the authority to ordain and en-
2 force such regulations within said city as shall be necessary or

3 proper to preserve the health of the inhabitants of said city and
 4 to secure them from disease; to require and compel the abatement
 5 of and removal of all nuisances within said city at the expense of
 6 the person or persons causing the same, or of the owner or owners
 7 of the ground whereon the same shall be; to prevent or regulate
 8 slaughter houses within the said city; or the exercise of any un-
 9 healthy or offensive business, trade or employment therein; to pre-
 10 vent the keeping of any stale meats, fish, vegetables, or other mat-
 11 ter, or depositing the same, or dirt, rubbish or offal, upon any
 12 lot, street, alley or square within said city or upon the banks of
 13 any streams within the limits thereof.

Sec. 54. The council shall have the power by ordinance to reg-
 2 ulate the sale of cocaine, morphine, opium and poisonous drugs
 3 within said city, and to prescribe punishment including fine and
 4 imprisonment, for the violation of any such ordinance, and to pro-
 5 vide that one or more convictions for violations of the same shall
 6 operate as a revocation of the license of any druggist or pharmacist
 7 holding a license under said city.

Sec. 55. The council shall, in the month of June, one thou-
 2 sand nine hundred and twenty-one, and in said month of every
 3 year thereafter, appoint a suitable person, who shall be a prac-
 4 ticing physician, as health commissioner, whose term of office shall
 5 be for one year and until his successor is appointed and qualified.
 6 The members of the council, mayor and health commissioner shall
 7 comprise the board of health of said city. The board of health
 8 shall have the power to abate all nuisances within said city, and
 9 it shall do and perform all such other duties and exercise such
 10 other powers as may be required of or conferred upon them by
 11 legal ordinances of said city. The council of said city shall pro-
 12 vide by ordinances the way and method of trying and abating such
 13 nuisances, and shall prescribe all penalties that may be proper and
 14 necessary for such purpose. The board of health shall have the
 15 power to summon witnesses, hear testimony and to do any and
 16 all other things necessary and proper in the performance of such
 17 duties under this act and under the general laws of the state, in
 18 such cases made and provided.

Sec. 56. The
 2 number of policemen
 3 to time, said no
 4 council. Council
 5 physical examine
 6 lice force as it
 7 and confirmed by
 8 the council. Th
 9 No person shall
 10 fier until he sh
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 13 Policemen may
 14 mayor for good
 15 sion, together w
 16 meeting. The c
 17 such suspension
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Sec. 57. T
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Sec. 58. A
 2 elected by vote
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 6 All valid
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ARTICLE XXXII.

Police Department.

Sec. 56. The mayor shall nominate a chief of police and such number of policemen as may be authorized by ordinance, from time to time, said nominations to be subject to confirmation by the council. Council shall prescribe by ordinance such mental and physical examinations for applicants for appointment to the police force as it shall deem proper. Policemen, when nominated and confirmed by the council shall hold office during the will of the council. The term of chief of police shall be for one year. No person shall serve or exercise any of the duties of a police officer until he shall have been confirmed as such by the affirmative vote of a majority of all the members elected to the council, unless he has been appointed a special officer as hereinbefore provided for. Policemen may be removed and discharged at any time by the mayor for good cause, in which event he shall report such suspension, together with the reason therefor, to the council at its next meeting. The council shall consider such suspension and may veto such suspension and may reinstate such policeman or confirm the suspension for such period as they may fix. *Provided*, that the council shall have the power to suspend without pay the chief of police or any policeman against whom charges are preferred.

ARTICLE XXXIII.

Fire Department.

Sec. 57. The fire department shall be under the supervision and subject to the rules and regulations prescribed by the council.

ARTICLE XXXIV.

Sec. 58. All officers of the city of Mount Hope heretofore elected by vote of the people shall remain in and hold their offices and discharge the duties thereof until the first day of June one thousand nine hundred and twenty-two and thereafter until their successors have been elected and qualified.

All valid ordinances and regulations passed and adopted by the council on or before the fifteenth day of January, one thousand nine hundred and twenty-one, and consistent with this act, shall be and remain in full force, unless and until repealed, and

10 the council now in office shall continue to exercise its powers as
11 such until their successors are elected and qualified.

Sec. 59. All acts in conflict or inconsistent with this act are
2 to the extent of any such conflict hereby repealed.

CHAPTER 18

House Bill No. 116—Mr. Brown.

AN ACT to incorporate the city of New Cumberland in the county of
Hancock, state of West Virginia, fixing its corporate limits and
prescribing and defining the powers and duties of said city.

[Passed April 7, 1921. In effect from passage. Approved by the Governor
April 18, 1921.]

- | | |
|--|---|
| <p>Sec.
1. Incorporating "City of New Cum-
berland."
2. Boundaries prescribed.
3. Officers designated; eligibility of.
4. Municipal authorities to consist of
mayor, recorder and councilmen.
5. Act to take effect when; first
election; officers elected.
6. Elections to be held biennially.
7. Present officers in power until this
act effective.
8. Terms of office.
9. Officers to take oath.
10. Council to fix compensation for
members thereof; to prescribe du-
ties and powers of officers.
11. To require performance of duty
of officers; bonds, obligations,
etc., payable to city.
12. Council; authority to remove offi-
cers; how vacancy filled.
13. Council; to fix time and place of
regular meetings; quorum.
14. Minute book and ordinance book
to be kept; oaths and bonds to
be kept by recorder.
15. Council meetings; how conducted.
16. Regulating expenditures of money.
17. Wards; prescribing limits.
18. General powers of.
19. Franchises; regulations governing.
20. Council; empowered to adopt need-
ful ordinances, etc., and to en-
force same; restrictions as to fine
and imprisonment.
21. Mayor; authority, duties and sal-
ary of.
22. Fine or imprisonment; laws govern-
ing.
23. Mayor; power of, relative to fines
and costs.
24. Jailor of Hancock county, also city
jailor; duties and fees of.
25. Mayor's docket; description of.
26. Appeals; when granted or denied.
27. Appeals; when taken; mayor to
deliver to clerk of court, record of
case.
28. Court to ascertain fine or impris-
onment.</p> | <p>Sec.
29. Appeals allowed by mayor; excep-
tions.
30. Recorder; duties; substitute for
mayor; power and authority to
perform all duties of mayor dur-
ing his absence; license taxes,
when paid; duties and power as
assessor; levies.
31. Recorder, prepare bills for license
taxes due city, turn same over
to chief of police, who shall col-
lect all taxes on licenses, etc.;
prepare financial statement, pub-
lication of, compensation for.
32. Treasury selected.
33. Solicitor appointed, duty, com-
pensation of.
34. Chief of police, duty, power, bond
required, penalty, responsibility.
35. Violation, ordinances enforced,
fines, costs, arrests, possess pow-
er of constable.
36. Chief of police—<i>ex-officio</i> collec-
tor; tax bills collected, penalty
for non-payment, publication re-
quired; discount allowed.
37. Same; taxes received; separate ac-
count kept, and open for inspec-
tion; deposits made by said col-
lector; duties upon expiration of
office; disbursements, salary.
38. Same; duty as to collections of;
council to recover any or all
money not paid by him to city.
39. Health officer; duty, salary; coun-
cil to provide by ordinance a
municipal board of health.
40. Street commissioner; duty, com-
pensation, term of office.
41. City engineer; council to employ
and fix compensation for same.
42. Lien for taxes on real estate, for
taxes, fines and penalties; delin-
quent real estate may be sold
for taxes.
43. Licenses generally; city licenses
required by council, tax of same
for use of city; dog license re-
quired.</p> |
|--|---|

- Sec.
44. Licenses app
by council
thereon: ex
45. Council; por
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46. Council; to
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47. Council; abe
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48. Publication
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Be it enacted

Section

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Sec. 2

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WEST VIRGINIA HOUSE OF DELEGATES
OFFICE OF THE CLERK
CHARLESTON 25305

DONALD L. KOPP
CLERK

I DONALD L. KOPP, Clerk of the House of Delegates and Keeper of the Rolls of the West Virginia Legislature, and as such Clerk, hereby certify that the foregoing is a true copy of the charter of the City of Mount Hope, West Virginia, enacted by the Legislature by Senate Bill 330, which passed April 25, 1921, and was approved by the Governor May 4, 1921.

Done at the Capitol this the 25th day of November, 1985.

Donald L. Kopp, Clerk
DONALD L. KOPP, CLERK
BY: Gregory Gray
Assistant Clerk



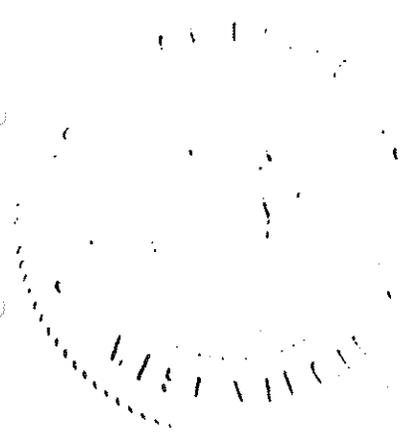
WEST VIRGINIA HOUSE OF DELEGATES
OFFICE OF THE CLERK
CHARLESTON 25305

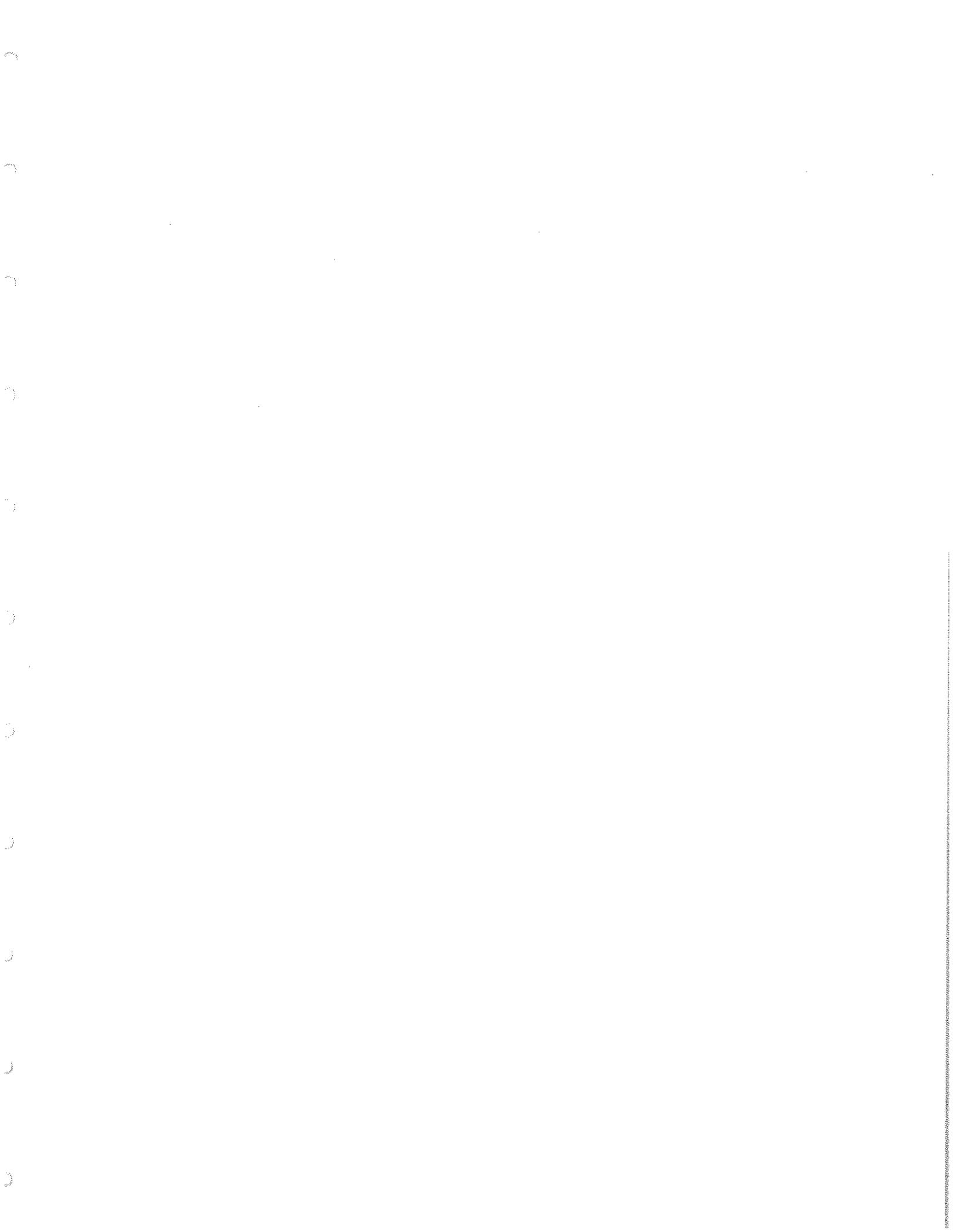
DONALD L. KOPP
CLERK

I DONALD L. KOPP, Clerk of the House of Delegates and Keeper of the Rolls of the West Virginia Legislature, and as such Clerk, hereby certify that the foregoing is a true copy of the charter of the City of Mount Hope, West Virginia, enacted by the Legislature by Senate Bill 330, which passed April 25, 1921, and was approved by the Governor May 4, 1921.

Done at the Capitol this the 25th day of November, 1985.

Donald L. Kopp
DONALD L. KOPP, CLERK
BY: Gregory Gray
Assistant Clerk





Resolution No. _____

Introduced in Council

April 5, 1983

Introduced by
T. H. ...

Jonas A. Davis
Adopted by Council Mayor
April 5 1983
...

Resolution No. _____ --"Resolution establishing rules by which the time and place of all regularly scheduled meetings and the time, place and purpose of all special meetings are to be made available, in advance, to the public and news media and providing when this resolution and such rules shall take effect."

Be It Resolved and Ordered by the Council of the City of Mount Hope, West Virginia:

Section 1. Statutory Mandate for These Rules.

The rules established in and by this resolution are mandated by and promulgated pursuant to Chapter 6, Article 9A, of the Code of West Virginia, 1931, as amended (herein called the "Act"), and other applicable provisions of law.

Section 2. Findings and Determinations. It is

hereby found, determined and declared as follows:

(A) Section 3 of the Act requires each governing body, as defined in the Act, to promulgate rules by which the time and place of all regularly scheduled meetings and the time, place and purpose of all special meetings are made available, in advance, to the public and news media.

(B) The Council of the City of Mount Hope, West Virginia (herein called the "Council"), is a governing body within the meaning of the Act.

(C) Accordingly, it is hereby ordered that the rules set out in Section 3 hereof be promulgated and established as Rules of Procedure of the Council.

Section 3. Rules. The following are hereby

Promulgated and established as Rules of Procedure of the Council:

Rule No. 1. Notice of Regularly Scheduled Meetings.

Immediately after adoption of this resolution and in July

of each year thereafter, the Council shall instruct the Recorder to, and the Recorder shall, post, and leave posted throughout the year to which it applies, at the place in the City Hall where notices customarily are posted a notice setting forth the times and places of the Council's regularly scheduled meetings for the ensuing year. Such notice shall be of size and style sufficient to give notice and shall be of quality sufficient to withstand deterioration throughout the year to which it applies. Additional copies of the notice shall be delivered to the Recorder.

Also immediately after adoption of this resolution and in July of each year thereafter, the Council shall instruct the Recorder to, and the Recorder shall, distribute to each of the newspapers, television stations, radio stations and other news media listed below a notice identical to that posted.

[Insert here the names and addresses of all news media that customarily cover news of the City.]

THE FAYETTE TRIBUNE - OAK HILL (417 MAIN ST)

~~FAYETTE FREE PRESS~~

NTNJ - MAIN ST., MOUNT HOPE

WOAY - OAK HILL

A notice shall be considered distributed to a news medium when it has been addressed to such news medium at the address listed above, or at such other address as the news medium has in writing requested be used, marked or stamped with first class postage and deposited in the United States mail. In June of each year after the adoption of this resolution, the Council shall review the above list and shall amend such list as needed, in the opinion of the Council, to reflect properly all the newspapers, television stations, radio stations and other news media that customarily cover news of the City.

In the event of any modification in the time or place of a regularly scheduled meeting of the Council, notice of such modification shall be given to the public and news media by posting at the place and distributing to the news media in the manner set forth above, not less than five (5) days prior to the date of such regularly scheduled meeting, or, if such regularly scheduled meeting has been rescheduled for an earlier time, prior to the date of such rescheduled meeting, a notice setting forth such modification in the time or place of such regularly scheduled meeting. A copy of such notice shall be attached to and made a part of the minutes of the meeting for which such notice was given.

Notwithstanding the foregoing provisions, notice of the recess or adjournment of a regularly scheduled meeting and of the time and place for the continuation or reconvening thereof publicly given during such regularly scheduled meeting shall be adequate notice to the public and news media of the time and place thereof.

Provided, failure of the Recorder to comply exactly with the posting and distribution requirements hereof shall not invalidate the actions taken at the meeting for which such notice was posted and distributed if the Council shall determine that such posting and distribution were in substantial compliance herewith.

Rule No. 2. Notice of Special Meeting. Not less than four (4) but not more than eight (8) days prior to the date set for any special meeting of the Council, the Council shall instruct the Recorder to, and the Recorder shall, post on the door of the City Hall and at such other place, if any, in City Hall where notices customarily are posted a notice setting forth the time, place and purpose or purposes of such special meeting. Business at such special meeting shall be limited to the purpose or purposes specified in said notice.

As soon as practical after the posting of said notice, but not less than four (4) days prior to the date set for such special meeting, the Recorder shall distribute to each of the newspapers, television stations, radio stations and other news media listed in Rule No. 1 hereof a notice identical to that posted. Amendments made to such list, as provided for in said Rule No. 1, shall be incorporated by reference in this Rule No. 2. A notice shall be considered distributed to a news medium when it has been addressed to such news medium at the address listed in said Rule No. 1,

or at such other address as the news medium has in writing requested be used, marked or stamped with first class postage and deposited in the United States mail.

A copy of such notice posted and distributed pursuant to this Rule No. 2 shall be attached to and made a part of the minutes of the meeting for which such notice was given.

Notwithstanding the foregoing provisions, notice of the recess or adjournment of any special meeting and of the time and place for the continuation or reconvening thereof publicly given during such special meeting shall be adequate notice to the public and news media of the time and place thereof, the purpose or purposes therefor remaining the same.

Provided, failure of the Recorder to comply exactly with the posting and distribution requirements hereof shall not invalidate the actions taken at the meeting for which such notice was posted and distributed if the Council shall determine that such posting and distribution were in substantial compliance herewith.

Rule No. 3. Emergency Meeting. A meeting of the Council may be held without the notice to the public and news media required by Rule No. 1 and Rule No. 2 hereof only in the event of an emergency requiring immediate official action. The existence of such an emergency requiring immediate official action shall be determined by the Council and shall be attested to in a certificate by the Mayor describing such emergency and setting forth the reason or reasons immediate official action is required, which certificate shall be attached to and made a part of the minutes of such emergency meeting.

Section 4. Conflicting Provisions Repealed. All resolutions, orders and rules, or parts thereof, in conflict with the provisions of this resolution are, to the extent of such conflicts, hereby repealed.

Section 5. Effective Time. This resolution and the rules promulgated hereby shall take effect immediately upon the adoption hereof.



City of Mount Hope

MOUNT HOPE, WEST VIRGINIA 25880

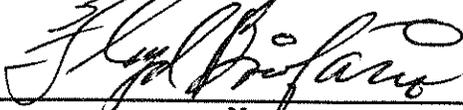
June 11 1996

MAYOR, COUNCILMEN AND RECORDER'S OATH OF OFFICE

We, Floyd Bonifacio, Mayor; Thomas Bonifacio, Councilman; Shane Wheeler, Councilman; Betty Lilly, Councilman; and Frank W. Bergendahl, Jr., recorder, having been duly elected to the offices named above for the City of Mount Hope, May 14, 1996, do hereby severally and solemnly swear (or affirm):

That we will support the Constitution of the United States of America and the Constitution of the State of West Virginia, and will faithfully discharge the duties of our said office to the best of our skill and judgement. So help me God.

In witness thereof, we have hereunto set our hands this the 11th day of June, 1996.



Mayor



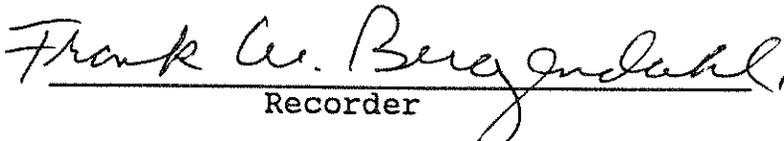
Councilman



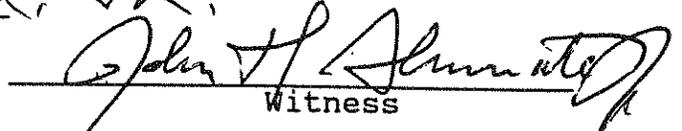
Councilman



Councilman



Recorder



Witness

City of Mount Hope
MOUNT HOPE, WEST VIRGINIA 25880

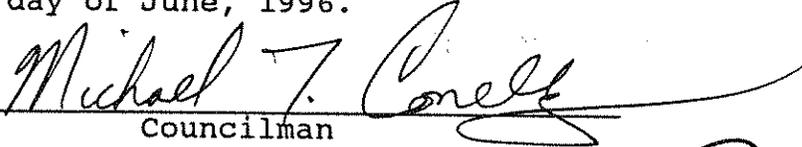
June ~~4~~¹¹, 1996

COUNCILMEN'S OATH OF OFFICE

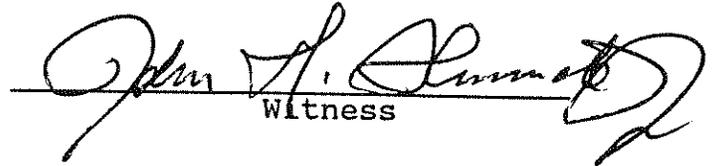
I, Michael Todd Conelly, having been duly appointed to the offices named above for the City of Mount Hope, May 14, 1996, do hereby solemnly swear (or affirm):

That I will support the Constitution of the United States of America and the Constitution of the State of West Virginia, and will faithfully discharge the duties of my said office to the best of my skill and judgement. So help me God.

In witness thereof, we have hereunto set our hands this the 4th day of June, 1996.



Councilman



Witness

City of Mount Hope
MOUNT HOPE, WEST VIRGINIA 25880

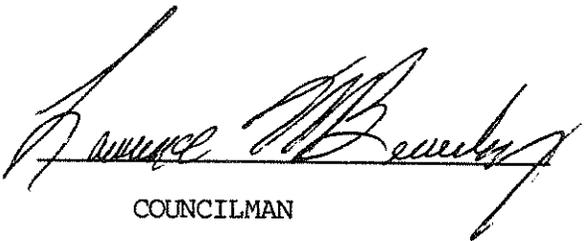
January 9, 1998

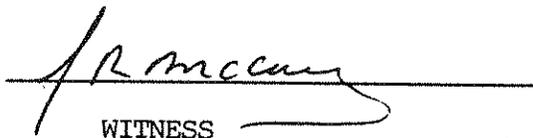
COUNCILMEN'S OATH OF OFFICE

I, Lawrence Beverley, having been duly appointed to the office named above for the City of Mount Hope, January 9, 1998, do hereby solemnly swear (or affirm):

That I will support the Constitution of the United States of America and the Constitution of the State of West Virginia, and will faithfully discharge the duties of my said office to the best of my skill and judgement. So help me God.

In witness thereof, we have hereunto set our hands this the 9th day of January, 1998.


COUNCILMAN


WITNESS

City of Mount Hope

MOUNT HOPE, WEST VIRGINIA 25880

June 4, 1996

COUNCILMEN'S OATH OF OFFICE

I, Sudana Greene, having been duly elected to the offices named above for the City of Mount Hope, May 14, 1996, do hereby solemnly swear (or affirm):

That I will support the Constitution of the United States of America and the Constitution of the State of West Virginia, and will faithfully discharge the duties of my said office to the best of my skill and judgement. So help me God.

In witness thereof, we have hereunto set our hands this the 4th day of June, 1996.

2nd July

Sudana K. Greene
Councilman

John P. Alumbaugh
Witness

City of Mount Hope
MOUNT HOPE, WEST VIRGINIA 25880

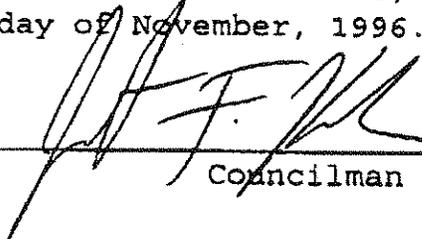
November 5, 1996

COUNCILMEN'S OATH OF OFFICE

I, Jonathon F. Kessler, having been duly appointed to the office named above for the City of Mount Hope, on November 5, 1996, do hereby solemnly swear (or affirm):

That I will support the Constitution of the United States of America and the Constitution of the State of West Virginia, and will faithfully discharge the duties of my said office to the best of my skill and judgement. So help me God.

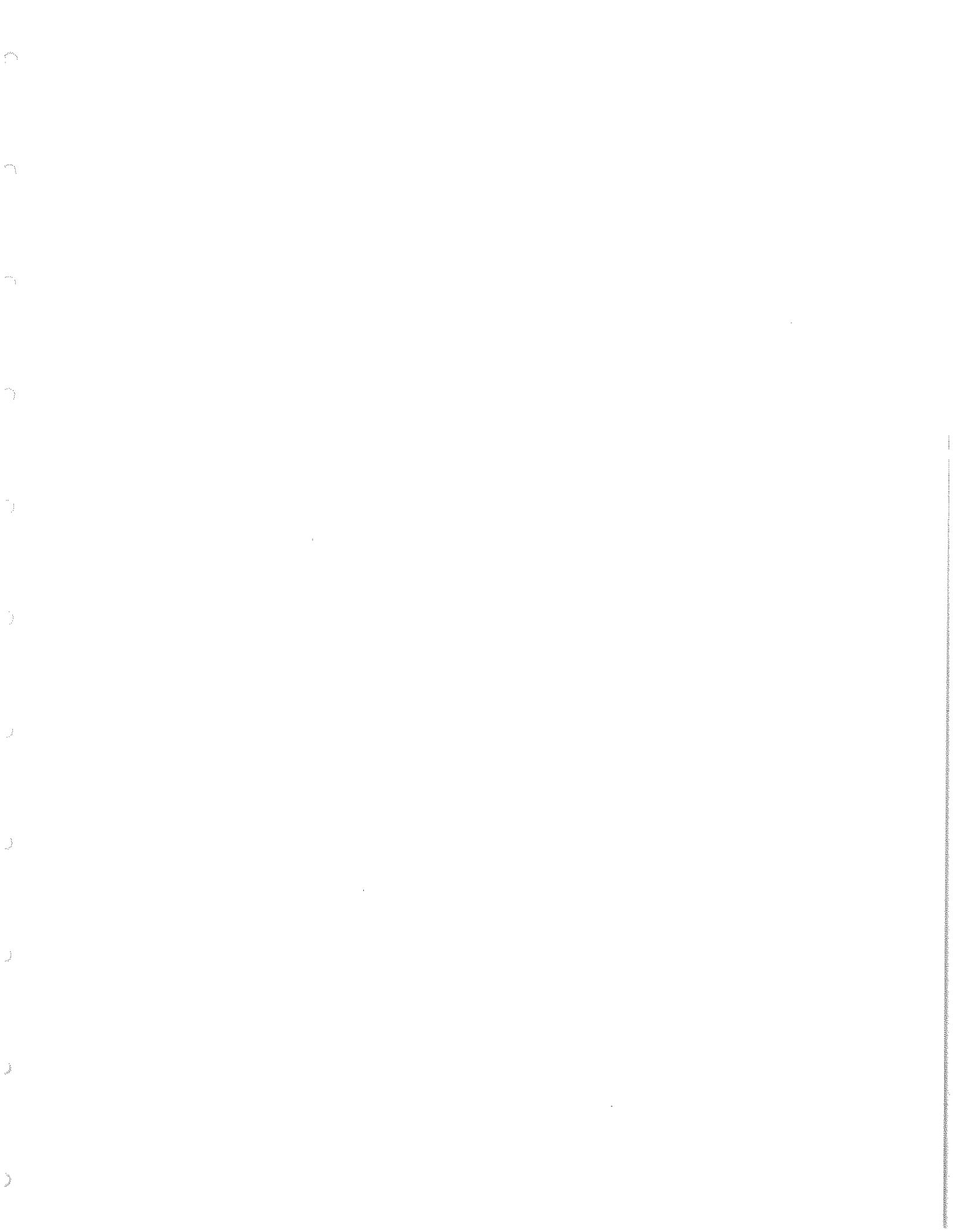
In witness thereof, I have hereunto set my hand on this the 5th day of November, 1996.



Councilman



Witness



ORDINANCE OF THE CITY OF MOUNT HOPE
TO AMEND THE CONNECTION CHARGE PORTION
OF SECTION IV OF THE ORDINANCE ESTABLISHING
RATES, RULES AND REGULATIONS FOR FURNISHING SEWER

BE IT ENACTED AND ORDAINED BY THE CITY COUNCIL OF THE CITY OF MOUNT HOPE:

That the, CONNECTION CHARGE Portion of Section IV, of the Ordinance Establishing Rates, Rules and Regulations for Furnishing Sewer, be amended as follows:

SECTION IV

CONNECTION CHARGE-SEWER

The above schedule is subject to a connection charge of Three Hundred Dollars (\$300.00).

This ordinance shall become effective forty-five (45) days from passage.

FIRST READING September 6, 1994
SECOND READING September 13, 1994
PASSAGE JULY 2, 1996



MAYOR

Frank W. Bergin, JR.

CITY RECORDER

The Fayette Tribune

ESTABLISHED IN 1897

417 MAIN STREET
OAK HILL, WEST VIRGINIA 25901
TELEPHONE: 469-3373

CERTIFICATE OF PUBLICATION Fee for Publication \$ 45.36

I, Tom James, publisher of *The Fayette Tribune*, a semi-weekly newspaper, published in the city of Oak Hill, County of Fayette, State of West Virginia do hereby declare that the herewith attached, was published in said newspaper in its issues dated the 17th day and the 24th day of June, 1996.

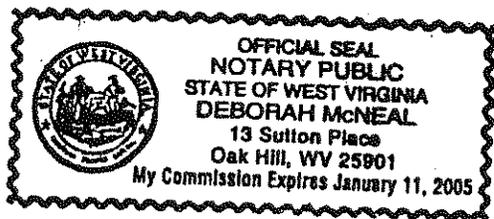
(Signed) _____

Tom James
Publisher

SIGNED AND SWORN TO and before me this 24th day of June, 1996

(Signed) _____

Notary Public



My Commission Expires January 11, 2005

NOTICE

Notice is hereby given to any interested person that on July 2, 1996, at 6:30 p.m. the Council of the City of Mount Hope, West Virginia will hold a public hearing prior to the regular meeting of the City Council called to consider ordinances to increase sewer, water and connection charges for the customers of the City of Mount Hope combined waterworks and sewerage system.

The following is the proposed new sewer, water and connection charges for the customers of the City of Mount Hope combined waterworks and sewerage system for general, domestic and industrial service:

The rate schedule for furnishing water shall be subject to a connection charge of Three Hundred Dollars (\$300.00).

The rate schedule for furnishing sewer shall be subject to a connection charge of Three Hundred Dollars (\$300.00).

The proposed ordinance shall become effective forty-five (45) days from passage.

The City Council contemplates enacting the water and sewer connection charges schedule described in the ordinance abstracted above.

Any person interested may appear before the Council of the City of Mount Hope at meeting thereof at 6:30 p.m., Tuesday, July 2, 1996, at Mount Hope City Hall, 416 Lincoln Street, Mount Hope, West Virginia and present protests and be heard as to whether the above-described ordinance shall be put into effect.

A certified copy of the proposed ordinance is on file in the Office of the City Recorder, at City Hall for review by interested persons during the regular office hours of such office, to-wit: 8:30 a.m. to 12:00 noon and 12:30 p.m. to 4:00 p.m., Mondays through Fridays.

F. William Bergendahl
City Recorder of the City
Of Mount Hope, West Virginia
Legal #246
June 17, 24

ORDINANCE OF THE CITY OF MOUNT HOPE

TO INCREASE SEWER RATES

BE IT ENACTED AND ORDAINED BY THE CITY COUNCIL OF THE CITY OF MOUNT HOPE:

SECTION I

The following are to be the new sewer rates for the City of Mount Hope.

AVAILABILITY OF SERVICE

Available for general, domestic, commercial and industrial service.

<u>FIRST:</u>	2,000 gallons used per month \$6.00 per 1,000 gallons
<u>NEXT:</u>	8,000 gallons used per month \$5.44 per 1,000 gallons
<u>ALL OVER:</u>	10,000 gallons used per month \$4.71 per 1,000 gallons

MINIMUM CHARGE:

The above schedule is subject to a minimum charge of \$12.00 per month.

Sewer use and sewer billing is based upon metered water consumption. Bills will be rendered monthly and mailed promptly to the consumer, and are payable on or before twenty (20) days after date at the Mount Hope Municipal Water and Sewage Works Office. Failure to receive bill will not entitle consumer to any remission of delayed payment penalty. The word "month" as used in this tariff is understood to mean the elapsed time between two successive meter readings approximately thirty (30) days apart. In the event of the failure of a meter to register the full amount of water used, the consumer will be billed for a period on an estimated consumption based on his use of water on a similar period under like conditions.

SECTION II

These rates shall become effective forty-five (45) days from passage and the proposed rate schedule shall be effective upon the receipt of the completion certificate of sewer system improvement project from the project engineer.

SECTION III

In accordance with the Rules and Regulations for the Government of Water Utilities, adopted by the Public Service Commission of West Virginia, and now in effect, and all amendments thereto and modifications thereof hereafter made by said Commission, bills will be rendered monthly and mailed promptly to the consumer, and are payable on or before twenty (20) days after date at the Mount Hope Municipal Water and Sewage Works Office. Failure to receive bill will not entitle consumer to any remission of delayed payment penalty. The word "month" as used in this tariff is understood to mean the elapsed time between two successive meter readings approximately thirty (30) days apart. In the event of the failure of a meter to register the full amount of water used, the consumer will be billed for a period on an estimated consumption based on his use of water on a similar period under like conditions.

SECTION IV

DELAYED PAYMENT PENALTY

The above tariffs are net. On all accounts not paid in full within twenty (20) days of date of bill, ten percent (10%) will be added to net amount shown.

If any water and sewer bill is not paid within thirty (30) days after date, water service to the consumer will be discontinued. Water service will not be restored until all past due water and sewer bills have been paid in full and all accrued penalties plus a reconnection charge have been paid.

There will be a letter issued on the 25th day giving the consumer 24 hours notice of discontinued service if bill is not paid in full.

SECTION V

SEWER TAPPING FEE

The above schedule is subject to a sewer tapping fee charge of \$150.00 for each new connection to the municipal sewage facilities.

RECONNECTION CHARGE-WATER

The above schedule is subject to a reconnection charge of \$15.00 for all general, domestic, commercial and industrial service.

FIRST READING: May 1, 1990

SECOND READING: June 5, 1990

PASSAGE: July 10, 1990

Floyd Bonifacio

MAYOR

Thomas M. Smith

CITY RECORDER

The Fayette Tribune

ESTABLISHED IN 1897

417 MAIN STREET
OAK HILL, WEST VIRGINIA 25901
TELEPHONE: 469-3373

NOTICE

Notice is hereby given to any interested person that on July 10, 1990, at 6:30 p.m., the Council of the City of Mount Hope, West Virginia will hold a public hearing prior to the regular meeting of the City Council called to consider an ordinance to increase sewer rates for the customers of the City of Mount Hope combined waterworks and sewerage system.

The following is the proposed new sewer rate schedule for the customers of the City of Mount Hope Combined waterworks and sewerage system for general, domestic and industrial service:

FIRST: 2,000 gallons used per month \$6.00 per 1,000 gallons

NEXT: 8,000 gallons used per month \$5.44

ALL OVER: 10,000 gallons used per month \$4.71

The above-schedule is subject to a minimum charge of \$12.00 per month.

The proposed ordinance shall become effective forty-five (45) days from passage and the proposed rate schedule shall be effective upon the receipt of the completion certificate of the sewer system improvement project from the project engineer.

The City council contemplates enacting the sewer rate schedule described in the ordinance abstracted above.

Any person interested may appear before the Council of the City of Mount Hope at a meeting thereof at 6:30 p.m., Tuesday, July 10, 1990, at Mount Hope City Hall, 416 Lincoln Street, Mount Hope, West Virginia and present protests and be heard as to whether the above-described ordinance shall be put into effect.

A certified copy of the proposed ordinance is on file in the Office of the City Recorder, at City Hall for review by interested persons during the regular office hours of such office, to-wit: 8:30 a.m. to 12:00 noon and 12:30 p.m. to 4:00 p.m., Mondays through Fridays.

Thomas M. Smith
City Recorder of
the City of Mount
Hope, West Virginia

Legal No.305
June 21 & 28

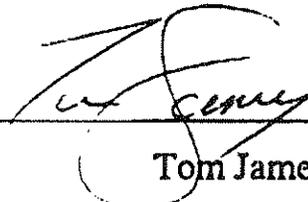
PUBLICATION Fee for Publication \$ 42.53

owner of *The Fayette Tribune*, a semi-weekly newspaper, published in the

City of Fayette, State of West Virginia do hereby declare that the herewith

in said newspaper in its issues dated the 21st and the 28th Days of June 1990

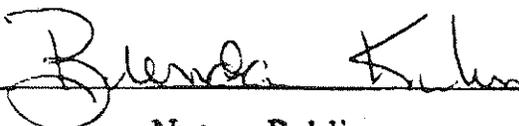
(Signed)



Tom James
Publisher

WITTO and before me this 29th Day of June 1990

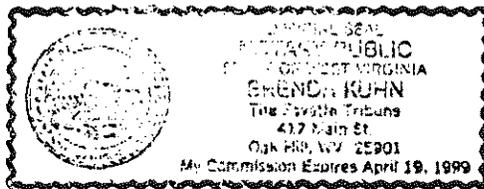
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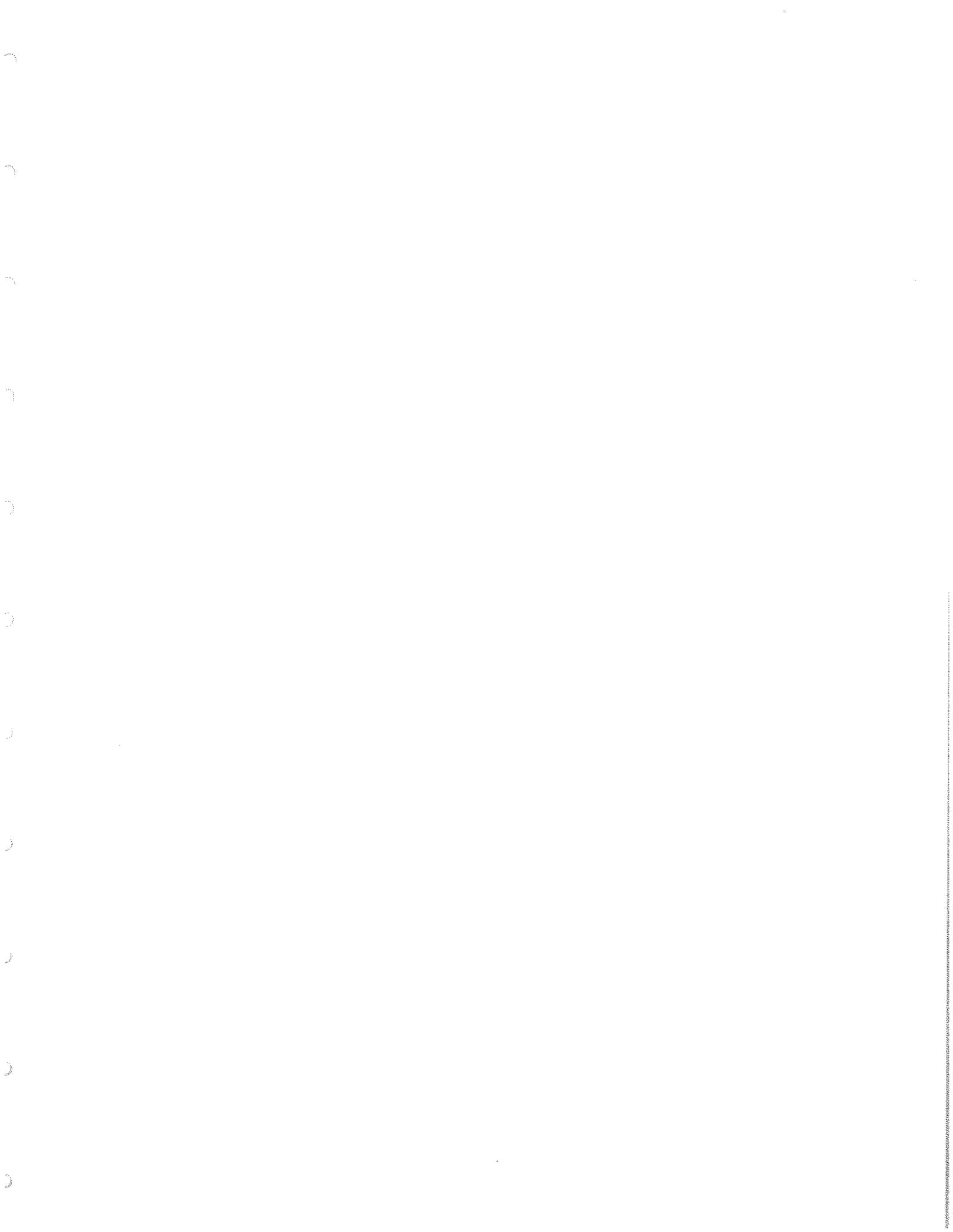


Notary Public

My Commission Expires

April 19, 1999





CITY OF MOUNT HOPE

MOUNT HOPE, WEST VIRGINIA

A _____ Special _____ meeting of the City Council of the City of Mount Hope was held in City Hall on _____ April 20, _____ 19 99, at 6:00 P.M., the following being present:

	Councilmen:
Mayor <u>Floyd Bonifacio</u>	<u>Sudana Greene</u>
City Recorder <u>Frank W. Bergendahl, Jr.</u>	<u>Todd Conelly</u>
City Auditor _____	<u>Larry Beverley</u>
City Attorney _____	_____

This special meeting is called to order by Mayor Floyd Bonifacio.

Todd Conelly made a motion to approve the first reading of an ordinance to authorize the acquisition and construction of certain additions, extensions, betterments and improvements the city's wastewater collection and treatment system and the financing thereof through the issuance of revenue bonds of the city. Larry Beverley seconded the motion. The motion carried. The second reading of this ordinance will be during the regular city council meeting of May 4, 1999.

Larry Beverley made a motion to lay the levy rates for the general budget for fiscal year 1999-2000. Todd Conelly seconded the motion. The motion carried.

Todd Conelly made a motion to approve the second reading of an ordinance providing for the sale of certain real estate belonging to the city at the corner of south mill avenue and main street. Larry Beverley seconded the motion. The motion carried.

Todd Conelly made a motion to adopt an ordinance providing for the sale of certain real estate belonging to the city at the corner of south mill avenue and main street. Larry Beverley seconded the motion. The motion carried.

Todd Conelly made a motion to adjourn at 6:25p.m. Sudana Greene seconded the motion. The motion carried.

CITY OF MOUNT HOPE

MOUNT HOPE, WEST VIRGINIA

A _____ Special _____ meeting of the City Council of the
City of Mount Hope was held in City Hall on _____ April 20, _____ 19 99, at 6:00 P. M.,
the following being present:

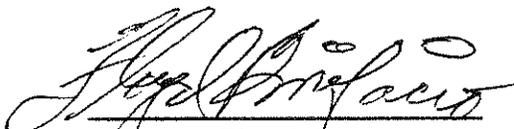
Councilmen:

Mayor _____

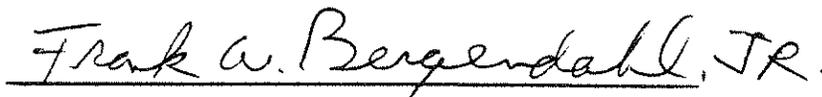
City Recorder _____

City Auditor _____

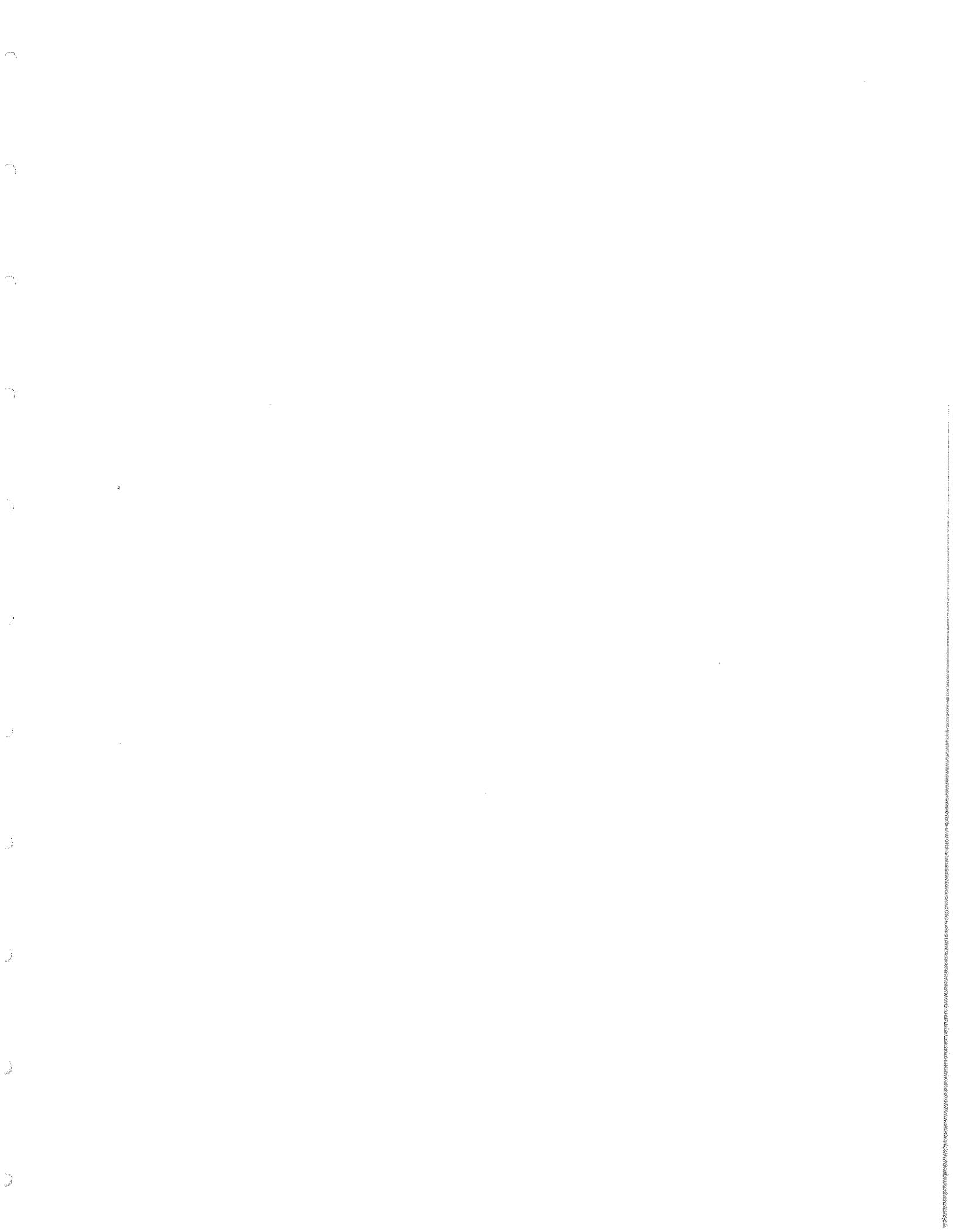
City Attorney _____



Mayor Floyd Bonifacio



City Recorder Frank W. Bergendahl, Jr.



CITY OF MOUNT HOPE

BOND ORDINANCE

**CITY OF MOUNT HOPE
WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS
SERIES 1999 A**

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Exhibit A - Project Description

Exhibit B - Notice of Public Hearing and Abstract of Bond Ordinance

Introduced in Council
on the 20th day of April, 1999

Introduced by
Honorable Floyd Bonafacio, Mayor

Passed by Council
on the ___th day of May, 1999

An Ordinance authorizing the acquisition and construction certain additions, betterments and improvements to the combined waterworks and sewerage system of the City of Mount Hope; authorizing the issuance of Waterworks and Sewerage System Revenue Bonds of the City of Mount Hope in aggregate principal amount of \$1,490,000 to be used, along with other funds and moneys of, or available to, the City of Mount Hope which may be lawfully expended for such purposes, to finance the cost of such acquisition and construction and to pay other costs in connection therewith; providing for the rights and remedies of and security for the owners of such bonds; authorizing execution and delivery of all documents relating to the issuance of such bonds; approving, ratifying and confirming a loan agreement relating to such bonds; and adopting other provisions related thereto.

Be It Ordained by the Common Council of the City of Mount Hope, West Virginia:

ARTICLE I

STATUTORY AUTHORITY, DEFINITIONS AND FINDINGS

Section 1.01. Authority of this Ordinance. This Ordinance is enacted pursuant to the provisions of Chapter 8, Article 20, and Chapter 22C, Article 2 of the Code of West Virginia, 1931, as amended, and other applicable provisions of law.

Section 1.02. Definitions. The following terms shall have the following meanings in this Ordinance unless the context expressly requires otherwise.

"Act" shall mean collectively Chapter 8, Article 20, and Chapter 22C, Article 2 of the Code of West Virginia, 1931, as amended and in effect on the date of enactment of this Ordinance.

"Authority" shall mean the West Virginia Water Development Authority, which is expected to be the original purchaser of the Original Bonds on behalf of the Program, or any other agency of the State of West Virginia that succeeds to the function of the Authority.

"Bond Act" means Chapter 8, Article 20 of the Code of West Virginia, 1931, as amended, and in effect on the date of the enactment of this Ordinance.

"Bond Construction Trust Fund" shall mean the fund created by Section 6.01(C) hereof.

"Bondholder" or "Owner of the Bonds" or "Registered Owners" or any similar term shall mean any person who shall be the registered owner of any Outstanding Bond as hereinafter defined.

"Bond Year" shall mean the twelve-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.

"Bonds" shall mean the Original Bonds and any pari passu additional Bonds hereafter issued within the terms, restrictions and conditions contained in this Ordinance.

"Certificate of Authentication and Registration" means the certificate of authentication and registration on the Bonds in substantially the form set forth in Section 3.08 hereof.

"City" shall mean the City of Mount Hope, a municipal corporation of the State of West Virginia, and, when appropriate, also means the Council thereof and any department, board, organization or institution thereof in control of the management and operation of the System, as hereinafter defined.

"Closing Date" shall mean the date upon which there is an exchange of the Bonds for the proceeds or a portion of the proceeds representing the purchase of the Bonds by the Authority.

"Code" shall mean the Internal Revenue Code of 1986, as amended, including the rules and regulations promulgated pursuant thereto or any predecessors or successors thereto.

"Commission" shall mean the West Virginia Municipal Bond Commission or any other agency of the State of West Virginia which succeeds to the functions of the Commission.

"Completion Date" means the completion date of the Project, as defined in the SRF Regulations.

"Consulting Engineers" shall mean Woolpert, LLP, Consulting Engineers, Charleston, West Virginia, or any engineer or firm of engineers which shall at any time hereafter be retained by the City as Consulting Engineers for the System.

"Cost of Project" or "Costs" shall mean those costs described in Section 1.04(G) hereof to be a part of the cost of the acquisition and construction phase of the Project, as the case may be, as hereinafter defined.

"Council" shall mean the City Council of the City or any other governing body of the City that succeeds to the functions of the Council as presently constituted.

"Debt Service" shall mean the scheduled amount of interest and amortization of principal payable on the Bonds during the period of computation, excluding amounts scheduled during such period which relate to principal which has been retired before the beginning of such period.

"DEP" shall mean the West Virginia Division of Environmental Protection, a division of the West Virginia Bureau of Environment, or any other agency, board or department of the State that succeeds the functions of the DEP.

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

"Fiscal Year" shall mean each twelve month period beginning on July 1 and ending on the succeeding June 30.

"Fund" shall mean the "West Virginia Water Pollution Control Revolving Fund" established by the State, administered by the DEP and funded by capitalization grants awarded to the State pursuant to the federal Clean Water Act, as amended, for the purpose of establishing and maintaining a permanent perpetual fund for the construction, acquisition and improvement of wastewater treatment facilities.

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

"Gross Revenues" shall mean 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; provided, that "Gross Revenues" does not include any gains from the

sale or other disposition of, or from any increase in the value of, capital assets (including Qualified Investments, as hereinafter defined) or any Tap Fees, as hereinafter defined, and for the furnishing by the City of miscellaneous services.

"Independent Accountants" shall mean any certified public accountant or firm of certified public accountants which shall be retained by the City as independent accountants for the System or for any other purpose except keeping the accounts of the System in the normal operation of its business and affairs.

"Loan Agreement" shall mean the Water Pollution Control Revolving Fund Loan Agreement by and among the Authority, the DEP and the City providing for the purchase of the Bonds from the City by the Authority.

"Mayor" shall mean the Mayor of the City.

"Net Revenues" shall mean the balance of the Gross Revenues remaining after deduction of Operating Expenses, as hereafter defined.

"Operating Expenses" shall mean the reasonable, proper and necessary costs of repair, maintenance and operation of the System and includes, without limiting the generality of the foregoing, administrative, engineering, legal, auditing and insurance expenses (other than those capitalized as part of the Costs); fees and expenses of the Authority, DEP, fiscal agents, the Registrar and the Paying Agent (other than those capitalized as part of the Costs); payments to pension or retirement funds; taxes and such other reasonable operating costs and expenses as should normally and regularly be included under generally accepted accounting principles; provided, that "Operating Expenses" does not include payments on account of the principal of or redemption premium, if any, or interest on the Bonds; charges for depreciation, losses from the sale or other disposition of, or from any decrease in the value of, capital assets; and amortization of debt discount or such miscellaneous deductions as are applicable to prior accounting periods.

"Ordinance" or "this Ordinance" shall mean this Ordinance, in its present form or as hereafter amended or supplemented.

"Original Bonds" or "Bonds originally authorized hereby" or similar phrases shall mean the \$1,490,000 Waterworks and Sewerage System Revenue Bonds, Series 1999 A, to be issued for the purpose of paying a portion of the Costs of the acquisition and construction of the Project and for such other purposes permitted hereby and authorized by a resolution supplemental hereto.

"Original Purchaser" shall mean the Authority.

"Outstanding" when used with reference to Bonds, as of any particular date, describes all such Bonds theretofore and thereupon being authenticated and delivered except (i) any such Bond canceled by the Registrar, at or prior to said date; (ii) any such Bond for

the payment of which moneys, equal to its principal amount, with interest to the date of maturity of any such Bond, shall be in trust hereunder and set aside for such payment (whether upon or prior to maturity); (iii) any such Bond deemed to have been paid as provided in Article X hereof; and (iv) for purposes of consents or other action by a specified percentage of Bondholders, any such Bond registered to the City.

"Parity Bonds" shall mean additional Bonds issued under the provisions and within the limitations prescribed by Section 7.08 hereof, payable from Net Revenues on a parity with the Original Bonds.

"Paying Agent" shall mean the West Virginia Municipal Bond Commission or such other entity or authority as may be designated as a paying agent by the City and the Supplemental Resolution with the written consent of the Authority and the DEP.

"Prior Bonds" shall mean collectively the Series 1986 Bonds and the Series 1991 Bonds.

"Prior Ordinances" shall mean collectively the Series 1986 Ordinance and the Series 1991 Ordinance.

"Program" shall mean the wastewater treatment facility acquisition, construction and improvement program coordinated through the capitalization grants program established under the Clean Water Act and administered by the DEP.

"Project" shall mean the acquisition and construction of the certain additions, extensions, betterments and improvements to the System, a description of which is attached hereto as Exhibit A and incorporated herein by reference.

"PSC" means the Public Service Commission of West Virginia and any successor to the functions thereto.

"PSC Order" means the Recommended Decision of the PSC in Case No. 98-1448-S-CN, which was entered by an Administrative Law Judge of the PSC on February 2, 1999, and which became the final order of the PSC on February 22, 1999, granting the City a Certificate of Convenience and Necessity to construct the Project.

"Qualified Investments" shall mean and include any of the following:

- (a) Government Obligations;
- (b) Government Obligations which have been stripped of their unmatured interest coupons, interest coupons stripped from Government Obligations, and receipts or certificates evidencing payments from Government Obligations or interest coupons stripped from Government Obligations;

(c) Bonds, debentures, notes or other evidences of indebtedness issued by any of the following agencies: Banks for Cooperatives; Federal Intermediate Credit Banks; Federal Home Loan Bank System; Export-Import Bank of the United States; Federal Land Banks; Government National Mortgage Association; the Tennessee Valley Authority; or the Washington Metropolitan Area Transit Authority;

(d) Any bond, debenture, note, participation certificate or other similar obligation issued by the Federal National Mortgage Association to the extent such obligation is guaranteed by the Government National Mortgage Association or issued by any other federal agency and backed by the full faith and credit of the United States of America;

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

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

(g) Repurchase agreements, fully secured by investments of the types described in paragraphs (a) through (e), above, with banks or national banking associations which are members of FDIC or with government bond dealers recognized as primary dealers by the Federal Reserve Bank of New York, provided, that said investments securing said repurchase agreements either must mature as nearly as practicable coincident with the maturity of said repurchase agreements or must be replaced or increased so that the market value thereof is always at least equal to the principal amount of said repurchase agreements, and provided further that the owner of such repurchase agreement shall have a prior perfected security interest in the collateral therefor; must have (or its agent must have) possession of such collateral; and such collateral must be free of all claims by third parties;

(h) The "consolidated fund" (or any distinct portion thereof) managed by the West Virginia State Investment Management Board pursuant to Article 6, Chapter 12 of the Code of West Virginia, 1931, as amended; and

(i) Obligations of states or political subdivisions or agencies thereof, the interest on which is exempt from federal income taxation, and which are rated at least "A" by Moody's Investor Service, Inc., or Standard and Poor's Corporation.

"Recorder" shall mean the Recorder of the City.

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

"Regulations" shall mean the regulations promulgated under the Code.

"Revenue Fund" shall mean the fund continued by Section 5.01(1) hereof.

"Series 1986 Bonds" shall mean the City's Waterworks and Sewerage Revenue Bonds, Series 1986, dated March 6, 1986, issued in the aggregate principal amount of \$1,584,000.

"Series 1991 Bonds" shall mean the City's Waterworks and Sewerage Revenue Bonds, Series 1991, dated February 25, 1991, issued in the aggregate principal amount of \$412,500.

"Series 1986 Ordinance" shall mean the ordinance passed by the Council of the City on February 20, 1986, authorizing the issuance of the Series 1986 Bonds.

"Series 1991 Ordinance" shall mean the ordinance passed by the Council of the City on November 20, 1990, authorizing the issuance of the Series 1991 Bonds.

"Series 1999 A Renewal and Replacement Fund" shall mean the fund created by Section 5.01(2) hereof.

"Series 1999 A Reserve Account" shall mean the fund created by Section 5.02(1)(a) hereof.

"Series 1999 A Reserve Requirement" shall mean as of any date of calculation, the maximum amount of principal and interest, if any, which will become due on the Bonds in the then current or any succeeding Fiscal Year.

"Series 1999 A Sinking Fund" shall mean the fund created by Section 5.02(1) hereof.

"SRF Administrative Fee" shall mean any administrative fee required to be paid pursuant to the Loan Agreement.

"SRF Act" shall mean Chapter 22C, Article 2 of the Code of West Virginia, 1931, as amended, and in effect on the date of the enactment of this Ordinance.

"SRF Regulations" shall mean the regulations set forth in Title 47, Series 31 of the West Virginia Code of State Regulations.

"State" shall mean the State of West Virginia.

"Supplemental Resolution" shall mean any resolution, ordinance or order of the City supplementing or amending this Ordinance and, when preceded by the article "the," refers specifically to the supplemental resolutions authorizing the sale of the Original Bonds;

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

"Surplus Revenues" shall mean the net revenues not required by this Ordinance to be set aside and held for the payment of or security for the Bonds, including the reserve accounts and the Renewal and Replacement Fund.

"System" shall mean the existing combined waterworks and sewerage system of the City, both within and without said City, to be owned by the City, and shall include any extensions, additions, betterments and improvements thereto.

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

Words importing singular number shall include the plural number in each case and vice versa, and words importing persons shall include firms and corporations. Words importing the masculine gender include all other genders.

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 general accepted accounting principles.

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

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

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

Section 1.04. Findings. It is hereby found, determined and declared as follows:

A. The City is a municipal corporation and political subdivision of the State in Fayette County of said State. The City currently owns and operates a combined

waterworks and sewerage system, furnishing water and sewer service to residences, premises and businesses residing or located within and without the corporate boundaries of the City.

B. The acquisition and construction of certain improvements to the waterworks portion of the System was financed in part with the proceeds of the Series 1986 Bonds, issued in the aggregate principal amount of \$1,584,000, and Series 1991 Bonds, issued in the aggregate principal amount of \$412,500.

C. The City derives Net Revenues from the System, and except for the pledges thereof to secure and pay the Series 1986 Bonds and the Series 1991 Bonds, said Net Revenues are not pledged or encumbered in any manner.

D. It is deemed necessary and desirable for the health, welfare and safety of the inhabitants of the City that there be acquired and constructed certain extensions, additions, betterments and improvements to the System in accordance with the plans and specifications prepared by the Consulting Engineers, which plans and specifications have been approved by DEP and are on file with the City, and which Project is generally described in Exhibit A attached hereto and by this reference made a part hereof and has an estimated useful life in excess of twenty years.

E. The estimated maximum cost of the Project is \$1,710,000. Of this amount, \$1,490,000 will be permanently obtained from the proceeds of the Original Bonds herein authorized. The City has committed to contribute \$232,500 toward the estimated maximum cost of the Project and hereby reaffirms that commitment.

F. The estimated revenues to be derived in each year after the issuance of the Original Bonds from the operation of said System will be sufficient to pay all the costs of the operation and maintenance of said System, the principal of and interest on each series of Original Bonds of the City and all sinking fund and other payments provided for in this Ordinance and in the Prior Ordinances.

G. It is deemed necessary for the City to issue its Original Bonds in the aggregate principal amount of \$1,490,000 to finance the costs of the acquisition and construction of the Project herein described through the Program. Said costs shall be deemed to include the cost of all property rights, easements and franchises deemed necessary or convenient therefor; engineering, fiscal and legal expenses; expenses for estimates of cost and revenue; expenses for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the enterprise; administrative expenses; fees or expenses of the Authority and DEP, including the SRF Administrative Fee; commitment fees; discount; initial fees for the service of registrars, paying agents, depositories or trustees or other costs in connection with the sale of the Original Bonds; and such other expenses as may be necessary or incidental to the financing herein authorized, the construction or acquisition of the Project and the placing of the same in operation, and the performance of the things herein required or permitted, in connection with any thereof; provided, that reimbursement to the City for any amounts expended by it for allowable costs

prior to the issuance of the Original Bonds or the repayment of the indebtedness incurred by the City for such purposes shall be deemed part of the Cost of the Project.

H. It is in the best interests of the City that the Original Bonds be sold to the Authority pursuant to the terms and provisions of the Loan Agreement by and among the Authority, the DEP and the City.

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

ARTICLE II

AUTHORIZATION OF EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO SYSTEM

Section 2.01. Authorization of Extensions, Additions, Betterments and Improvements. There is hereby authorized the acquisition and construction of certain additions, extensions, betterments and improvements to the System in accordance with plans and specifications prepared by the Consulting Engineers, approved by DEP and the City, and on file in the office of the City.

Prior to issuing the Original Bonds for the acquisition and construction of the Project, the City must receive acceptable bids or enter into contracts for the acquisition and construction of the Project which are compatible with the financing plan submitted to the Program.

ARTICLE III

AUTHORIZATION, TERMS, EXECUTION AND REGISTRATION OF BONDS

Section 3.01. Authorization and Terms of Original Bonds. For the purposes of paying costs of issuance and financing a portion of the costs of the acquisition and construction of the Project not otherwise provided for, or any one of such items, there shall be issued the Original Bonds of the City. The Original Bonds shall be designated "City of Mount Hope Waterworks and Sewerage System Revenue Bonds, Series 1999 A" and shall be issued in an aggregate principal amount of \$1,490,000. The Original Bonds shall be dated as of the date of delivery thereof, shall bear such interest, if any, but in no case to exceed two percent (2%) per annum, shall mature at such times, not exceeding twenty (20) years after the date of issuance, and in such amount or amounts as shall be set out in the Loan Agreement. The Original Bonds shall not bear interest, if any, during the construction period but interest shall commence accruing on the Completion Date as defined in the SRF Regulations, provided that the annual repayment of principal and payment of interest, if any, on the Original Bonds shall begin not later than one (1) year after the completion date. The repayment of principal and interest, if any, on the Original Bonds shall be as set forth on Schedule Y to the Loan Agreement. The Original Bonds shall contain such other terms, provisions, conditions and limitations, all as provided by this Ordinance and the Loan Agreement and as the Council of the City shall prescribe by resolution (or by supplemental or amendatory ordinance of said Council as said Council shall determine) adopted in connection with the sale of such Original Bonds.

The Bonds shall be payable as to principal, at the principal office of the Paying Agent, in any coin or currency which, on the dates of payment of principal is legal tender for the payment of public or private debts under the laws of the United States of America. Interest on the Bonds, if any, shall be paid by check or draft mailed to the registered owner thereof at the address as it appears on the books of the Bond Registrar, provided, that so long as the Authority is the owner thereof, interest on the Original Bonds may be paid by wire transfer or other methods satisfactory to the City, the Paying Agent and the Authority.

Unless otherwise provided by the Supplemental Resolution, the Original Bonds shall be issued in the form of a single bond for each series, fully registered to the Authority, with a record of advances and a payment record attached, representing the aggregate principal amount, and shall mature in principal installments, all as provided in the Loan Agreement and said Supplemental Resolution. Bonds shall be exchangeable at the option and expense of the Bondholder for other fully registered Bonds in aggregate principal amount equal to the amount of said Bonds then Outstanding, with principal installments or maturities, as applicable, corresponding to the dates of payment of principal installments of said Bonds; provided, that the Authority shall not be obligated to pay any expenses of such exchange.

Subsequent series of Bonds may be issued in fully registered form, in the denomination of \$5,000 or any integral multiple thereof, all as determined by a Supplemental Resolution. Said Bonds shall be dated as of the date specified in said Supplemental Resolution and shall bear interest from such date.

Section 3.02. Execution of Bonds. Said Bonds shall be executed in the name of the City by the Mayor and attested by the Recorder, and the seal of the City shall be affixed thereto or imprinted thereon. In case any one or more of the officers who shall have signed or sealed any of the Bonds shall cease to be such officer of the City before the Bonds so signed and sealed have been sold and delivered, such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Any Bonds may be signed and sealed on behalf of the City by such person as, at the actual time of the execution of such Bonds, shall hold the proper office in the City, although at the date of such Bonds such person may not have held such office or may not have been so authorized.

Section 3.03. Authentication and Registration. No Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Ordinance unless and until the Certificate of Authentication and Registration on such Bond, substantially in the form set forth in Section 3.08, shall have been duly manually executed by the Registrar. Any such executed Certificate of Authentication and Registration upon any such Bond shall be conclusive evidence that such Bond has been authenticated, registered and delivered under this Ordinance. The Certificate of Authentication and Registration on any Bond shall be deemed to have been executed by the Registrar if manually signed by an authorized officer of the 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 3.04. Negotiability, Transfer and Registration. Subject to the provisions for transfer of registration set forth below, the Bonds shall be, and have all of the qualities and incidents of, negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive owner, in accepting any of said Bonds shall be conclusively deemed to have agreed that such Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive owner shall further be conclusively deemed to have agreed that said Bonds shall be incontestable in the hands of a bona fide holder for value in the manner provided hereinafter in the form of said Bonds.

So long as any of the Bonds remain Outstanding, the City, through the Registrar, shall keep and maintain books for the registration and transfer of the Bonds.

Bonds shall be transferable only upon the books of the Registrar, by the registered Owner thereof in person or by the Owner's attorney duly authorized in writing, upon surrender thereto together with a written instrument of transfer satisfactory to the Registrar, duly executed by the registered Owner or the Owner's duly authorized attorney.

In all cases in which the privilege of exchanging Bonds or transferring Bonds is exercised, Bonds shall be delivered in accordance with the provisions of this Ordinance. All Bonds surrendered in any such exchanges or transfers shall forthwith be canceled by the Registrar. For every such exchange or transfer of Bonds, the 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 Registrar incurred in connection therewith, which sum or sums shall be paid by the City. The Registrar shall not be obliged to make any such exchange or transfer of Bonds during the 15 days preceding an interest payment date on the Bonds, or, in the case of any proposed redemption of Bonds, next preceding the date of the selection of Bonds to be redeemed.

Section 3.05. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Bond shall become mutilated or be destroyed, stolen or lost, the City may, in its discretion, issue and deliver a new Bond 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 Owner's furnishing the City proof of ownership thereof and satisfactory indemnity and complying with such other reasonable regulations and conditions as the City may prescribe and paying such expenses as the City may incur and the Registrar shall authenticate the new Bond. All Bonds so surrendered shall be canceled by the Registrar and held for the account of the City. If such Bond shall have matured or be about to mature, instead of issuing a substitute Bond, the City may pay the same, upon being indemnified as aforesaid, and, if such Bond be lost, stolen, or destroyed, without surrender therefor.

Any such duplicate Bonds issued pursuant to this Section shall constitute original, additional contractual obligations on the part of the City, whether or not the lost, stolen or destroyed Bonds be at any time found by anyone, and such duplicate Bonds shall be entitled to equal and proportionate benefits and rights as to lien and source of security for payment from the revenues pledged herein with all other Bonds issued hereunder.

Section 3.06. Bonds not to be Indebtedness of the City. The Bonds shall not, in any event, be or constitute an indebtedness of the City within the meaning of any constitutional or statutory provision or limitation, but shall be payable solely from the Net Revenues derived from the operation of the System as herein provided. No Owner or Owners of any of the Bonds shall ever have the right to compel the exercise of the taxing power of the City to pay the Bonds or any interest thereon.

Section 3.07. Bonds Secured by Pledge of Net Revenues. The payment of the debt service of all the Original Bonds shall be secured forthwith equally and ratably with each other by a first lien on the Net Revenues derived from the System, on a parity with the lien on the Net Revenues in favor of the Holders of the Prior Bonds. Such Net Revenues in an amount sufficient to pay the principal of and interest on and other payments for the Bonds and the Prior Bonds and to make the payments into the sinking funds and the reserve accounts established in the Prior Ordinances and into the Renewal and Replacement Fund

hereinafter established are hereby irrevocably pledged to the payment of the principal of and any interest on the Bonds and the Prior Bonds as the same become due.

Section 3.08. Form of Original Bonds. The text of each series of Original Bonds shall be of substantially the following tenor, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted by this Ordinance or any subsequent resolution or ordinance adopted or enacted prior to the issuance thereof.

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[FORM OF THE ORIGINAL BOND]

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
COUNTY OF FAYETTE
CITY OF MOUNT HOPE
WATERWORKS AND SEWERAGE SYSTEM
REVENUE BONDS, SERIES 1999 A
(WEST VIRGINIA SRF PROGRAM)

No. AR-1

\$ _____

KNOW ALL MEN BY THESE PRESENTS: That the City of Mount Hope, a municipal corporation of the State of West Virginia, in Fayette County of said State (the "City"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to West Virginia Water Development Authority (the "Authority"), or registered assigns, the sum of _____ (\$ _____), or such lesser amount as is set forth on the Record of Advances attached hereto as Exhibit A and incorporated herein by reference, in quarterly installments on the 1st day of March, the 1st day of June, the 1st day of September and the 1st day of December in each year beginning ____, 200__, as set forth on the "Schedule of Debt Service" attached as Exhibit B hereto and incorporated herein by reference, with no interest. The SRF Administrative Fee (as defined in the hereinafter described Bond Ordinance) shall also be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing _____ 1, 200__, 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 principal, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the Paying Agent. The interest on this Bond, if any, is payable by check or draft mailed to the Authority at the address as it appears on the books of the Registrar on the 15th day of the month preceding an interest payment date or by such other method as shall be mutually agreeable, so long as the Authority is the registered owner hereof.

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and as otherwise provided by the Loan Agreement dated _____, 1999, among the Authority, the DEP and the City.

This Bond is issued (i) to pay costs of acquisition and construction of a wastewater collection facility constituting the sewer system of the City (the "Project"), [(ii) to fund a reserve account therefor,] and (iii) to pay certain costs of issuance hereof and related costs. This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 8, Article 20 of the West Virginia Code of 1931, as amended (the "Act"), an Ordinance duly

enacted by the City on the ___th day of _____, 1999, and a Supplemental Resolution adopted by the City on the ___th day of _____, 1999 (collectively called the "Ordinance"), and is subject to all the terms and conditions thereof. The Ordinance provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Ordinance.

This Bond is payable only from and secured by a pledge of a first lien on the Net Revenues, on a parity with the lien of the Prior Bonds, to be derived from the operation of the System, moneys in the Series 1999 A Reserve Account created under the Ordinance and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest, if any, on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the City within the meaning of any constitutional or statutory provisions or limitations, nor shall the City be obligated to pay the same or the interest, if any, thereon except from said special fund provided from the Net Revenues, the moneys in the Series 1999 A Reserve Account and unexpended Bond proceeds. Pursuant to the Ordinance, the City has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the amount required to pay the maximum amount due in any ensuing fiscal year of principal of and interest on all obligations on a parity with the Bonds, payable from such revenues, provided however, that so long as there exists in the Series 1999 A Reserve Account an amount equal to the maximum amount of principal and interest which will become due on the Bonds and any bonds on a parity therewith in any succeeding fiscal year, respectively, an amount equal to the requirement therefor, such percentage may be reduced to 110%. The City has entered into certain further covenants with the registered owners of the Bonds, for the terms of which, reference is made to the Ordinance. Remedies provided the registered owners of the Bonds are exclusively as provided in the Ordinance, to which reference is here made for a detailed description thereof.

This Bond is transferable, as provided in the Ordinance, only upon the books of _____, _____, (the "Registrar"), kept for that purpose at the office of the Registrar, by the registered owner or 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.

This Bond, under the provision of the Act is, and has provided all the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the State of West Virginia.

All money received from the sale of this Bond, after reimbursement and repayment of all amounts advanced for preliminary expenses as provided by law, shall be

applied solely to the payment of the Costs of the Project described in the Ordinance or to the appurtenant sinking fund, and there shall be and hereby is created and granted a lien upon such moneys, until so applied, in favor of the owner of this Bond.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Bond have existed, have happened, and have been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other obligations of the City, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia and that a sufficient amount of the revenues of the System has been pledged to and will be set aside into said special fund by the City for the prompt payment of the principal of and interest on this Bond.

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

IN WITNESS WHEREOF, the City of Mount Hope has caused this Bond to be signed by its Mayor and its corporate seal to be hereunto affixed or imprinted hereon and attested by its Recorder, and has caused this Bond to be dated the __ day of _____, 1999.

[SEAL]

Mayor

ATTEST:

Recorder

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Original Bonds described in the within-mentioned Ordinance and has been duly registered in the name of the registered owner set forth above.

_____ ,
as Registrar

By _____
Its Authorized Officer

Dated: _____

EXHIBIT A

RECORD OF ADVANCES

<u>Amount</u>	<u>Date</u>	<u>Amount</u>	<u>Date</u>
(1) \$		(7) \$	
(2) \$		(8) \$	
(3) \$		(9) \$	
(4) \$		(10) \$	
(5) \$		(11) \$	
(6) \$		(12) \$	
		Total \$	_____

EXHIBIT B

SCHEDULE OF ANNUAL DEBT SERVICE

[Form of Assignment]

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

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

Dated: _____, ____.

In the presence of:

Section 3.09. Sale of Original Bonds; Ratification and Execution of Loan Agreement. The Original Bonds shall be sold to the Authority pursuant to the terms and conditions of the Loan Agreement. As a ratification of the resolution of Council authorizing execution of the Loan Agreement, the Mayor is specifically authorized and directed to execute the Loan Agreement and the Recorder is directed to affix the seal of the City, attest the same and deliver the Loan Agreement to the Authority. The Loan Agreement is specifically incorporated into this Ordinance.

Section 3.10. Certificate of Consulting Engineers. Prior to the issuance of the Original Bonds, the City must obtain the certificate of the Consulting Engineers, in the form attached to the Loan Agreement, to the effect that the Project has been designed as provided in the Program application and will be constructed in accordance with the approved plans, specifications and design as submitted to the DEP, that the Project will be adequate for the purposes for which it was designed, and the funding plan as submitted to the DEP is sufficient to pay the costs of the acquisition and construction of the Project.

Section 3.11. Amended Schedule A Filing. Within 60 days following the Completion Date, the City will file with the Authority its schedule, in substantially the form of "Amended Schedule A" to the Loan Agreement, setting forth the actual costs of the Project and sources of funds used therefor.

ARTICLE IV

[Reserved]

ARTICLE V

SYSTEM REVENUES AND APPLICATION THEREOF

Section 5.01. Establishment of Funds and Accounts with Depository Bank. The following special funds or accounts are created or continued with and shall be held by the Depository Bank:

- (1) Revenue Fund;
- (2) Series 1999 A Renewal and Replacement Fund; and
- (3) Series 1999 A Bond Construction Trust Fund.

Section 5.02. Establishment of Funds and Accounts with Commission. The following special funds or accounts are hereby established with the Commission:

- (1) Series 1999 A Sinking Fund;
 - (a) Within the Series 1999 A Sinking Fund, the Series 1999 A 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 established in the Series 1991 Ordinance and continued herein. The Revenue Fund shall constitute a trust fund for the purposes provided in this Ordinance and shall be kept separate and distinct from all other funds of the City and the Depository Bank and used only for the purposes and in the manner therein and herein provided.

(1) The City shall, each month, transfer from the Revenue Fund an amount sufficient to pay current Operating Expenses of the System.

(2) The City shall next from the moneys in the Revenue Fund set aside an amount necessary to make the following simultaneous transfers, on the dates set forth herein and in the Prior Ordinances: (i) to make the principal and interest payments required by the Prior Ordinances; and (ii) on the first day of each month commencing 4 months prior to the first date of payment of principal, to remit to the Commission, for deposit in the Series 1999 A Sinking Fund, a sum equal to 1/3rd of the amount of principal which will become due on the 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 1999 A Sinking Fund and the next quarterly principal payment date is less than 4 months, then such monthly payment shall be increased proportionately to provide, one month prior to the next quarterly principal payment date, the required amount of principal coming due on such date. When additional series of Original Bonds are issued, the payment of

principal on said bonds shall be made simultaneously with the payments described in this Section 5.03A(2) and to the extent that Revenues are insufficient to make all of the payments, such payments shall be made, pro rata, among each series of Bonds.

(3) The City shall next from the moneys in the Revenue Fund set aside an amount necessary to make the following simultaneous reserve account payments, on the dates set forth herein and in the Prior Ordinances: (i) to transfer to the respective reserve accounts created in the Prior Ordinances the amounts required by the Prior Ordinances, if any; and (ii) to pay to the Commission on the first day of each month, commencing 3 months prior to the first date of payment of principal of the Bonds, if not fully funded upon issuance of the Bonds, for deposit in the Series 1999 A Reserve Account, an amount equal to 1/120 of the Series 1999 A Reserve Requirement; provided, that no further payments shall be made into the Series 1999 A 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 1999 A Reserve Requirement. When additional series of Original Bonds are issued, additional deposits into the Series 1999 A Reserve Account for said bonds shall be made simultaneously with the payments described in this Section 5.03A(3) and to the extent that Revenues are insufficient to make all of the payments, such payments shall be made, pro rata, among each series of Bonds.

(4) The City shall next from the moneys in the Revenue Fund set aside an amount necessary to make the following depreciation account and renewal and replacement fund payments, on the dates set forth herein and in the Prior Ordinances: (i) to transfer to the respective depreciation accounts established in the Prior Ordinances the amounts required by the Prior Ordinances, if any; and (ii) on the first day of each month, to transfer to the Series 1999 A Renewal and Replacement Fund a sum equal to 2 1/2% of the Gross Revenues each month, exclusive of any payments for account of any reserve account. All funds in the Series 1999 A Renewal and Replacement Fund shall be kept apart from all other funds of the City or of the Depository Bank and shall be invested and reinvested in accordance with Article VIII hereof. Withdrawals and disbursements may be made from the Series 1999 A Renewal and Replacement Fund for replacements, emergency repairs, improvements or extensions to the System; provided, that any deficiencies in the Series 1999 A Reserve Account (except to the extent such deficiency exists because the required payments into such account have not, as of the date of determination of a deficiency, funded such account to the maximum extent required hereof) shall be promptly eliminated with moneys from the Series 1999 A Renewal and Replacement Fund.

Moneys in the Series 1999 A Sinking Fund shall be used only for the purposes of paying principal of and interest on the Bonds as the same shall become due. Moneys in the Reserve Account in the Series 1999 A Sinking Fund shall be used only for the purpose of paying principal of or interest on the Bonds, as the same shall come due, when other moneys in the Series 1999 A Sinking Fund are insufficient therefor, and for no other purpose. All investment earnings on moneys in the Series 1999 A Reserve Account shall be transferred, not less than once each year, to the Series 1999 A Bond Construction Trust Fund prior to completion of the Project and thereafter, pro rata, to the Series 1999 A Sinking Fund.

Any withdrawals from the Series 1999 A Reserve Account which result in a reduction in the balance of the Series 1999 A Reserve Account to an amount below the Series 1999 A Reserve Requirement shall be subsequently restored from the first Net Revenues available after all required payments to the respective sinking funds for payment of debt service on the Bonds and the Prior Bonds have been made in full.

B. As and when additional Bonds ranking on a parity with the Original Bonds are issued, provision shall be made for additional payments into the Series 1999 A Sinking Fund sufficient to pay any interest on such additional Bonds and accomplish retirement thereof at maturity and to accumulate a balance in the Series 1999 A Reserve Account in an amount equal to the Series 1999 A Reserve Requirement.

The Commission is hereby designated as the fiscal agent for the administration of the Series 1999 A Sinking Fund created hereunder, and all amounts required for the Series 1999 A Sinking Fund shall be remitted to the Commission from the Revenue Fund by the City at the times provided herein.

The payments into the Series 1999 A Sinking Fund shall be made on the first day of each month, except that when the first day of any month shall be a Sunday or legal holiday then such payments shall be made on the next succeeding business day, and all such payments shall be remitted to the Commission with appropriate instructions as to the custody, use and application thereof consistent with the provisions of this Ordinance.

Moneys in the Series 1999 A Reserve Account shall be invested and reinvested by the Commission in accordance with Article VIII hereof.

The Series 1999 A Sinking Fund, including the Series 1999 A Reserve Account therein, shall be used solely and only for, and is hereby pledged for, the purpose of servicing the Bonds and any additional Bonds ranking on a parity with them that may be issued and Outstanding under the conditions and restrictions hereinafter set forth.

C. Whenever all of the required and provided transfers and payments from the Revenue Fund into the several special funds, as hereinabove provided, are current and there remains in said Revenue Fund a balance in excess of the estimated amounts required to be so transferred and paid into the Series 1999 A Sinking Fund, including the Series 1999 A Reserve Account therein, and the Series 1999 A Renewal and Replacement Fund during the following month or such longer period as shall be required by the Act, such excess shall be considered as surplus revenues (the "Surplus Revenue"). Surplus Revenues may be used for any lawful purpose of the System.

D. The City shall remit from the Revenue Fund to the Commission or the Depository Bank, on such dates as the Commission or the Depository Bank, as the case may be, shall require, such additional sums as shall be necessary to pay any Depository Bank's charges then due.

Simultaneously with the deposit made to the Commission pursuant to Section 5.03A(2) the City shall remit to the Commission the SRF Administrative Fee.

The City shall complete the "monthly payment form," which form is attached to the Loan Agreement as Exhibit F, and submit a copy of said form along with a copy of its payment check to the Authority by the fifth day of each calendar month.

E. The moneys in excess of the maximum amounts insured by FDIC in the Revenue Fund and the Series 1999 A Renewal and Replacement Fund shall at all times be secured, to the full extent thereof in excess of such insured sum, by Qualified Investments as shall be eligible as security for deposits of state and municipal funds under the laws of the State.

F. If, on any monthly payment date, the revenues are insufficient to place the required amount in any of the funds and accounts as hereinabove provided, the deficiency shall be made up in the subsequent payments, in addition to the payments which would otherwise be required to be made into the funds and accounts on the subsequent payment dates.

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

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

Section 5.04. Excess Bond Proceeds. Upon completion of the Project, any proceeds of the Original Bonds not required to pay Costs of the Project shall be applied as directed by the Authority and DEP.

ARTICLE VI

APPLICATION OF ORIGINAL BOND PROCEEDS; FUNDS AND ACCOUNTS

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

A. From the proceeds of the Bonds, there shall be deposited with the Commission in the Series 1999 A Reserve Account the sum, if any, set forth in the Supplemental Resolution for funding of said Reserve Account.

B. The remaining moneys derived from the sale of the Original Bonds shall be deposited by the City, as received from time to time, in the Bond Construction Trust Fund hereinafter established.

C. There is hereby created and established with the Depository Bank a special fund, designated the "Bond Construction Trust Fund". The Depository Bank shall act as a trustee and fiduciary for the Bondholder with respect to the Bond Construction Trust Fund and shall comply with all requirements with respect to the disposition of the Bond Construction Trust Fund set forth in this Ordinance. Except with respect to any transfers to the Rebate Fund, moneys in the Bond Construction Trust Fund shall be used solely to pay Costs of the Project and until so transferred or expended, are hereby pledged as additional security for the Bonds.

D. After completion of the Project, as certified by the Consulting Engineers, and after all costs have been paid, any remaining proceeds of the Bonds shall be used as directed in writing by the Authority and DEP.

Section 6.02. Disbursements From the Bond Construction Trust Fund. On or before the Closing Date, the City shall have delivered to the Authority and the DEP a report listing the specific purposes for which the proceeds of the Bonds will be expended and the disbursement procedures for such proceeds, including an estimated monthly draw schedule. Upon receipt of the proceeds from the Authority, the City shall deposit the proceeds in the Bond Construction Trust Fund and pay any approved costs. Payments for Costs of the Project shall be made monthly.

Except as provided in Section 6.01 hereof, disbursements from the Bond Construction Trust Fund (except for the cost of issuance of the Original Bonds which shall be made upon request of the City) shall be made only after submission to, and approval from, the Authority and the DEP (as the case may be) of the following:

- (1) A "Payment Requisition Form," attached to the Loan Agreement as Exhibit C, and

(2) a certificate, signed by the Mayor and the Consulting Engineers, stating:

(A) That none of the items for which the payment is proposed to be made has formed the basis for any disbursements theretofore made;

(B) That each item for which the payment is proposed to be made is or was necessary in connection with the Project and constitutes a Cost of the Project;

(C) That each of such costs has been otherwise properly incurred;
and

(D) That payment for each of the items proposed is then due and owing.

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

Pending such application, moneys in the Bond Construction Trust Fund, including any accounts therein, shall be invested and reinvested in Qualified Investments at the written direction of the City.

ARTICLE VII

ADDITIONAL COVENANTS OF THE CITY

Section 7.01. General Covenants of the City. All the covenants, agreements and provisions set forth in this Ordinance shall be and constitute valid and legally binding covenants of the City and shall be enforceable in any court of competent jurisdiction by any owner or owners of the Bonds. In addition to the other covenants, agreements and provisions of this Ordinance, the City hereby covenants and agrees with the owners of the Bonds as hereinafter provided in this Article VII. All such covenants, agreements and provisions shall be irrevocable, except as provided herein, as long as any of said Bonds, or the interest thereon, is Outstanding and unpaid.

Section 7.02. Bonds not to be Indebtedness of the City. The Bonds shall not be nor constitute an indebtedness of the City within the meaning of any constitutional, statutory or charter limitation of indebtedness, but shall be payable solely from the funds pledged for such payment by this Ordinance. No Holder or Holders of any Bonds shall ever have the right to compel the exercise of the taxing power, if any, of the City to pay said Bonds or the interest thereon.

Section 7.03. Bonds Secured by Pledge of Net Revenues. The payment of the debt service of the Original Bonds issued hereunder shall be secured forthwith, equally and ratably, by a first lien on the Net Revenues derived from the operation of the System, on a parity with the lien on the Net Revenues in favor of the Holders of the Prior Bonds. The revenues derived from the System, in an amount sufficient to pay the principal of and interest on the Bonds herein authorized and to make the payments into the Series 1999 A Sinking Fund, including the Reserve Account therein, and all other payments provided for in this Ordinance are hereby irrevocably pledged, in the manner provided herein, to the payment of the principal of and interest on the Bonds and for the other purposes provided in the Ordinance.

Section 7.04. Rates. Prior to issuance of the Original Bonds, equitable rates or charges for the use of and service rendered by the System will be established 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. The City shall take the necessary actions with respect to the imposition of rates, at such times and with such provisions with respect to interest rate and maturity of the Bonds, to finance the issuance of the Bonds as the purchaser thereof shall require. In order to assure full and continuous performance of this covenant, with a margin for contingencies and temporary unanticipated reduction in income and

revenues, the City hereby covenants and agrees that the schedule of rates or charges from time to time in effect shall be sufficient (i) to provide for all reasonable expenses of operation, repair and maintenance of the System and (ii) to leave a balance each Fiscal Year equal to at least 115% of the maximum amount required in any succeeding Fiscal Year for payment of principal of and interest on the Bonds and all other obligations secured by a lien on or payable from such revenues prior to or on a parity with the Bonds, including the Prior Bonds; provided that, in the event that an amount at least equal to or in excess of the Series 1999 A Reserve Requirement is on deposit in the Series 1999 A Reserve Account and the reserve accounts for obligations prior to or on a parity with the Bonds, including the Prior Bonds, are funded at least at the respective requirements provided therefor, such balance each Fiscal Year need only equal at least 110% of the maximum amount required in any succeeding Fiscal Year for payment of principal of and interest on the Original Bonds and all other obligations secured by a lien on or payable from such revenues prior to or on a parity with the Bonds, including the Prior Bonds.

Section 7.05. Completion, Operation and Maintenance; Schedule of Cost. The City will expeditiously complete the Project and will maintain the System in good condition and will operate the same as a revenue-producing enterprise in an efficient and economical manner, making such expenditures, for equipment and for renewal, repair and replacement as may be proper for the economical operation and maintenance thereof, from the revenues of said System, in the manner provided in the Ordinance.

Upon completion of the Project, the City shall file with the Authority a schedule, in substantially the form of Amended Schedule A to the Program loan application, setting forth the actual costs of the Project and sources of funds therefor.

Section 7.06. Sale of the System. The System may be sold, mortgaged, leased or otherwise disposed of only as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient fully to pay or redeem at or prior to maturity all the Bonds and Prior Bonds Outstanding. The proceeds from such sale, mortgage, lease or other disposition of the System shall immediately be remitted to the Commission for deposit, pro rata, in the Series 1999 A Sinking Fund and the sinking funds established for any of the Prior Bonds then Outstanding, and the City shall direct the Commission to apply such proceeds to the payment of principal and any interest at maturity of Bonds and Prior Bonds about to mature and to the redemption prior to maturity, at the earliest date permitted hereby and at the redemption price of all other Outstanding Bonds and Prior Bonds. Any balance remaining after the redemption or payment of all the Bonds and Prior Bonds and interest thereon shall be remitted to the City by the Commission, unless necessary for the payment of other obligations of the City payable out of the revenues of the System.

The foregoing provision notwithstanding, the City shall have and hereby reserves the right to sell, lease or otherwise dispose of any of the property comprising a part of the System hereinafter determined in the manner provided herein to be no longer necessary, useful or profitable in the operation thereof. The Council may then, if it be so advised, as evidenced by certificates of the Consulting Engineers, by resolution duly

adopted, approve and concur in such finding and provide for the sale of such property if the amount to be received therefor is not in excess of ten thousand dollars (\$10,000), or authorize such sale, lease or other disposition of such property, upon public bidding, if the amount to be received therefor is in excess of ten thousand dollars (\$10,000) but not in excess of fifty thousand dollars (\$50,000). The proceeds of any such sale, lease or other disposition of such property, not in excess of \$10,000, shall be deposited, pro rata, in the Series 1999 A Renewal and Replacement Fund and in the depreciation accounts established for any Prior Bonds then Outstanding. The proceeds derived from any such sale, lease or other disposition of such property, in excess of \$10,000 and not in excess of \$50,000, shall be remitted by the City to the Commission for deposit, pro rata, in the Series 1999 A Sinking Fund and in the sinking funds established for any Prior Bonds then Outstanding, and shall be applied only to the redemption of Bonds and Prior Bonds of the last maturities then Outstanding or to the purchase of Bonds and Prior Bonds of the last maturities then Outstanding at prices not greater than the redemption price of such Bonds and Prior Bonds. Such payments of such proceeds into the respective sinking funds, renewal and replacement funds and depreciation funds for the Bonds and Prior Bonds shall not reduce the amounts required to be paid into said funds by other provisions of this Ordinance or of the Prior Ordinances.

No sale, lease or other disposition of the properties of the System shall be made by the City if the proceeds to be derived therefrom shall be in excess of fifty thousand dollars (\$50,000) and be insufficient to pay or redeem, prior to maturity, all the Bonds then Outstanding, without the prior approval and consent in writing of the owners, or their duly authorized representatives, of sixty-six and two-thirds percent (66-2/3%) in amount of the Bonds then Outstanding. The City shall prepare the form of such approval and consent for execution by the then owners of the Bonds, for the disposition of the proceeds of the sale, lease or other disposition of such properties of the System.

Section 7.07. Issuance of Other Obligations Payable out of Revenues and General Covenant Against Encumbrances. The City shall not issue any other obligations whatsoever, except pari passu additional Bonds provided for in Section 7.08 hereof, payable from the revenues of the System which rank prior to, or equally, as to lien on and source of and security for payment from such revenues with the Bonds; provided, however, that additional Parity Bonds may be issued as provided in Section 7.08 hereafter. All obligations hereafter issued by the City payable from the revenues of the System, except such additional Parity Bonds, shall contain an express statement that such obligations are junior and subordinate as to lien on and source of and security for payment from such revenues and in all other respects to the Bonds to the extent such are Outstanding; provided, that no such subordinate obligations shall be issued unless all payments required to be made into the Series 1999 A Reserve Account and the Series 1999 A Renewal and Replacement Fund, at the time of the issuance of such subordinate obligations, have been made and are current.

Except as provided above, the City shall not create, or cause or permit to be created, any debt, lien, pledge, assignment, encumbrance or any other charge having priority over or, except with respect to said pari passu additional Bonds, being on a parity with the

lien of the Bonds, and the interest thereon, upon any of the income and revenues of the System pledged for payment of the Bonds and the interest thereon in this Ordinance or upon the System or any part thereof.

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

Section 7.08. Parity Bonds. No Parity Bonds payable out of the revenues of the System shall be issued after the issuance of any Bonds pursuant to this Ordinance, except under the conditions and in the manner herein provided, with the prior written consent of DEP and the Authority, and, for so long as any of the Prior Bonds remain Outstanding, in accordance with restrictions and limitations established in the respective Prior Ordinances applicable to such Prior Bonds.

No Parity Bonds shall be issued, except for the purpose of financing the costs of the acquisition or construction of extensions, additions, betterments or improvements to the System or refunding the entirety of one or more issues or series of 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 Independent Accountants, based upon the necessary investigation and certification by the Consulting Engineers, reciting the conclusion that the net revenues actually derived, subject to the adjustments hereinafter provided, from the System during any twelve (12) consecutive months within the eighteen (18) months immediately preceding the date of the actual issuance of such Parity Bonds, plus the estimated average increased annual net revenues to be received in each of the three (3) succeeding years after the completion of the improvements to be financed by such additional Parity Bonds, shall not be less than one hundred fifteen percent (115%) of the maximum debt service in any succeeding year on the following:

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

The "estimated average increased annual net revenues to be received in each of the three (3) succeeding years," as that term is used in the computation provided in the above paragraph, shall refer only to the increased net revenues estimated to be derived from any increase in rates enacted by the City, the time for appeal of which shall have expired prior to the date of delivery of such Parity Bonds, and shall not exceed the amount to be

stated in a certificate of the Consulting Engineers, which shall be filed in the office of the Recorder prior to the issuance of such additional Parity Bonds.

The Net Revenues actually derived from the System during the twelve (12) consecutive month period hereinabove referred to may be adjusted by adding to such net revenues such additional net revenues which would have been received, in the opinion of the Consulting Engineers and the Independent Accountants as stated in a certificate jointly made and signed by the Consulting Engineers and the Independent Accountants, on account of increased rates, rentals, fees and charges for the System enacted by the City, the time for appeal of which shall have expired prior to issuance of such Parity Bonds.

Not later than simultaneously with the delivery of such Parity Bonds, the City shall have entered into written contracts for the immediate acquisition or construction of such extensions, additions, betterments or improvements to the System which are to be financed by such Parity Bonds.

All the covenants and other provisions of this Ordinance (except as to details of such Parity Bonds inconsistent herewith) shall be for the equal benefit, protection and security of the owners of the Original Bonds and the owners of any Parity Bonds subsequently issued, from time to time, within the limitations of and in compliance with this Section. All the Bonds, regardless of the time or times of their issuance shall rank equally with respect to their respective liens on the revenues of the System, and their respective sources of and security for payment from said revenues, without preference of any Bond over any other. The City shall comply fully with all the increased payments into the various funds created in this Ordinance required for and on account of such additional Bonds, in addition to the payments required for Bonds theretofore issued pursuant to this Ordinance.

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

No Parity Bonds shall be issued at any time, however, unless all the payments into the respective funds and accounts provided for in this Ordinance on account of the Bonds then Outstanding, and any other payments provided for in this Ordinance, shall have been made in full as required to the date of delivery of the Parity Bonds, and the City shall then be in full compliance with all the covenants, agreements and terms of this Ordinance.

Section 7.09. Insurance and Construction Bonds. The City will carry such insurance and in such amounts as is customarily carried with respect to works and properties similar to the System, with a reputable insurance carrier or carriers, against loss or damage by fire, explosion, hurricane, earthquake, cyclone, occupancy or other hazards and risks.

The City will require that each of its contractors and all subcontractors maintain, during the life of the construction contract, workers' compensation coverage, public liability insurance, property damage insurance and vehicle liability insurance in amounts and on terms satisfactory to the Authority and the DEP, so long as the Authority is the Owner of the Bonds. The City 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, to protect the City, the Authority, the prime contractor and all subcontractors as their interests may appear, in accordance with the Loan Agreement, during construction of the Project in the full insurable value thereof. In time of war, the City shall also carry in said amount such insurance as may be available against loss or damage by the risks and hazards of war. The proceeds of all such insurance policies shall be disposed of as provided in the Ordinance and otherwise shall be deposited, pro rata, in the Series 1999 A Renewal and Replacement Fund and the depreciation accounts established for any Prior Bonds then Outstanding, and used only for the repair and restoration of the damaged or destroyed properties or for the other purposes provided herein for said Renewal and Replacement Fund and in the depreciation accounts established for any Prior Bonds then Outstanding. The City shall also carry liability insurance for damage or injury to persons or property in amounts adequate for such purposes and customarily carried with respect to works and properties similar to the System. The City shall carry such other insurance as is required by the Authority and DEP and as set forth in the Loan Agreement, including but not limited to flood insurance and business interruption insurance, to the extent available at reasonable cost to the City.

The City 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.

Section 7.10. Consulting Engineers. The City shall provide and maintain competent and adequate resident engineering services satisfactory to the Authority and the DEP 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. Such resident engineer shall certify to the Authority, the DEP and the City, 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 City shall require the Consulting Engineers to submit Recipient As-Built Plans, as defined in the SRF Regulations, to it within 60 days of the completion of the Project. The City shall notify the DEP in writing of such receipt. The City shall submit a Performance Certificate, the form of which is attached as Exhibit A to the Loan Agreement and is incorporated herein by reference, to the DEP within 60 days of the end of the first year after the Project is completed.

The City shall require the Consulting Engineers to submit the final Operation and Maintenance Manual, as defined in the SRF Regulations, to the DEP when the Project

is 90% completed. The City agrees that it will, at all times, provide operation and maintenance of the System to comply with any and all State and federal standards. The City agrees that qualified operating personnel, properly certified by the State, will be employed before the Project is 25% complete and agrees that it will retain such a certified operator(s) to operate the System during the entire term of this Loan Agreement. The City shall notify the DEP in writing of the certified operator employed at the 25% completion stage.

The City agrees that qualified operating personnel, properly certified by the State, will be retained to operate the System during the entire term of the Loan Agreement.

Section 7.11. Compliance With Loan Agreement, Rules and Regulations. The City hereby covenants and agrees to perform and satisfy all terms and conditions of the Loan Agreement and to comply with all applicable laws, rules and regulations issued by the Authority, the DEP or other State, federal or local bodies in regard to the construction of the Project and operation, maintenance and use of the System. The City agrees to comply with all the terms and conditions of the Loan Agreement. Notwithstanding anything herein to the contrary, the City will provide the DEP with copies of all documents submitted to the Authority.

Section 7.12. No Free Services. The City will not render or cause to be rendered any free services, of any nature, by its System; and, in the event the City or any department, agency, instrumentality, officer or employee of the City shall avail itself or himself or herself of the facilities or services provided by the System or any part thereof, the same rates, fees or charges applicable to other customers receiving like services under similar circumstances shall be charged the City and any such department, agency, instrumentality, officer or employee. Such charges shall be paid as they accrue, and the City shall transfer from its general funds sufficient sums to pay such charges for service to any of its departments or properties. The revenues so received shall be deemed to be revenues derived from the operation of the System and shall be deposited and accounted for in the same manner as other revenues derived from such operation of the System.

Section 7.13. Enforcement of Collections. The City will diligently enforce and collect all fees, rates, rentals or other charges for the services and facilities of the System and take all steps, actions and proceedings for the enforcement and collection of such fees, rates, rentals or other charges that shall become delinquent to the full extent permitted or authorized by the laws of the State of West Virginia. All such rates and charges, if not paid when due, shall become a lien on the premises served by the System.

Whenever any rates, rentals or charges for the services or facilities of the System, or of the waterworks system or sewerage system constituting a part thereof, shall remain unpaid for a period of thirty (30) days after the same shall become due and payable, the property and the owner thereof, as well as the user of the services and facilities, shall be delinquent until such time as all such rates and charges are fully paid. The City further covenants and agrees that it will, to the full extent permitted by law, and any rules and regulations promulgated by the PSC applicable thereto, discontinue and shut off both the

water and sewerage services and facilities of the System to all delinquent users of the services and facilities of the System, or of the waterworks system or sewerage system constituting a part thereof, and will not restore either water or sewerage services of the System until all delinquent charges for the service and facilities of the System, or of the waterworks system or sewerage system constituting a part thereof, plus reasonable interest penalty charges for the restoration of service, have been fully paid.

Section 7.14. No Competing Franchise. To the extent allowable by law, the City will not grant or cause, consent to or allow the granting of, any franchise or permit to any person, firm, corporation or body, or agency or instrumentality whatsoever for the providing of any services which would compete with services provided by the System.

Section 7.15. Books, Records and Facilities. The City 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 City shall permit the Authority and the DEP, 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 City shall submit to the Authority and the DEP such documents and information as they 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 Agreement or other sources of financing for the Project.

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

The City will keep books and records of the System, which shall be separate and apart from all other books, records and accounts of the City, in which complete and correct entries shall be made of all transactions relating to the System, and any owner of a Bond or Bonds issued pursuant to the Ordinance shall have the right, at all reasonable times, to inspect the System and all parts thereof and all records, accounts and data of the City relating thereto.

The accounting system for the System shall follow currently accepted accounting practices in accordance with the rules and regulations of the PSC and the Act. Separate control accounting records shall be maintained by the City. Subsidiary records as may be required shall be kept in the manner, on the forms, in the books, and along with other bookkeeping records as prescribed by the City. The City shall prescribe and institute the manner by which subsidiary records of the accounting system which may be installed remote from the direct supervision of the City shall be reported to such agent of the City as the Council shall direct.

The City shall file with the Consulting Engineers and the Authority and DEP, and shall mail in each year to any owner or owners 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 Ordinance with respect to said Bonds and the status of all said funds and accounts.

(C) The amount of any Bonds or other obligations Outstanding and secured by a lien on the Net Revenues of the System.

The City shall also, at least once a year, cause the books, records and accounts of the System to be completely audited by Independent 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 Accountants, or a summary thereof, to any owner or owners of Bonds issued pursuant to this Ordinance, and shall submit said report to the Authority and the DEP. The report of said audit shall include a statement that the City is in compliance with the terms and provisions of the Act and the Loan Agreement and that the City's revenues are adequate to meet its operation and maintenance expenses and debt service requirements.

The City shall, commencing on the date contracts are executed for the construction of the Project and for two years following the completion of the Project, each month complete a Monthly Financial Report and forward a copy by the 10th of each month to the Authority and the DEP.

The City shall, during construction of the Project, complete Payment Requisition Forms, the form of which is attached to the Loan Agreement as Exhibit C and is incorporated herein by reference, and forward a copy to the DEP in compliance with the City's construction schedule.

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

The City shall permit the Authority or the DEP, 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 of the Project, the City shall also provide the Authority and the DEP, 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 and the DEP with respect to the System pursuant to the Act.

Section 7.16. Operating Budget. The Board 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 and the DEP within thirty days of the adoption thereof. No expenditures for the operation and maintenance of the System shall be made in any Fiscal Year in excess of the amounts provided therefor in such budget without a written finding and recommendation by the Consulting Engineers, which finding and recommendation shall state in detail the purpose of and necessity for such increased expenditures for the operation and maintenance of the System, and no such increased expenditures shall be made until the Board 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 City shall mail copies of such annual budget and all resolutions authorizing increased expenditures for operation and maintenance to the Authority and to any Holder of any Bonds who shall file his address with the City and request in writing that copies of all such budgets and resolutions be furnished him 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 7.17. Mandatory Connection. The mandatory use of the System is essential and necessary to protect and preserve the public health, comfort, safety, convenience and welfare of the inhabitants and residents of, and the economy of, the City and 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 Department 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 matter from such house, dwelling or building where there is such gravity flow or transportation by such other method approved by the State Department 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 City 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 7.18. Statutory Mortgage Lien. For the further protection of the Bondholders, a statutory mortgage lien upon the System is granted and created by the Bond Act, which statutory mortgage lien is hereby recognized and declared to be valid and binding and shall take effect immediately upon delivery of the Bonds and shall be for the benefit of all Owners of the Bonds.

Section 7.19. PSC Order. The City shall comply with the conditions of the PSC Order and any supplement or amendment thereto.

Section 7.20. Covenant to Amend Ordinance. The City retains the right to make any amendments, insertions or deletions by Supplemental Resolution to this Ordinance as the City deems necessary prior to the issuance of the Bonds to meet the requirements of the Authority and the DEP.

ARTICLE VIII

INVESTMENT OF FUNDS

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

ARTICLE IX

DEFAULT AND REMEDIES

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

(A) If default occurs in the due and punctual payment of the principal of or interest on any series of Original Bonds; or

(B) If default occurs in the City's observance of any of the covenants, agreements or conditions on its part relating to such Bonds set forth in this Ordinance, any supplemental resolution, or in such Bonds, and such default shall have continued for a period of 30 days after the City shall have been given written notice of such default by any bank or banking association holding any fund or account hereunder or an owner of such Bonds; or

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

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

Section 9.03. Appointment of Receiver. Any Bondholder may, by proper legal action, compel the performance of the duties of the City under the Ordinance and the Act, including the making and collection of sufficient rates and charges for services rendered by the System and segregation of the revenues therefrom and the application thereof. If there be any default in the payment of interest on any Bonds when the same shall become due, or in the payment of the principal of any Bond or Bonds, either at the specified date of maturity thereof or at a date set for redemption thereof, or otherwise in the performance of any covenant contained in the Ordinance other than as to such payment and such default shall continue for a period of thirty (30) days after written notice to the City of such default, any Bondholder shall, in addition to all other remedies or rights, have the right, by appropriate legal proceedings, to obtain the appointment of a receiver to administer the System on behalf

ARTICLE XI

MISCELLANEOUS

Section 11.01. Modification or Amendment. No material modification or amendment of this Ordinance or of any ordinance or resolution amendatory hereof or supplemental hereto which would materially and adversely affect the rights of Bondholders shall be made without the consent in writing of the owners of two-thirds (2/3) or more in principal amount of the Bonds then Outstanding and to be affected by said modification; provided, however, that no change shall be made in the maturity of any Bond or Bonds or the rate of interest thereon, or in the principal amount thereof, or affecting the unconditional promise of the City to pay such principal and interest out of the revenues of the System without the consent of the owner thereof. No amendment or modification shall be made which would reduce the percentage of the principal amount of Bonds required for consent to the above permitted amendments or modifications.

Section 11.02. Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Ordinance shall be held invalid, such invalidity shall not affect any of the remaining provisions of this Ordinance.

Section 11.03. Repeal of Conflicting Ordinances. All ordinances, resolutions and orders, or parts thereof, in conflict with this Ordinance are, to the extent of such conflict, repealed.

Section 11.04. Covenant of Due Procedure. The City covenants that all acts, conditions, things and procedures required to exist, to happen, to be performed or to be taken precedent to and in the final enactment and passage of this Ordinance do exist, have happened, have been performed and have been taken in regular and due time, form and manner as required by and in full compliance with the laws and Constitution of the State of West Virginia applicable thereto; and that the Mayor, the Recorder and members of Council were at all times when any actions in connection with this Ordinance occurred, and are, duly in office and duly qualified for such office.

Section 11.05. Abstract of Ordinance and Notice of Public Hearing. Upon adoption hereof, the abstract of this Ordinance in the form set forth in Exhibit B attached hereto and incorporated herein by reference, shall be published once a week for two successive weeks, with at least six full days intervening between each publication, in the Fayette Tribune, a newspaper of general circulation in the City of Mount Hope, together with a notice stating that this Ordinance has been adopted and that the City contemplates the issuance of the Bonds, and that any person interested may appear before the City upon a certain date, not less than ten days subsequent to the date of the first publication of such abstract of this Ordinance and notice, and present protests, and that a certified copy of this Ordinance is on file with the City for review by interested persons during office hours of the City. The Council hereby determines that the Abstract contains sufficient information as to

give notice of the contents hereof. At such hearing, all objections and suggestions shall be heard and the City shall take such action as it shall deem proper in the premises.

Section 11.06. Effective Date. This Ordinance shall take effect after passage, public hearing and otherwise in the manner prescribed by law.

First Reading: April 20, 1999

Second Reading
and Passage: May 4, 1999

Public Hearing: May 18, 1999

This Ordinance was placed into effect following the public hearing held on May 18, 1999.

(SEAL)


Recorder


Mayor

EXHIBIT A

Project Description

The Project consists of the replacement/rehabilitation of approximately 2,121 linear feet (lf) of 18" sanitary sewer, 969 lf of 12" sanitary sewer, 2,547 lf of 10" sanitary sewer, 8,204 lf of 8" sanitary sewer, 320 lf of 6" sanitary sewer, 35 lf of 6" sanitary sewer, 1,532 lf of 4" sanitary sewer lateral, the TV inspection or 12, 617 lf of existing sanitary sewer, 126 lf of 12" storm pipe, 2 storm sewer manholes (MH), 92 sanitary sewer MH (0-6 feet in depth), 152 sanitary sewer MH extra depth, 20 lf of 4" sanitary sewer force main, 552 lf of 16" steel casing pipe, 75 lf of 20" steel casing pipe, 89 lf of 30" steel casing pipe, and other related appurtenances, including the restoration of all public roadways, sidewalks and private drives disturbed during construction. The sanitary sewer pipe is a combination of PVC and ductile iron pipe.

EXHIBIT B

CITY OF MOUNT HOPE, WEST VIRGINIA

NOTICE OF PUBLIC HEARING and ABSTRACT OF BOND ORDINANCE

Notice is hereby given to any person interested that on May 4, 1999, the Council of the City of Mount Hope, West Virginia (the "City") adopted an ordinance which:

1. Authorized the acquisition and construction of certain additions, extensions, betterments and improvements to the combined waterworks and sewerage system (the "Project") to the system ("System") of the City and the financing of the permanent cost, not otherwise provided, thereof through the issuance of \$1,490,000 in aggregate principal amount of Waterworks and Sewerage System Revenue Bonds, Series 1999 A (the "Bonds"). The Project, estimated at \$1,710,000, was authorized to be financed with the Bond proceeds and with a contribution by the City in the approximate amount of \$232,500.

2. Directed that the Bonds be issued in the form of one bond, fully registered with a payment record attached, at an interest rate not to exceed two percent (2%) per annum; that said Bonds mature in not more than twenty years and that said Bonds be sold for the par value thereof; that the Bonds be issued; that the Bonds be executed in the name of the City by the Mayor, and the seal of the City be affixed thereto and attested to by the Recorder; that such Bonds be duly authenticated by the Registrar and delivered to the West Virginia Water Development Authority as the Original Purchaser on behalf of the West Virginia Division of Environmental Protection.

3. Directed the continuation of the Revenue Fund and the disposition of the System revenues; provided for the payment of operating expenses; provided for the monthly payment of principal and interest when due; provided for the creation of reserve accounts for the Bonds and a Renewal and

Replacement Fund; and provided for the use of excess funds of the System.

4. Provided for the disbursement of Bond proceeds and created a Construction Trust Fund.

5. Pledged to payment of the Bonds the Net Revenues of the System on a parity with the City's Waterworks and Sewerage System Revenue Bonds, Series 1986, and the City's Waterworks and Sewerage System Revenue Bonds, Series 1991.

6. Provided upon certain conditions for the issuance of additional bonds.

7. Provided for insurance coverage on the Project; provided that the City will render no free service; provided for the enforcement of collection of fees, rates, rentals or other charges for service.

8. Established the terms for defaults and the remedies of the Bondholders.

9. Provided for the modification or amendment of the Ordinance upon the terms and conditions set forth in the Ordinance.

The City contemplates the issuance of the Bonds described in, and under the conditions set forth in the Ordinance abstracted above. Any person interested may appear before the Council of the City of Mount Hope at a special meeting thereof at 7:00 p.m., prevailing time, on May 18, 1999, at the City Hall, Main Street, Mount Hope, West Virginia, and present objections and be heard as to whether the above described Ordinance shall be put into effect.

A certified copy of the Ordinance as adopted by the Council of City on May 4, 1999, is on file with the Recorder for review by interested persons during the regular hours at the City Hall, Main Street, Mount Hope, West Virginia, to-wit: 9:00 a.m. to 5:00 p.m., Monday through Friday.

Recorder-City of Mount Hope,
West Virginia

CERTIFICATE OF TRUTH AND ACCURACY

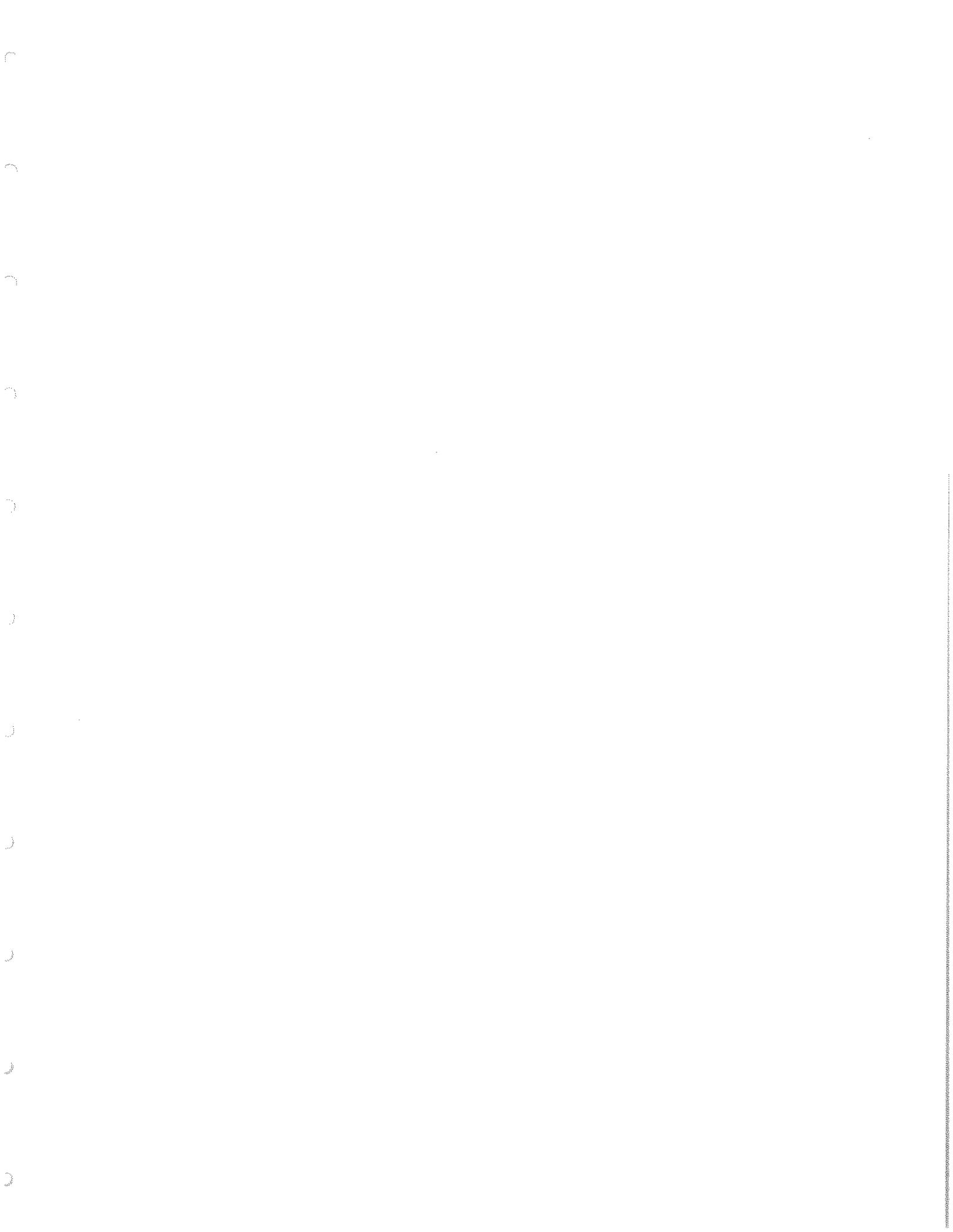
I, the undersigned, as Recorder of the City of Mount Hope, Fayette County, West Virginia, do hereby certify that the foregoing document is a true and accurate copy of the official record of the City of Mount Hope, such records being in the custody of the undersigned and maintained at the City Hall, Main Street, Mount Hope, Fayette County, West Virginia, and that the action taken by the Council in the foregoing document remains in full force and effect and has not been amended.

Dated this 20th day of May, 1999.

Frank B. Bergendahl, Jr.
Recorder

[SEAL]

CHASFS3:118799



CITY OF MOUNT HOPE

MOUNT HOPE, WEST VIRGINIA

A Regular meeting of the City Council of the City of Mount Hope was held in City Hall on May 4, 19 99, at 7:00 P.M., the following being present:

Councilmen:

Mayor Floyd Bonifacio

Larry Beverley

City Recorder Frank W. Bergendahl, Jr.

Sudana Greene

City Auditor

Jonathan Kesler

City Attorney John Shumate

Meeting called to order by Mayor Floyd Bonifacio.

Invocation by Mayor Floyd Bonifacio.

Pledge of Allegiance.

Larry Beverley made a motion to approve the minutes of the regular city council meeting of April 6, 1999. Sudana Greene seconded the motion. The motion carried.

Sudana Greene made a motion to approve the minutes of the special city council meeting of April 20, 1999. Larry Beverley seconded the motion. The motion carried.

Larry Beverley made a motion to approve the general account financial statement for April, 1999. Sudana Greene seconded the motion. The motion carried.

Jonathan Kesler made a motion to approve the water and sewer financial statement for April, 1999. Larry Beverley seconded the motion. The motion carried.

Larry Beverley made a motion to approve the second reading of an ordinance to authorize the acquisition and construction of certain additions, extensions, betterments and improvements the city's wastewater collection and treatment system and the financing thereof through the issuance of revenue bonds of the city. Larry Beverley seconded the motion. The motion carried.

Jonathan Kesler made a motion to order a second high service back-wash pump for

CITY OF MOUNT HOPE

MOUNT HOPE, WEST VIRGINIA

A Regular meeting of the City Council of the City of Mount Hope was held in City Hall on May 4, 19 99, at 7:00 P.M., the following being present:

Councilmen:

Mayor _____
City Recorder _____
City Auditor _____
City Attorney _____

the water plant. Sudana Greene seconded the motion. The motion carried. The first pump has been ordered and installed.

Jonathan Kesler made a motion to order two 1,000 gallon fuel tanks plus containments from eastern steel for the total amount of \$4,163.00. The water account and the sewer account will pay \$2,081.50 each. Larry Beverley seconded the motion. The motion carried.

Jonathan Kesler made a motion to adjourn into executive session at 7:50p.m. Larry Beverley seconded the motion. The motion carried.

Jonathan Kesler made a motion to resume the regular city council meeting at 8:03p.m. Larry Beverley seconded the motion. The motion carried.

City Attorney John Shumate elaborates on the contract with the Pentree engineers. This concerns the sewer system upgrade and the facilities plan. There are time constraints. The contract with Pentree engineering is presented to the city council for consideration. Jonathan Kesler made a motion to authorize the mayor to sign the contract. Sudana Greene seconded the motion. The motion carried.

Chief Jim McCoy gives the police report for the month of April, 1999. Jim McCoy states that he will order a computer within the next week.

City Superintendent Michael Kessinger gives the water plant report for the month

CITY OF MOUNT HOPE

MOUNT HOPE, WEST VIRGINIA

A Regular meeting of the City Council of the

City of Mount Hope was held in City Hall on May 4, 19 99, at 7:00 P. M.,

the following being present:

Councilmen:

Mayor _____

City Recorder _____

City Auditor _____

City Attorney _____

of April, 1999. The city of Mount has been given an award called West Virginia Make it Shine. Two signs will be erected later next month signifying the award. A total of sixty trees have been planted in different areas of town. Jonathan Kesler states that the cemetery on the other end of town should be maintained.

Darren Wriston thanks the city council for the generators and pumps. The pumps will be delivered tomorrow.

Dreama Helton states that the yield sign at the corner of Bailey and Broad Street has been knocked over. It needs to be repaired.

A visitor inquires about an access road on Dubois hill, which pertains to the property owned by Andre Portee. City Attorney John Shumate has not seen the situation but will look at it. Police Chief Jim McCoy has been contacted about this. Michael Kessinger elaborates on what has been done with the access road. It is a private drive, not a city street. The access road goes through Andre Portee's land. The visitor provides a description of the area. He states that he has been to Fayette concerning this issue. It is important to know what the deed says and how Andree Portee deals with the road. City Attorney John Shumate states that he will look into this.

A visitor expresses concern about a house on Mound Street. The porch has fallen in and it is trashy. The visitor states that he will shoot the rats. The house has just been recently bought for taxes.

CITY OF MOUNT HOPE

MOUNT HOPE, WEST VIRGINIA

A Regular meeting of the City Council of the City of Mount Hope was held in City Hall on May 4, 19 99, at 7:00 P.M., the following being present:

Councilmen:

Mayor _____

City Recorder _____

City Auditor _____

City Attorney _____

Jean Evansmore is here to inform the city council and the members of the community who are present about the Dubois High School reunion. Jean Evansmore is trying to get funding in order to present a symposium on Dubois High School. The kids growing up today in Mount Hope are unaware of Dubois High School and it's history. The symposium is set for Labor Day weekend at the Country Inn and Suites on Harper Road in Beckley. Jean Evansmore elaborates on the Fayette County Museum Association, which she is a member of. There will be a museum day upcoming at the Fayette County Park. The goal is to educate people. There will be workshops and displays. The Fayette County Museum Association has received \$1,000.00 from the Fayette County Commission. Jean Evansmore would like to see the city of Mount Hope contribute something. Collaboration is the key word. The people need to be informed.

Pete Logan describes the condition of Tennessee Street. The city does not take care of it. In the past the residents of Tennessee Street have paid to put red dog on the road. Nancy Salley states that the road on Dubois Hill needs repair. City Superintendent Michael Kessinger will look into it.

Jonathan Kesler made a motion to adjourn at 8:45p.m. Larry Beverley seconded the motion. The motion carried.

Floyd Bonifacio

Mayor Floyd Bonifacio

Frank W. Bergendahl, Jr.

City Recorder Frank W. Bergendahl, Jr.



SUPPLEMENTAL RESOLUTION

Introduced in Council

May 18, 1999

Introduced by

Floyd Bonifacio, Mayor

Adopted by Council

May 18, 1999

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNTS, DATES, MATURITIES, INTEREST RATE, PRINCIPAL PAYMENT SCHEDULES, SALE PRICES AND OTHER TERMS OF THE CITY OF MOUNT HOPE WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1999 A; AUTHORIZING AND APPROVING THE SALE AND DELIVERY OF SUCH BONDS TO WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; MAKING PROVISIONS FOR THE PAYMENT OF THE BONDS; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

WHEREAS, the Common Council (the "Governing Body") of The City of Mount Hope (the "City"), has duly and officially adopted a Bond Ordinance on May 4, 1999, effective May 18, 1999 (the "Ordinance"), entitled:

AN ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION CERTAIN ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE COMBINED WATERWORKS AND SEWERAGE SYSTEM OF THE CITY OF MOUNT HOPE; AUTHORIZING THE ISSUANCE OF WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS OF THE CITY OF MOUNT HOPE IN AGGREGATE PRINCIPAL AMOUNT OF \$1,490,000 TO BE USED, ALONG WITH OTHER FUNDS AND MONEYS OF, OR AVAILABLE TO, THE CITY OF MOUNT HOPE WHICH MAY BE LAWFULLY EXPENDED FOR SUCH PURPOSES, TO FINANCE THE COST OF SUCH ACQUISITION AND CONSTRUCTION AND TO PAY OTHER COSTS IN CONNECTION THEREWITH; PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO

THE ISSUANCE OF SUCH BONDS; APPROVING,
RATIFYING AND CONFIRMING A LOAN AGREEMENT
RELATING TO SUCH BONDS; AND ADOPTING OTHER
PROVISIONS RELATED THERETO.

WHEREAS, the Ordinance provides for the issuance of the City of Mount Hope Waterworks and Sewerage System Revenue Bonds, Series 1999 A, of the City (the "Bonds"), in the aggregate principal amount not to exceed \$1,700,000, and has authorized the execution and delivery of a loan agreement relating to the Bonds, including all amendments and supplements (collectively, the "Loan Agreement"), by and among the City, the West Virginia Water Development Authority (the "Authority") and the West Virginia Division of Environmental Protection ("DEP"), all in accordance with Chapter 8, Article 20, and Chapter 22C, Article 2, of the West Virginia Code of 1931, as amended (collectively, the "Act"); and in the Ordinance it is provided that the exact principal amounts, maturity dates, interest rates, interest and principal payment dates, sale prices and other terms of the Bonds should be established by a supplemental resolution pertaining to the Bonds; and that other matters relating to the Bonds be herein provided for;

WHEREAS, the Governing Body deems it essential and desirable that this supplemental resolution (the "Supplemental Resolution") be adopted and that the exact principal amounts, the prices, the maturity dates, the redemption provisions, the interest rates and the interest and principal payment dates of the Bonds be fixed hereby in the manner stated herein, and that other matters relating to the Bonds be herein provided for;

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

Section 1. It is hereby found and determined:

(A) That the Abstract and Notice was duly published in the Fayette Tribune, a newspaper of general circulation in the City with the first publication thereof being on May 6, 1999, which first publication was not less than ten (10) days before the day set by the Ordinance and Notice for the public hearing at which interested persons might appear before the Council of the City and present protests and suggestions and with the last publication thereof being on May 13, 1999, which last publication date was prior to said date set by the Ordinance and Notice for the public hearing, and a copy of the Affidavits of Publication reflecting such publications are attached hereto and incorporated herein;

(B) That in accordance with the Ordinance and the Notice, the Recorder of the City has maintained in his office a certified copy of the Ordinance for review by interested persons during the regular office hours of such office;

(C) That, in Council chambers, City Hall, Main Street, Mount Hope, West Virginia on May 18, 1999 at 7:00 p.m., prevailing time, in accordance with the Ordinance and Notice, the Council met for the purpose of hearing protests and suggestions

regarding whether the Ordinance should be put into effect and heard all protests and suggestions with regard thereto;

(D) That, at the public hearing, no significant reasons were presented that could require modification or amendment of the Ordinance and no written protest with regard thereto was filed by 30 percent or more of the freeholders of the City; and

(E) The Ordinance shall be put into effect as of the date hereof and the Bonds contemplated thereby shall be issued, all as provided in the Ordinance and this Supplemental Resolution.

Section 2. Pursuant to the Bond Ordinance and the Act, this Supplemental Resolution is adopted and there are hereby authorized and ordered to be issued the:

(A) \$1,490,000 City of Mount Hope Waterworks and Sewerage System Revenue Bonds, Series 1999 A, of the City, originally represented by a single Bond, numbered AR-1, in the principal amount of \$1,490,000. The Bonds shall be dated the date of delivery thereof, shall finally mature September 1, 2020, and shall bear no interest. The principal on the Bonds is payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing December 1, 2000. The Bonds shall be subject to redemption upon the written consent of the Authority and the DEP, upon payment of the redemption premium, if any, and upon continued compliance with the Loan Agreement, so long as the Authority shall be the registered owner of the Bonds, and shall be payable in installments of principal in the amounts as set forth in "Schedule Y," attached thereto and incorporated herein by reference. The City shall pay the 1% SRF Administrative Fee as provided in the Loan Agreement.

Section 3. All other provisions relating to the Bonds and the text of the Bonds shall be in substantially the form provided in the Ordinance.

Section 4. The City does hereby ratify the Loan Agreement, a copy of which is incorporated herein by reference, and the execution and delivery of the Mayor of the Loan Agreement, and the performance of the obligations contained therein on behalf of the City are hereby authorized, directed, ratified and approved. The City hereby affirms all covenants and representations made in the Loan Agreement and in the applications to the DEP and the Authority. The price of the Bonds shall be 100% of par value, there being no interest accrued thereon, provided that the proceeds will be advanced from time to time as requisitioned by the City.

Section 5. The City does hereby appoint and designate the Bank of Mount Hope, Inc., a state banking association, Mount Hope, West Virginia, as Registrar (the "Registrar") for the Bonds and does approve and accept the Registrar's Agreement to be dated the date of delivery of the Bonds, by and between the City 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 City are hereby authorized, approved and directed.

Section 6. The City does hereby appoint and direct the West Virginia Municipal Bond Commission, Charleston, West Virginia, to serve as Paying Agent for the Bonds.

Section 7. The City does hereby appoint the Bank of Mount Hope, Inc., Mount Hope, West Virginia, as Depository Bank under the Bond Ordinance.

Section 8. The City has created the Series 1999 A Reserve Account which will be funded with equal payments on a monthly basis over a 10 year period until such Reserve Account holds an amount equal to the maximum amount of principal and interest, if any, which will mature and become due on the Bonds in the then current or any succeeding year. Moneys in the Reserve Account and the Series 1999 A Sinking Fund (established for the annual payment of principal and interest, if any) will be used solely to pay principal of and interest, if any, on the Bonds and will not be available to pay costs of the Project.

Section 9. The proceeds of the Bonds, as advanced from time to time, shall be deposited in or credited to the Bond Construction Trust Fund, as received from time to time for payment of Costs of the Project, including costs of issuance of the Bonds.

Section 10. The Mayor and Recorder are hereby authorized and directed to execute and deliver such other documents and certificates required or desirable in connection with the Bonds hereby and by the Ordinance approved and provided for, to the end that the Bonds may be delivered on or about May 20, 1999, to the Authority pursuant to the Loan Agreement.

Section 11. The financing of the Project in part with proceeds of the Bonds is in the public interest, serves a public purpose of the City and will promote the health, welfare and safety of the residents of the City.

Section 12. The City hereby determines to invest all moneys in the funds and accounts established by the Ordinance held by the Depository Bank until expended, in money market accounts secured by a pledge of Government Obligations, and therefore, the City hereby directs the Depository Bank to take such actions as may be necessary to cause such moneys to be invested in such money market accounts until further directed in writing by the City. Moneys in the Series 1999 A Sinking Fund, including the Series 1999 A Reserve Account therein, shall be invested by the Municipal Bond Commission in the West Virginia Consolidated Fund.

Section 13. The City hereby certifies that it has irrevocably committed the sum of \$232,500 to the costs of the Project.

Section 14. This Supplemental Resolution shall be effective immediately following adoption hereof.

The foregoing Resolution was read and duly adopted at a regular meeting of the Common Council of the City of Mount Hope held on the 18th day of May, 1999.

THE CITY OF MOUNT HOPE

[SEAL]



Mayor

ATTEST:



Recorder

CERTIFICATION

Certified a true copy of a Supplemental Resolution duly adopted by the Council of the City of Mount Hope on the 18th day of May, 1999.

Dated: May 20, 1999.

Frank W. Bergendahl, JR.
Recorder

CHASFS3:118859

EXHIBIT A

The Fayette Tribune

Established in 1897

417 Main Street West
Oak Hill, WV 25901
Telephone 1-800-207-3093
(304) 469-3373

CERTIFICATE OF PUBLICATION

Fee For Publication: \$ 92.75

I, Steve Smith, publisher of THE FAYETTE TRIBUNE, a semi-weekly newspaper, published in the City of Oak Hill, County of Fayette, State of West Virginia, do hereby declare that the herewith attached, was published in said newspaper in its issue date the 6th and 13th days of May, 1999.

(Signed) _____



Steve Smith
Publisher

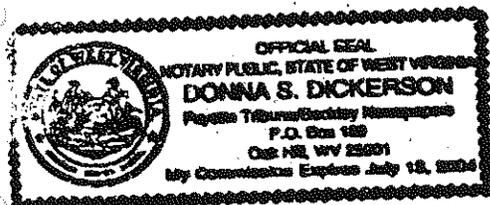
SIGNED AND SWORN TO AND BEFORE ME THIS

(Signed) _____



Notary Public

MY COMMISSION EXPIRES July 13, 2004



**CITY OF MOUNT HOPE,
WEST VIRGINIA
NOTICE OF PUBLIC
HEARING and ABSTRACT
OF BOND ORDINANCE**

Notice is hereby given to any person interested that on May 4, 1999, the Council of the City of Mount Hope, West Virginia (the "City") adopted an ordinance which:

1. Authorized the acquisition and construction of certain additions, extensions, betterments and improvements to the combined waterworks and sewerage system (the "Project") to the system ("System") of the City and the financing of the permanent cost, not otherwise provided, thereof through the issuance of \$1,490,000 in aggregate principal amount of Waterworks and Sewerage System Revenue Bonds, Series 1999 A (the "Bonds"). The Project, estimated at \$1,710,000, was authorized to be financed with the Bond proceeds and with a contribution by the City in the approximate amount of \$232,500.
2. Directed that the Bonds be issued in the form of one bond, fully registered with a payment record attached, at an interest rate not to exceed zero percent (0%) per annum plus a one percent (1%) administrative fee; that said Bonds mature in not more than twenty years and that said Bonds be sold for the par value thereof; that the Bonds be issued; that the bonds be executed in the name of the City by the Mayor, and the seal of the City be affixed thereto and attested to by the Recorder; that such bonds be duly authenticated by the Registrar and delivered to the West Virginia Water Development authority as the Original Purchaser on behalf of the West Virginia Division of Environmental Protection.
3. Directed the continuation of the Revenue Fund and the disposition of the System revenues; provided for the payment of operating expenses; provided for the monthly payment of principal and interest when due; provided for the creation of reserve accounts for the Bonds and a Renewal and Replacement Fund; and provided for the use of excess funds of the System.
4. Provided for the disbursement of Bond proceeds and created a Construction Trust Fund.
5. Pledged to payment of the Bonds the Net Revenues of the System on a parity with City's Waterworks and Sewerage System Revenue Bonds, Ser-

ies 1986, and the city's Waterworks and Sewerage System Revenue Bonds, Series 1991.

6. Provided upon certain conditions for the issuance of additional bonds.

7. Provided for insurance coverage on the Project; provided that the City will render no free service; provided for the enforce-

ment of collection of fees, rates, rentals or other charges for service.

8. Established the terms for defaults and the remedies of the Bondholders.

9. Provided for the modification or amendment of the Ordinance upon the terms and conditions set forth in the Ordinance.

The City contemplates the issuance of the Bonds described in, and under the conditions set forth in the Ordinance abstracted above. Any person interested may appear before the Council of the city of Mount Hope at a special meeting thereof at 7:00

p.m., prevailing time, on May 18, 1999, at the City Hall, Main Street, Mount Hope, West Virginia, and present objections and be heard as to whether the above described Ordinance shall be put into effect.

A certified copy of the Ordinance as adopted by the Council of City on May 4, 1999, is on file with the Recorder for review by interested person during the regular hours at the City Hall, Main Street, Mount Hope, West Virginia, to-wit: 9:00 a.m. to 5:00 p.m., Monday through Friday.

Frank W. Bergendahl, Jr.
Recorder-City of Mount Hope,

West Virginia
Legal No. 326
5-13-Thu-2-FT



CITY OF MOUNT HOPE
WATERWORKS AND SEWERAGE REVENUE BONDS, SERIES 1999 A

EXCERPT OF MINUTES ON
PUBLIC HEARING AND ADOPTION OF SUPPLEMENTAL RESOLUTION

I, Frank W. Bergendahl, Jr., Recorder of the City of Mount Hope (the "City"), hereby certify that the following is a true and correct excerpt of the minutes of a special meeting of the Common Council of the City (the "Council"):

The Council met in a special session pursuant to notice duly given, published and posted, copies of which are attached hereto and incorporated herein, at 7:00 p.m., prevailing time, on May 18, 1999, at City Hall, Main Street, Mount Hope, West Virginia,.

Present:	Floyd Bonifacio	Mayor
	Frank W. Bergendahl, Jr.	Recorder
	Sudana Greene	Council Member
	Shane Wheeler	Council Member
	Lawrence Beverly	Council Member

Also present were Christopher L. Callas, Esq. and Beth R. Lewis, Esq. of Jackson & Kelly PLLC, Bond Counsel, and John H. Shumate, Jr., Counsel to The City.

Floyd Bonifacio, Mayor, presided and Frank W. Bergendahl, Jr., served as Recorder.

The Mayor announced that a quorum of members was present and that the meeting was open for any business properly before it.

Mr. Callas presented an Ordinance in writing entitled:

AN ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION CERTAIN ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE COMBINED WATERWORKS AND SEWERAGE SYSTEM OF THE CITY OF MOUNT HOPE; AUTHORIZING THE ISSUANCE OF WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS OF THE CITY OF MOUNT HOPE IN AGGREGATE PRINCIPAL AMOUNT OF \$1,490,000 TO BE USED, ALONG WITH OTHER FUNDS AND MONEYS OF, OR AVAILABLE TO, THE CITY OF MOUNT HOPE WHICH MAY BE LAWFULLY EXPENDED FOR SUCH PURPOSES, TO

FINANCE THE COST OF SUCH ACQUISITION AND CONSTRUCTION AND TO PAY OTHER COSTS IN CONNECTION THEREWITH; PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT RELATING TO SUCH BONDS; AND ADOPTING OTHER PROVISIONS RELATED THERETO.

There were no comments from those people present nor any written protests. Thereupon, on motion of Lawrence Beverly, seconded by Sudana Greene, it was unanimously ordered that said Ordinance shall be effective on and from the date hereof.

Mr. Callas presented a Supplemental Resolution in writing entitled:

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNTS, DATES, MATURITIES, INTEREST RATE, PRINCIPAL PAYMENT SCHEDULES, SALE PRICES AND OTHER TERMS OF THE CITY OF MOUNT HOPE WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1999 A; AUTHORIZING AND APPROVING THE SALE AND DELIVERY OF SUCH BONDS TO WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; MAKING PROVISIONS FOR THE PAYMENT OF THE BONDS; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

Thereupon, on motion of Shane Wheeler, seconded by Lawrence Beverly, it was unanimously ordered that said Supplemental Resolution shall be adopted on and from the date hereof.

There being no further business to come before the meeting, on motion duly made and seconded, it was unanimously ordered that the meeting adjourn.

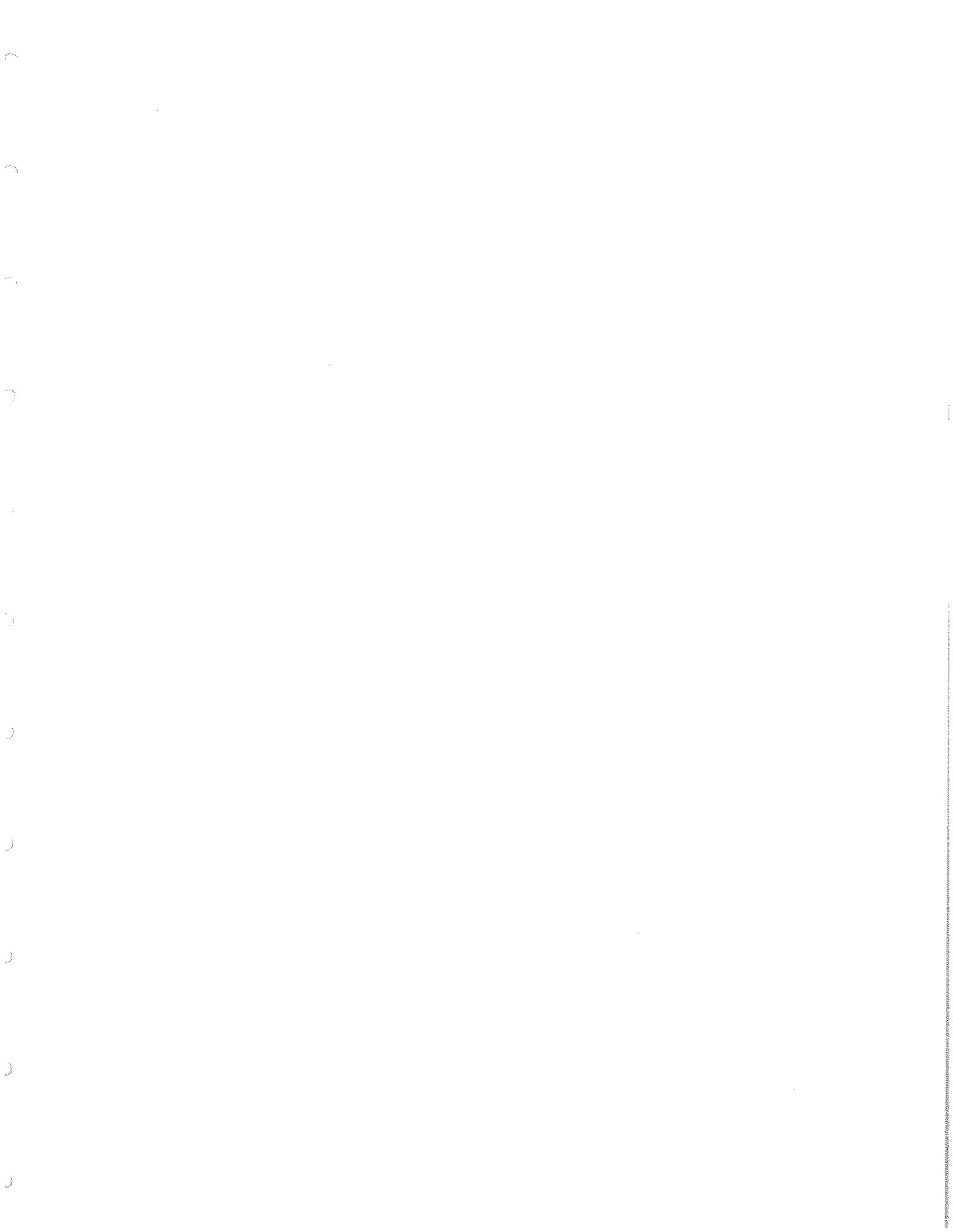
I hereby certify that the foregoing action of the City remains in full force and effect and has not been amended or appealed.

WITNESS my signature on this 18th day of May, 1999.

[SEAL]

Frank W. Bergendahl, Jr.
Frank W. Bergendahl, Jr., Recorder

CHASFS3:146119



The Fayette Tribune

Established in 1897

417 Main Street West
Oak Hill, WV 25901
Telephone 1-800-207-3093
(304) 469-3373

CERTIFICATE OF PUBLICATION

Fee For Publication: \$ 92.75

I, Steve Smith, publisher of THE FAYETTE TRIBUNE, a semi-weekly newspaper, published in the City of Oak Hill, County of Fayette, State of West Virginia, do hereby declare that the herewith attached, was published in said newspaper in its issue date the 6th and 13th days of May, 1999.

(Signed) _____



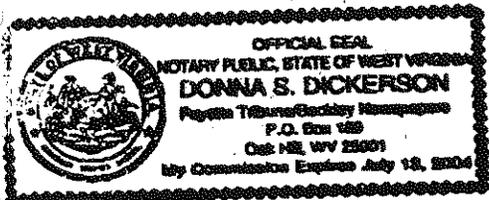
Steve Smith
Publisher

SIGNED AND SWORN TO AND BEFORE ME THIS

(Signed) _____



Notary Public



MY COMMISSION EXPIRES July 13, 2004

CITY OF MOUNT HOPE,
WEST VIRGINIA
NOTICE OF PUBLIC
HEARING and ABSTRACT
OF BOND ORDINANCE

Notice is hereby given to any person interested that on May 4, 1999, the Council of the City of Mount Hope, West Virginia (the "City") adopted an ordinance which:

1. Authorized the acquisition and construction of certain additions, extensions, betterments and improvements to the combined waterworks and sewerage system (the "Project") to the system ("System") of the City and the financing of the permanent cost, not otherwise provided, thereof through the issuance of \$1,490,000 in aggregate principal amount of Waterworks and Sewerage System Revenue Bonds, Series 1999 A (the "Bonds"). The Project, estimated at \$1,710,000, was authorized to be financed with the Bond proceeds and with a contribution by the City in the approximate amount of \$232,500.
2. Directed that the Bonds be issued in the form of one bond, fully registered with a payment record attached, at an interest rate not to exceed zero percent (0%) per annum plus a one percent (1%) administrative fee; that said Bonds mature in not more than twenty years and that said Bonds be sold for the par value thereof; that the Bonds be executed in the name of the City by the Mayor, and the seal of the City be affixed thereto and attested to by the Recorder; that such bonds be duly authenticated by the Registrar and delivered to the West Virginia Water Development authority as the Original Purchaser on behalf of the West Virginia Division of Environmental Protection.
3. Directed the continuation of the Revenue Fund and the disposition of the System revenues; provided for the payment of operating expenses; provided for the monthly payment of principal and interest when due; provided for the creation of reserve accounts for the Bonds and a Renewal and Replacement Fund; and provided for the use of excess funds of the System.
4. Provided for the disbursement of Bond proceeds and created a Construction Trust Fund.
5. Pledged to payment of the Bonds the Net Revenues of the System on a parity with City's Waterworks and Sewerage System Revenue Bonds, Ser-

ies 1986, and the city's Waterworks and Sewerage System Revenue Bonds, Series 1991.

6. Provided upon certain conditions for the issuance of additional bonds.

7. Provided for insurance coverage on the Project; provided that the City will render no free service; provided for the enforce-

ment of collection of fees, rates, rentals or other charges for service.

8. Established the terms for defaults and the remedies of the Bondholders.

9. Provided for the modification or amendment of the Ordinance upon the terms and conditions set forth in the Ordinance.

The City contemplates the issuance of the Bonds described in, and under the conditions set forth in the Ordinance abstracted above. Any person interested may appear before the Council of the city of Mount Hope at a special meeting thereof at 7:00

p.m., prevailing time, on May 18, 1999, at the City Hall, Main Street, Mount Hope, West Virginia, and present objections and be heard as to whether the above described Ordinance shall be put into effect.

A certified copy of the Ordinance as adopted by the Council of City on May 4, 1999, is on file with the Recorder for review by interested person during the regular hours at the City Hall, Main Street, Mount Hope, West Virginia, to-wit: 9:00 a.m. to 5:00 p.m., Monday through Friday.

Frank W. Bergendahl, Jr.
Recorder-City of Mount Hope,
West Virginia
Legal No. 326
5-13-Thu-2-FT



SRF-LP-1
(August 1998)

LOAN AGREEMENT

THIS WATER POLLUTION CONTROL REVOLVING FUND LOAN AGREEMENT (the "Loan Agreement"), made and entered into in several counterparts, by and among the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY, a governmental instrumentality and body corporate of the State of West Virginia (the "Authority"), the WEST VIRGINIA DIVISION OF ENVIRONMENTAL PROTECTION, a division of the West Virginia Bureau of Environment (the "DEP"), and the local government designated below (the "Local Government").

CITY OF MOUNT HOPE
(Local Government)

WITNESSETH:

WHEREAS, the United States Congress under Title VI of the federal Clean Water Act, as amended (the "Clean Water Act"), has provided for capitalization grants to be awarded to states for the express purpose of establishing and maintaining state water pollution control revolving funds for the planning, design, construction, acquisition and/or improvement of wastewater treatment facilities;

WHEREAS, pursuant to the provisions of Chapter 20, Article 5I, of the Code of West Virginia, 1931, as amended (the "Act"), the State of West Virginia (the "State") has established a state water pollution control revolving fund program (the "Program") to direct the distribution of loans to particular local governments pursuant to the Clean Water Act;

WHEREAS, under the Act the DEP 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 DEP has been awarded capitalization grants to partially fund the Program;

WHEREAS, under the Act and under the direction of DEP, the Authority has established a permanent perpetual fund known as the "West Virginia Water Pollution Control Revolving Fund" (hereinafter the "Fund");

WHEREAS, pursuant to the Act, the Authority and DEP are empowered to make loans from the Fund to local governments for the acquisition or construction of

wastewater treatment projects by such local governments, all subject to such provisions and limitations as are contained in the Clean Water Act and the Act;

WHEREAS, the Local Government constitutes a local government as defined by the Act;

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

WHEREAS, the Local Government is authorized and empowered by the statutes of the State to construct, operate and improve a wastewater treatment project and to finance the cost of constructing or acquiring the same by borrowing money to be evidenced by revenue bonds issued by the Local Government;

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

WHEREAS, the Local Government has completed and filed with the Authority and DEP an Application for a Loan with attachments and exhibits and an Amended Application for a 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 DEP are willing to lend the Local Government the amount set forth on Schedule X attached hereto and incorporated herein by reference, through the purchase of revenue bonds of the Local Government with moneys held in the Fund, subject to the Local Government'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 Government, DEP 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 government," and "project" have the definitions and meanings ascribed to them in the Act or in the SRF 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 DEP to the Local Government 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 Government required by Section 4.1 hereof, authorizing the Local Bonds.

1.5 "Local Bonds" means the revenue bonds to be issued by the Local Government 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 wastewater treatment facility acquisition, construction and improvement program coordinated through the capitalization grants program established under the Clean Water Act and administered by DEP.

1.9 "Project" means the wastewater treatment facility project hereinabove referred to, to be constructed or being constructed by the Local Government in whole or in part with the net proceeds of the Local Bonds or being or having been constructed by the Local Government 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 "SRF Regulations" means the regulations set forth in Title 47, Series 31 of the West Virginia Code of State Regulations.

1.11 "System" means the wastewater treatment facility owned by the Local Government, 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 Government by the Consulting Engineers, the DEP 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 of the Local Act, the Local Government 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 Government 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 Government, 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 DEP and the Authority.

2.4 The Local Government agrees that the Authority and DEP 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 Government further agrees that the Authority and DEP 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 DEP with respect to the System pursuant to the pertinent provisions of the Act.

2.5 The Local Government 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 Government shall permit the Authority and DEP, 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 Government shall submit to the Authority and DEP 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 Government agrees that it will permit the Authority and DEP and their respective agents to have access to the records of the Local Government 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 Government shall require that each construction contractor furnish a performance bond and a payment bond, each in an amount at least equal to one hundred percent (100%) of the contract price of the portion of the Project covered by the particular contract, as security for the faithful performance of such contract.

2.8 The Local Government 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 DEP. Until the Project facilities are completed and accepted by the Local Government, the Local Government or (at the option of the Local Government) 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 Government, 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 Government 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 Government 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 Government shall provide and maintain competent and adequate resident engineering services satisfactory to the Authority and DEP covering the supervision and inspection of the development and construction of the Project and bearing the responsibility of assuring that construction conforms to the plans, specifications and designs prepared by the Consulting Engineers, which have been approved by all necessary governmental bodies. Such resident engineer shall certify to the Authority, DEP and the Local Government 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 Government shall require the Consulting Engineers to submit Recipient As-Built Plans, as defined in the SRF Regulations, to it within 60 days of the completion of the Project. The Local Government shall notify DEP in writing of such receipt. The Local Government shall submit a Performance Certificate, the form of which is attached hereto as Exhibit A, and being incorporated herein by reference, to DEP within 60 days of the end of the first year after the Project is completed.

2.10 The Local Government shall require the Consulting Engineers to submit the final Operation and Maintenance Manual, as defined in the SRF Regulations, to DEP when the Project is 90% completed. The Local Government agrees that it will at all times provide operation and maintenance of the System to comply with any and all State and federal standards. The Local Government agrees that qualified operating personnel properly certified by the State will be employed before the Project is 25% complete and agrees that it will retain such a certified operator(s) to operate the System during the entire term of this Loan Agreement. The Local Government shall notify DEP in writing of the certified operator employed at the 25% completion stage.

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

2.13 The Local Government, during construction of the Project, shall complete Payment Requisition Forms, the form of which is attached hereto as Exhibit C and incorporated herein by reference, and forward the Form to DEP in compliance with the Local Government's construction schedule.

ARTICLE III

Conditions to Loan; Issuance of Local Bonds

3.1 The agreement of the Authority and DEP to make the Loan is subject to the Local Government's fulfillment, to the satisfaction of the Authority and DEP, 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 Government shall have delivered to 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 Government 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 Government 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 Government 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 financing of construction, the Local Government 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 DEP shall have received a certificate of the Consulting Engineers to such effect, the form of which certificate is attached hereto as Exhibit D;

(e) The Local Government 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 DEP shall have received a certificate of the Consulting Engineers to such effect;

(f) The Local Government shall have obtained all requisite orders of and approvals from the Public Service Commission of West Virginia (the "PSC") necessary for the construction of the Project and operation of the System, and the Authority and DEP shall have received an opinion of counsel to the Local Government, which may be local counsel to the Local Government, bond counsel or special PSC counsel but must be satisfactory to the Authority and DEP, to such effect;

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

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

(i) Such rates and charges for the System shall be sufficient to comply with the provisions of Subsection 4.1(b)(ii) hereof, and the Authority and DEP shall have received a certificate of the accountants for the Local Government, or such other person or firm experienced in the finances of local governments and satisfactory to the Authority and DEP, 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 DEP shall have received a certificate of the Consulting Engineers, or such other person or firm experienced in the financing of wastewater treatment projects and satisfactory to the Authority and DEP, to such effect, such certificate to be in form and substance satisfactory to the Authority and DEP, and evidence satisfactory to the Authority and DEP 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 and DEP, including the SRF 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 Government and the Local Government shall accept the Loan from the Authority, and in furtherance thereof it is agreed that the Local Government 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 Government 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, DEP and the Local Government. 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 set forth in Exhibit E hereto.

3.5 The Local Government understands and acknowledges that it is one of several local governments which have applied to the Authority and DEP for loans to finance wastewater treatment projects and that the obligation of the Authority to make any such loan is subject to the Local Government'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 Government 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 such purchase, the Authority may purchase the bonds of other local governments set out in the State Project Priority List, as defined in the SRF Regulations. The

Local Government further specifically recognizes that all loans will be originated in conjunction with the SRF Regulations and with the approval of DEP.

3.6 The Local Government shall provide DEP with the appropriate documentation to comply with the special conditions established by federal and state regulations as set forth in Exhibit E hereto at such times as are set forth in Exhibit E.

ARTICLE IV

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

4.1 The Local Government shall, as one of the conditions of the Authority and DEP to make the Loan, authorize the issuance of and issue the Local Bonds pursuant to an official action of the Local Government in accordance with the Local Statute, which shall, as 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. The revenues generated from the operation of the System 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 an amount at least equal to the maximum amount of principal and interest which will come due on the Local Bonds in the then current or any succeeding year (the "Reserve Requirement"), 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 Government 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 the net revenues from the System;

(ii) That the schedule of rates or charges for the services of the System shall be sufficient to provide funds which, along with other revenues of the System, will pay all Operating Expenses and leave a balance each year equal to at least one hundred fifteen percent (115%) of the maximum amount required in any year for debt service on the Local Bonds and all other obligations secured by a lien on or payable from the revenues of the System prior to or on a parity with the Local Bonds or, if the reserve account established for the payment of debt service on the Local Bonds is funded (whether by Local Bond proceeds, monthly deposits or otherwise) 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 Government will complete the Project and operate and maintain the System in good condition;

(iv) That, except as otherwise required by State law or the Regulations, the System may be sold, mortgaged, leased or otherwise disposed of as a whole or substantially as a whole provided that 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 such 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 Government 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 written consent of the Authority and DEP; 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 Local Government 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 Government will not render any free services of the System;

(viii) That any Local Bond owner may, by proper legal action, compel the performance of the duties of the Local Government 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 Government will not grant any franchise to provide any services which would compete with the System;

(xi) That the Local Government 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 DEP, which report shall include a statement that the Local Government is in compliance with the terms and provisions of the Local Act and this Loan Agreement and that the Local Government's revenues are adequate to meet its operation and maintenance expenses and debt service requirements;

(xii) That the Local Government 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 DEP 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 Government and on which the owners of the Local Bonds shall have a lien until such proceeds are applied to the construction of the Project (including the repayment of any incidental interim financing for non-construction costs) and/or (b) be used to pay (or redeem) bond anticipation notes or other interim funding of such Local Government, the proceeds of which were used to finance the construction of the Project; provided that, with the prior written consent of the Authority and DEP, 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 Government may authorize redemption of the Local Bonds with 30 days written notice to the Authority;

(xvi) That the Local Government 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 West Virginia Municipal Bond Commission (the "Commission") its required interest, principal and reserve fund payment. The Local Government shall complete the Monthly Payment Form, attached hereto as Exhibit F and incorporated herein by reference, and submit a copy of said form along with a copy of the check to the Authority by the 5th day of such calendar month;

(xvii) That the Commission shall serve as paying agent for all Local Bonds;

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

(xix) That the Local Government 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, the Project is adequate for the purposes for which it was designed and the funding plan as submitted to the Authority is sufficient to pay the costs of acquisition and construction of the Project; and

(xx) That the Local Government shall, to the full extent permitted by applicable law and the rules and regulations of the West Virginia Public Service Commission, terminate the services of any water facility owned by it to any customer of the System who is delinquent in payment of charges for services provided by the System and will

not restore the services of the water facility until all delinquent charges for the services of the System have been fully paid or, if the water facility is not owned by the Local Government, then the Local Government shall enter into a termination agreement with the water provider.

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

4.2 The Loan shall be secured by the pledge and assignment by the Local Government, as effected by the Local Act, of the fees, charges and other revenues of the Local Government 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 Government 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 Government, the DEP 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 SRF 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 Government. Anything to the contrary herein notwithstanding, the Local Bonds may be issued in one or more series.

4.5 As provided by the SRF Regulations, the Local Government agrees to pay from time to time, if required by the Authority and DEP, the Local Government's allocable share of the reasonable administrative expenses of the Authority relating to the Program. Such administrative expenses shall be 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 any bonds or notes to be issued by the Authority for contribution to the Fund and the fees and expenses of any corporate trustee for 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 Government; Imposition and Collection of User Charges; Payments To Be Made by Local Government to the Authority

5.1 The Local Government 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 Government hereby further irrevocably covenants and agrees that, as one of the conditions of the Authority to make the Loan, it has fixed and collected, or will fix and collect, the rates, fees and other charges for the use of the System, as set forth in the Local Act and in compliance with the provisions of Subsection 4.1(b)(ii) hereof.

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

5.3 In the event the Local Government 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 Government hereby irrevocably covenants and agrees with the Authority that, in the event of any default hereunder by the Local Government, 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 directly charges upon users of the System.

ARTICLE VI

Other Agreements of the Local Government

6.1 The Local Government hereby acknowledges to the Authority and DEP its understanding of the provisions of the Act, vesting in the Authority and DEP certain powers, rights and privileges with respect to wastewater treatment projects in the event of default by local governments in the terms and covenants of loan agreements, and the Local Government hereby covenants and agrees that, if the Authority should hereafter have

recourse to said rights and powers, the Local Government 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 Government hereby warrants and represents that all information provided to the Authority and DEP 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 DEP 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 DEP by the Local Government in connection with the Loan shall be incorrect or incomplete in any material respect or (b) the Local Government has violated any commitment made by it in its Application or in any supporting documentation or has violated any of the terms of the SRF Regulations or this Loan Agreement.

6.3 The Local Government 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 Government 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 Government fails to make any such rebates as required, then the Local Government 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 DEP may at any time, in their sole discretion, cause the rebate calculations prepared by or on behalf of the Local Government to be monitored or cause the rebate calculations for the Local Government to be prepared, in either case at the expense of the Local Government.

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

6.7 The Local Government 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 Schedule 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 Government 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 merges and supersedes all prior negotiations, representations and agreements between the parties hereto relating to the Loan and constitutes the entire agreement between the parties hereto in respect thereof.

7.6 By execution and delivery of this Loan Agreement, notwithstanding the date hereof, the Local Government 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 Government from either the Authority or DEP;

(ii) termination by the Authority and DEP pursuant to Section 6.2 hereof; or

(iii) payment in full of the principal of and interest on the Loan and of any fees and charges owed by the Local Government to the Authority or DEP; provided that the amount of the Loan made under this Loan Agreement in any succeeding fiscal year is contingent upon funds being appropriated by the legislature or otherwise being available to make the Loan. In the event funds are not appropriated or otherwise available to make all of the Loan, the responsibility of the Authority and DEP to make all the Loan is terminated; provided further that the obligation of the Local Government to repay the amount of the Loan made by the Authority and DEP as set forth in (iii) above is not terminated due to such non-funding on any balance on the Loan. The DEP agrees to use its best efforts to have the amount contemplated under this Loan Agreement included in its budget. Non-appropriation or non-funding shall not be considered an event of default under the 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 Mount Hope
[Proper Name of Local Government]

(SEAL)

By: Floyd Brufano
Its: Mayor

Attest:

Date: May 4, 1999

Franklin Bergendahl, JR.
Its Recorder

WEST VIRGINIA DIVISION OF ENVIRONMENTAL PROTECTION

By: Barbara Bayler
Its: Chief

Date: 5/6/99

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

(SEAL)

By: Daniel B. Gorkoski
Its: Director

Attest:

Date: April 28, 1999

Barbara B. Meadows
Secretary-Treasurer

EXHIBIT A

[Form of Performance Certificate]

[TO BE PROVIDED BY DEP]

EXHIBIT E

SPECIAL CONDITIONS

A. The recipient agrees to include, when issuing statements, press releases, requests for proposals, bid solicitations 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.

B. AUDIT REQUIREMENT (Supplement to Article IV 4.1 (b) (xi)) - The loan recipient that receives \$300,000 or more in a fiscal year must obtain audits in accordance with the Single Audit Act Amendments of 1996 and OMB Circular A-133 or any appropriate successor. Financial statement audits are required once all funds have been received by the loan recipient.

C. Submission of Final Title Opinion prior to closing.

EXHIBIT F

[Monthly Payment Form]

West Virginia Water Development
Authority
180 Association Drive
Charleston WV 25311-1571

Re: [Name of bond issue]

Dear Sirs:

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

Sinking Fund:

Interest \$ _____

Principal \$ _____

Total: \$ _____

Reserve Fund: \$ _____

Witness my signature this ____ day of _____.

[Name of Local Government]

By: _____
Authorized Officer

Enclosure: copy of check(s)

EXHIBIT G

[Opinion of Bond Counsel for Local Government]

[To Be Dated as of Date of Loan Closing]

West Virginia Water Development Authority
180 Association Drive
Charleston WV 25311-1571

Gentlemen:

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

We have examined a certified copy of proceedings and other papers relating to (i) the authorization of a loan agreement dated _____, 19__, including all schedules and exhibits attached thereto (the "Loan Agreement"), between the Local Government and the West Virginia Water Development Authority (the "Authority") and (ii) the issue of a series of revenue bonds of the Local Government, dated _____, 19__ (the "Local Bonds"), to be purchased by the Authority in accordance with the provisions of the Loan Agreement. The Local Bonds are in the principal amount of \$_____, issued in the form of one bond registered as to principal and interest to the Authority, with interest payable _____ 1, ___ 1, ___ 1, and ___ 1 of each year, beginning ____ 1, 19__, at the respective rate or rates and with principal payable in installments on ____ 1 in each of the years, all as follows:

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

The Local Bonds are issued for the purpose of _____ and paying certain issuance and other costs in connection therewith.

We have also examined the applicable provisions of _____ of the Code of West Virginia, 1931, as amended (the "Local Statute"), and the bond _____ duly enacted by the Local Government on _____ (the "Local Act"), pursuant to and under which Local Statute and Local Act the Local Bonds are authorized and issued, and the Loan Agreement that has been undertaken. The Local Bonds are subject to redemption prior to maturity to the extent, at the time, under the conditions and subject to the limitations set forth in the Local Act and the Loan Agreement.

SCHEDULE Y

City of Mount Hope, West Virginia

Loan Agreement

\$1,490,000; 20 Years; 0% Interest Rate; 1% Administrative Fee

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Total P+I
6/01/1999	-	-	-
9/01/1999	-	-	-
12/01/1999	-	-	-
3/01/2000	-	-	-
6/01/2000	-	-	-
9/01/2000	-	-	-
12/01/2000	18,625.00	-	18,625.00
3/01/2001	18,625.00	-	18,625.00
6/01/2001	18,625.00	-	18,625.00
9/01/2001	18,625.00	-	18,625.00
12/01/2001	18,625.00	-	18,625.00
3/01/2002	18,625.00	-	18,625.00
6/01/2002	18,625.00	-	18,625.00
9/01/2002	18,625.00	-	18,625.00
12/01/2002	18,625.00	-	18,625.00
3/01/2003	18,625.00	-	18,625.00
6/01/2003	18,625.00	-	18,625.00
9/01/2003	18,625.00	-	18,625.00
12/01/2003	18,625.00	-	18,625.00
3/01/2004	18,625.00	-	18,625.00
6/01/2004	18,625.00	-	18,625.00
9/01/2004	18,625.00	-	18,625.00
12/01/2004	18,625.00	-	18,625.00
3/01/2005	18,625.00	-	18,625.00
6/01/2005	18,625.00	-	18,625.00
9/01/2005	18,625.00	-	18,625.00
12/01/2005	18,625.00	-	18,625.00
3/01/2006	18,625.00	-	18,625.00
6/01/2006	18,625.00	-	18,625.00
9/01/2006	18,625.00	-	18,625.00
12/01/2006	18,625.00	-	18,625.00
3/01/2007	18,625.00	-	18,625.00
6/01/2007	18,625.00	-	18,625.00
9/01/2007	18,625.00	-	18,625.00
12/01/2007	18,625.00	-	18,625.00
3/01/2008	18,625.00	-	18,625.00
6/01/2008	18,625.00	-	18,625.00
9/01/2008	18,625.00	-	18,625.00
12/01/2008	18,625.00	-	18,625.00
3/01/2009	18,625.00	-	18,625.00
6/01/2009	18,625.00	-	18,625.00
9/01/2009	18,625.00	-	18,625.00
12/01/2009	18,625.00	-	18,625.00
3/01/2010	18,625.00	-	18,625.00
6/01/2010	18,625.00	-	18,625.00
9/01/2010	18,625.00	-	18,625.00
12/01/2010	18,625.00	-	18,625.00

City of Mount Hope, West Virginia

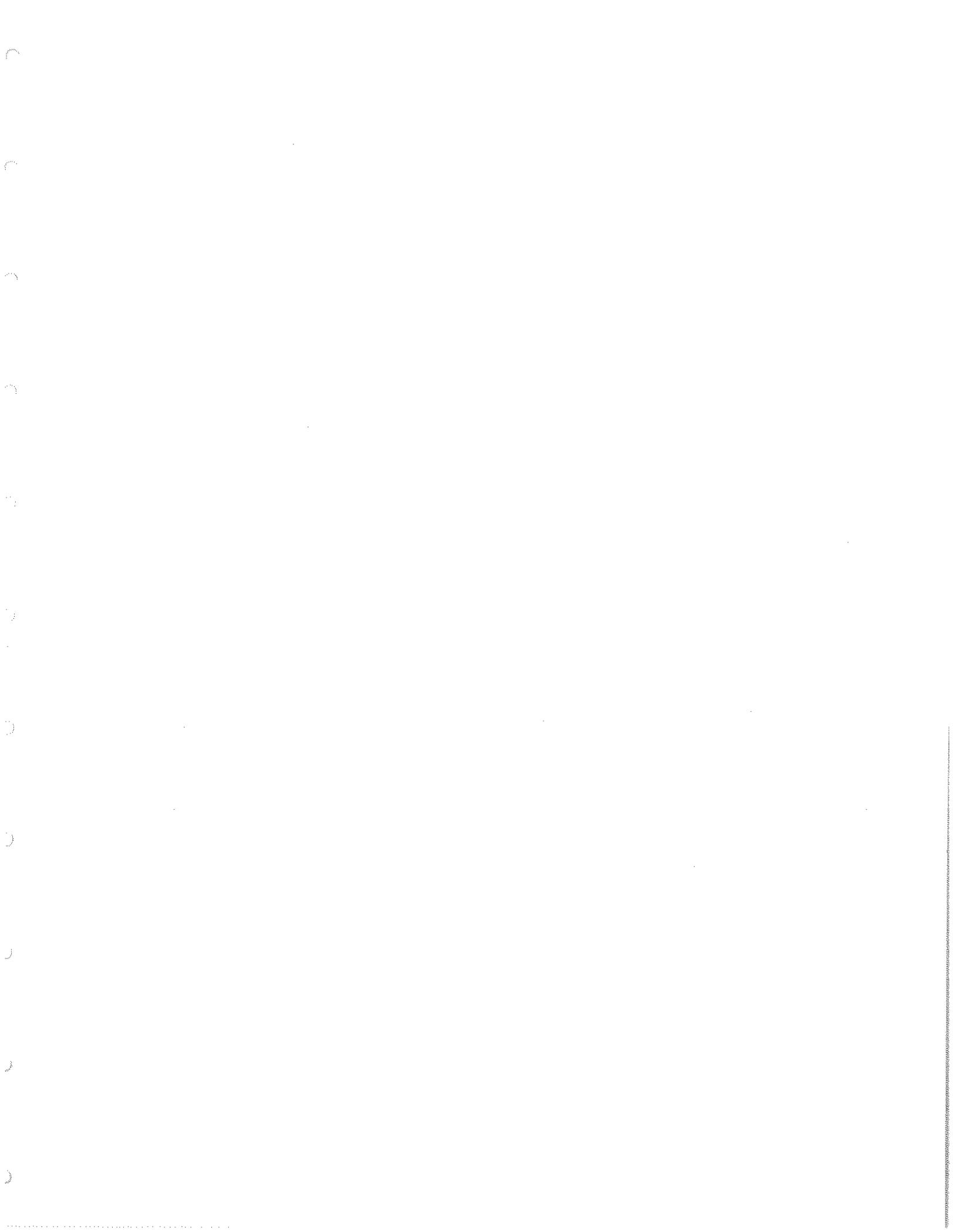
Loan Agreement

\$1,490,000; 20 Years; 0% Interest Rate; 1% Administrative Fee

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Total P+I
3/01/2011	18,625.00	-	18,625.00
6/01/2011	18,625.00	-	18,625.00
9/01/2011	18,625.00	-	18,625.00
12/01/2011	18,625.00	-	18,625.00
3/01/2012	18,625.00	-	18,625.00
6/01/2012	18,625.00	-	18,625.00
9/01/2012	18,625.00	-	18,625.00
12/01/2012	18,625.00	-	18,625.00
3/01/2013	18,625.00	-	18,625.00
6/01/2013	18,625.00	-	18,625.00
9/01/2013	18,625.00	-	18,625.00
12/01/2013	18,625.00	-	18,625.00
3/01/2014	18,625.00	-	18,625.00
6/01/2014	18,625.00	-	18,625.00
9/01/2014	18,625.00	-	18,625.00
12/01/2014	18,625.00	-	18,625.00
3/01/2015	18,625.00	-	18,625.00
6/01/2015	18,625.00	-	18,625.00
9/01/2015	18,625.00	-	18,625.00
12/01/2015	18,625.00	-	18,625.00
3/01/2016	18,625.00	-	18,625.00
6/01/2016	18,625.00	-	18,625.00
9/01/2016	18,625.00	-	18,625.00
12/01/2016	18,625.00	-	18,625.00
3/01/2017	18,625.00	-	18,625.00
6/01/2017	18,625.00	-	18,625.00
9/01/2017	18,625.00	-	18,625.00
12/01/2017	18,625.00	-	18,625.00
3/01/2018	18,625.00	-	18,625.00
6/01/2018	18,625.00	-	18,625.00
9/01/2018	18,625.00	-	18,625.00
12/01/2018	18,625.00	-	18,625.00
3/01/2019	18,625.00	-	18,625.00
6/01/2019	18,625.00	-	18,625.00
9/01/2019	18,625.00	-	18,625.00
12/01/2019	18,625.00	-	18,625.00
3/01/2020	18,625.00	-	18,625.00
6/01/2020	18,625.00	-	18,625.00
9/01/2020	18,625.00	-	18,625.00
Total	1,490,000.00	-	1,490,000.00 *

*Plus \$1,885.80 one-percent administrative fee paid quarterly. Total fee paid over the life of the loan is \$150,864.



SUPPLEMENTAL AGREEMENT

THIS SUPPLEMENTAL AGREEMENT, Made as of ~~April 1~~^{MAY 15th}, 1999, between CSX TRANSPORTATION, INC., a Virginia corporation, whose address is 500 Water Street, Jacksonville, Florida 32202, hereinafter referred to as "Licensor", and the CITY OF MOUNT HOPE, WEST VIRGINIA, a municipal corporation, political subdivision or state agency, under the laws of the State of West Virginia, whose mailing address is 108 Raleigh Avenue, Mount Hope, West Virginia 25880, hereinafter called "Licensee", WITNESSETH:

WHEREAS, certain Agreement(s), hereinafter referred to as "Agreement(s)", listed on Exhibit "A", attached hereto and made a part hereof, was/were entered into between Licensor (or predecessor of Licensor) and Licensee (or predecessor of Licensee), covering Licensee's use and operation of certain pipeline and wireline encroachment(s) along, across, over or under Railroad right-of-way/property at location(s) listed on Exhibit "A," dated April 1, 1999; and

WHEREAS, Licensor and Licensee have agreed to a lump sum payment, in lieu of the annual license fee(s) provided for in said Agreement(s);

NOW, THEREFORE, it is mutually agreed that said Agreement(s) is/are hereby amended as follows:

A. Licensor and Licensee agree that the fee(s) set forth in said Agreement(s) shall be revised as on Exhibit "A", to provide for one-time lump sum license fee(s) in lieu of any further periodic fees or rental or any right to increase same.

B. In the event of sale or other conveyance by Licensor of all or a portion of its Right-of-Way, along, across, under or over which Licensee has constructed any facilities under such Agreement(s), such conveyance(s) shall be made expressly subject to the right of Licensee to continue to occupy the crossing(s) on the specific segment of Right-of-Way, and to operate, maintain, repair, renew and to remove such crossing(s) and facilities.

C. Licensee acknowledges that Licensor's title to any right-of-way or crossing(s) varies in degrees of estate, such that: Licensor does not, and shall not, make any warranty, representation or guarantee of its title or of Licensee's right to retain its facilities in place for any length of term.

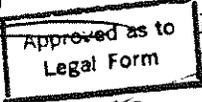
D. Except as herein provided, said Agreement(s) shall remain in full force and effect in accordance with all other terms thereof.

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Agreement to be duly signed, sealed and delivered, in duplicate, effective the day and year first above written.

WITNESS FOR LICENSOR:

CSX TRANSPORTATION, INC.

[Handwritten signature]



[Handwritten initials]

by: *[Handwritten signature]*

Type Name: PATRICIA J. AFYCKHA

Type Title: VICE PRESIDENT + CORPORATE SEC

WITNESS FOR LICENSEE:

CITY OF MOUNT HOPE, WEST VIRGINIA

[Handwritten signature]

by: *[Handwritten signature]*

Who, by the execution hereof, affirms that he/she has the authority to do so and to bind the Licensee to the terms and conditions of this Agreement.

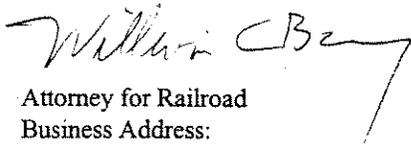
Type Name: Floyd Bonifacio

Type Title: Mayor

Tax Identification
Number 55-600-0219

CONTRACT #	CONTRACT DATE	COUNTY	CITY	ST	MILE POST	FEET FROM	DIR	VAL STATION	CARRIER SIZE	TYPE	ONE-TIME FEE
CO L28368	06/16/58	FAYETTE	MOUNT HOPE	WV	1	4364	W		4	PIWAX	\$2,000.00
CO L29295	09/23/59	FAYETTE	MOUNT HOPE	WV	1	2868	E		6	PISWX	\$2,000.00
CO L35484	12/01/71	FAYETTE	MOUNT HOPE	WV				522+75	6	PIWAX	\$2,000.00
TOTAL=											\$6,000.00

This instrument prepared by
or under the direction of:



Attorney for Railroad
Business Address:
500 Water Street
Jacksonville, Florida 32202

This Document executed
in duplicate original

Counterpart No. 1 of 2

THIS NONEXCLUSIVE PERMANENT OCCUPANCY AGREEMENT, Made this 15th day of January, 1999, by and between **CSX TRANSPORTATION, INC.**, a Virginia corporation, whose mailing address is 500 Water Street, Jacksonville, Florida 32202, hereinafter called "Railroad", and **CITY OF MOUNT HOPE, WEST VIRGINIA**, a municipal corporation, whose mailing address is 108 Raleigh Avenue, Mount Hope, West Virginia 25880, hereinafter called "Utility", WITNESSETH:

(Wherever used herein, the terms "Railroad" and "Utility" shall be construed in the singular or plural as the context may require or admit and shall include the successors and assigns of each corporation.)

That Railroad, for and in consideration of the sum of ONE HUNDRED THOUSAND AND NO/100 DOLLARS (\$100,000.00), to it in hand paid by Utility, the receipt of which is hereby acknowledged, and of the covenants and agreements hereinafter made and contained on the part of Utility to be kept and performed, hereby GRANTS, insofar as the quality of its title and the limits of its exclusive possessory interest enables it so to do, unto Utility, a NONEXCLUSIVE PERMANENT UNDERGROUND OCCUPANCY, hereinafter the "Occupancy", upon, over, across and along, as the case may be, the Railroad tracks, right-of-way, and property owned, controlled or operated by Railroad, its successors or assigns, together with ancillary surface rights as set forth herein, solely for the location, construction, use, maintenance, operation, repair, renewal, replacement or removal of two (2) existing and two new occupancies for underground longitudinal placement of certain water service, distribution and sanitary sewer pipeline, and appurtenant equipment associated therewith, hereinafter collectively referred to as "Facilities", as shown generally on Exhibits "MH-1(F)" through "MH-4(F)", attached hereto and incorporated herein, hereinafter collectively referred to as "Corridor," and located in the following counties within the State of West Virginia:

<u>County</u>	<u>Exhibit No.(s)</u>
Fayette	MH-1, MH-3, MH-4
Raleigh	MH-2

EXCEPTING and RESERVING unto Railroad: (1) the paramount right to continue to occupy, possess and use the Corridor in which the Occupancy is imposed for any and all railroad purposes consistent with Railroad's operations and needs, including but not limited to the right to construct, reconstruct, relocate, operate, maintain, repair, renew, replace and remove Railroad's tracks, signals, wires and other railroad facilities as now exist or which may in the future be located in, upon, over, under or across the Corridor; and (2) the right to grant crossings and other nonexclusive wireline or pipeline longitudinal occupations of the Corridor.

TO HAVE AND TO HOLD the Occupancy for so long as Utility uses and maintains the Facilities therein; SUBJECT, however, to any existing Railroad facilities, public utilities, and other wireline, fiber optic or pipeline facilities located in, on, over, under or across the Corridor, and to all existing instruments, agreements, easements and rights therefor, whether recorded or not; and SUBJECT TO the following conditions, covenants and limitations:

1. TITLE LIMITS:

- (A) Utility understands that Railroad occupies, uses and possesses lands, rights-of-way and rail corridors under all forms and qualities of ownership rights or facts, from full fee simple absolute to bare occupation. Accordingly, nothing in this Agreement shall act as or be deemed to act as any warranty, guaranty or representation of the quality of Railroad title for any particular Segment occupied, used or enjoyed in any manner by Utility under any rights created in this Agreement. It is expressly understood that Railroad does not warrant title to the Rail Corridor, and Utility will accept the grants and privileges contained herein, subject to all lawful outstanding existing liens, mortgages and superior rights in and to the Rail Corridor, and all leases, licenses and easements or other interests previously granted to others therein.
- (B) The term "Occupancy" herein shall mean: with regard to any portion of Rail Corridor which is owned by Railroad in fee simple absolute, "an easement"; with regard to any portion of Rail Corridor owned, occupied, used or controlled by Railroad in less than fee simple absolute (fee simple determinable, fee simple conditional or rail easement), where the applicable Law permits such grants by Railroad to Utility, merely "a right of occupancy" commensurate with the term and extent of Railroad's ownership, occupancy, etc.; with regard to any other portion of Rail Corridor occupied, used or controlled by Railroad under any other facts or rights, Railroad merely waives its exclusive right to occupy the Rail Corridor and grants no occupancy rights whatsoever under this Agreement, such waiver continuing only so long as Railroad continues its own occupation, use or control, and Utility acknowledges that it does not have the right to occupy any such portion of the Rail Corridor without also receiving the consent of the fee owner. Further, Utility shall not obtain, exercise or claim any interest greater than the rights of Railroad in such System Segment, under this Agreement.
- (C) Utility agrees it shall not have nor shall it make, and hereby completely and absolutely waives its right, to any claim against Railroad for damages on account of any deficiencies in title to the selected Segments of Rail Corridor in the event of failure or insufficiency of Railroad's title to any portion thereof arising from Utility's use or occupancy thereof.
- (D) Utility agrees to fully and completely indemnify and defend all claims or litigation for slander of title, overburden of easement, or similar claims arising out of or based upon Utility's Conduit or Cable placement, or the presence of Utility's Conduit or Cable in, on or along any Rail Corridor, including claims for punitive or special damages.
- (E) In the event of third party title claims based on Utility's use of Facilities, Railroad consents and agrees, insofar as it may lawfully do so, to the acquisition by Utility, at Utility's sole cost and expense, of necessary easement(s) in the Corridor, in and over the space and dimensions granted hereby, by (or in lieu of) the exercise of Utility's power of eminent domain; and Railroad shall make no claim against Utility for compensation for the same. In the event of such exercise by Utility, the terms and provisions of this Agreement shall survive as between Railroad and Utility and shall apply to the easement(s) so acquired, when applicable.
- (F) This Permanent Occupancy Agreement consolidates two (2) pre-existing unrecorded licenses and agreements ("Prior Agreements") between Railroad (and/or various of its predecessor entities) and Utility. Railroad and Utility acknowledge and agree that by entering into this Permanent Occupancy Agreement, Utility does not intend to lose any priority of rights it may have had vis-a-vis any person who or which entered into an unrecorded agreement affecting any part of the Corridor between the date of any Prior Agreement affecting the same portion of the Corridor and the date of recording of this Permanent Occupancy Agreement. Railroad and Utility agree that the Prior Agreements remain in effect to the extent necessary to assure the maintenance of the status quo ante of rights described in the preceding sentence.

2. CONSTRUCTION PLAN REVIEW, APPROVALS:

(A) Utility shall not commence any new construction, or any maintenance, repair, alterations, renewal, relocation, expansion, replacement or removal of existing Facilities, unless and until the mechanics of such work and all matters related thereto have received the approval of Railroad, which approval shall not be unreasonably withheld.

(B) Railroad's consent and approval under Sections 2. and 5. shall be conditioned upon receipt of all plans, data and specifications therefor and the compliance of same with the standards described in Sections 3., 4., 8. and 14. Railroad shall not unreasonably delay its review of Utility's plans, and Railroad shall inform Utility of its consent or of the necessity of changes to such plans within thirty (30) days after Railroad has been furnished with all information requested by Railroad. Railroad may further condition its consent to any new construction or any increase in capacity or diameter in Facilities (in excess of 10%) upon the payment by Utility to Railroad of an additional consideration for such enlargement.

3. PLAN SPECIFICATIONS:

(A) Utility's design and construction plans and specifications shall comply with the applicable specifications and standards of the following:

- Ø American Railway Engineering Association (AREA)
- Ø Association of American Railroads (AAR)

(B) In the event of any conflict among the foregoing, the most stringent of the applicable specifications or standards shall be the governing factor for Railroad's consent or approval.

(C) However, if any governmental authority having jurisdiction over the Facilities and/or over Railroad's rail operations has determined the manner and/or means of installation, maintenance, repair, alteration, renewal, expansion, relocation, replacement or removal of such Facilities, then such determination shall prevail, and Utility agrees to comply therewith at Utility's sole cost and expense.

4. RAIL SAFETY; RIGHT-OF-WAY CLEARANCE:

(A) All installation, maintenance, repair, alteration, renewal, relocation, replacement or renewal of the Facilities shall be done under general conditions satisfactory to and approved by Railroad and shall not interfere with the proper and safe use and operation of the rail operations or property of Railroad.

(B) When performing any work in connection with the Facilities, Utility shall take all steps reasonable and necessary to keep persons, equipment and materials a safe distance from the tracks of Railroad, including furnishing watchers or flaggers to the Work site.

5. ALTERATION, LIMITS:

No alteration or expansion shall be made to the Facilities shown on said Exhibits, including but not limited to change in location, nature, diameter or capacity of pipe (in excess of 10% increase), number or use of any Facility(ies), without the prior written consent of Railroad, which consent shall not be unreasonably withheld.

6. PERMITS, LICENSES:

Before any installation is performed, or before use by Utility of the Corridor for the contracted purpose, Utility, at its sole cost and expense, shall obtain all necessary permits or licenses from any federal, state or local public authorities having jurisdiction over the Occupancy or its intended use, and shall thereafter observe and comply with the requirements of such public authorities, and all applicable laws and regulations and future modifications thereof.

7. MAINTENANCE, REPAIRS:

Utility shall maintain, repair and renew the Facilities in accordance with Sections 3. and 4. of this Agreement, at Utility's sole cost. However, if Utility fails to make such repairs or renewals, then Railroad, to protect and safeguard its property, traffic, patrons or employees from damage or injury, may make or contract with a licensed electrical contractor to make such repairs and renewals as Railroad may deem adequate and necessary, all at the sole risk, cost and expense of Utility.

8. REGULATORY COMPLIANCE:

Utility shall comply with all statutes, regulations, orders, directives, ordinances and similar promulgations of law applicable to its use and operation of the Facilities, and assumes all cost, expense and responsibility in connection therewith, without any liability therefor on the part of Railroad; and Utility agrees to defend Railroad against or reimburse Railroad for all costs, fines, penalties and expenses arising from the failure of Utility to so comply.

9. BRUSH CUTTING:

Utility shall be solely responsible for the trimming of all trees, brush and shrubs on the portion of the Corridor where Utility's Facilities are located which may interfere with or be a menace to the continuous operation of Utility's Facilities, and at any place(s) where Utility's Facilities cross Railroad's tracks. Utility shall carry out its trimming in compliance with all applicable state or local laws and regulations.

10. LIENS, TAXES:

Utility covenants and agrees to: (a) pay, redeem or bond-off any construction or mechanics/artisans' liens, and any assessments, taxes, or governmental charges of any kind made against Railroad or the Corridor by reason of Utility's construction, alteration, maintenance, or use of the Corridor or Facilities; and (b) reimburse Railroad, promptly upon bills rendered therefor, the full amount of any such liens, assessments, taxes, or charges, including penalties, interest, late fees, and any costs to defend or bond the same or to remove same from official records.

11. MODIFICATIONS FOR RAILROAD

(A) Upon written request of Railroad, to accommodate any change in the railroad operations of Railroad or construction of new railroad facilities for Railroad or its rail patrons, Utility, at Utility's sole cost and expense, shall promptly relocate, strengthen, support or otherwise protect or modify the Facilities located in, under, over or upon the Corridor (any such requested action being referred to herein as a "Modification").

(B) Modifications shall be made only in accordance with plans and specifications approved by Railroad, which shall not unreasonably withhold or delay its review and approval or any request for changes to same.

(C) If land for a Modification is reasonably available within Railroad's existing Corridor, and if doing so would not create a rail safety hazard, Railroad shall provide land for the Modification without additional compensation from Utility.

12. THIRD PARTY RELOCATIONS, CHANGES:

(A) Where a change or relocation of Utility Facilities is required in order to accommodate any party other than Railroad or Railroad's rail patron, but including any governmental agency, the costs of such Modification shall be paid by Utility to the extent not paid or reimbursable by such third party or agency.

(B) All such changes or relocations shall be designed and performed in compliance with the terms and conditions of this Agreement.

13. RAILROAD COSTS:

(A) In the event Railroad furnishes any labor or material for any work on the Facilities, or to satisfy any duty of Utility hereunder, Utility agrees to pay to Railroad (a) the actual cost of material plus Railroad's currently applicable overhead percentages or rates (developed and published by the Accounting Department of Railroad) and (b) Railroad's "force account" charges in effect at the time of the performance of any such work, within thirty (30) days of the presentation of such bill(s) by Railroad. Railroad will, as soon as practical following Utility's request for work or materials to be furnished by Railroad, advise Utility of the estimated cost and expense thereof.

(B) Railroad's expense for wages ("force account" charges) and materials for any work performed at the expense of Utility pursuant to this Agreement shall include, but not be limited to, cost of railroad labor and supervision under "force account" rules, plus current applicable overhead percentages, the actual cost of materials used, and insurance, freight and handling charges on such materials. Any equipment rentals shall be in accordance with Railroad's applicable fixed rental rate(s).

14. INDUCTIVE INTERFERENCE:

(A) Utility assumes all risk of, and waives any claim for, any electrical or inductive interference with the operation, use, maintenance or repair of Utility's Facilities by existing or future facilities of Railroad (or any other rail carrier using the Corridor); and Railroad shall not be in any way responsible therefor.

(B) If the future operation or use of Utility's Facilities or the use of the Corridor by Utility is determined by Railroad (or by any other rail carrier using Railroad's Corridor), or by any governmental agency regulating rail carriers, to be causing or likely to be causing electrical or inductive interference or any other kind of physical, technical or energetic interference with any Railroad facilities in the Corridor (especially Railroad's communication, signal, train control, grade crossing safety and/or interlockings systems), Utility, at its sole cost and expense, shall take immediate measures to adequately eliminate or prevent any such interference.

(C) Railroad shall promptly provide Utility with the results of any test(s) procured by or furnished to Railroad, in order that Utility may verify, for its own purposes, the results of such test(s). At the request of and in cooperation with Railroad, Utility, at Utility's own sole cost, shall make tests (as often as Railroad shall deem necessary) on Utility's Facilities and on Railroad facilities, in order to determine the cause of any such electrical, inductive, technical, physical or energetic interference. Utility shall also provide Railroad with the results of any tests secured by Utility, to verify same.

(D) The measures which Utility shall take in order to eliminate any form(s) of electrical or inductive interference as described in Paragraph (B) hereof, may include (1) the replacement, relocation or modification (including shielding) of Railroad Facilities in or on the Corridor, or (2) the replacement, relocation or modification (including shielding) of Utility's Facilities, or (3) a combination of (1) and (2). Utility agrees to promptly reimburse Railroad, or any other rail carrier occupying Railroad's Corridor, for costs actually incurred in this regard, whether such work is carried out by Railroad, such other carrier, or their contractor(s) and subcontractor(s).

(E) Utility shall design and plan any Modifications, or any other changes or relocations of Utility Facilities, in cooperation with Railroad, to avoid such electrical or inductive interference.

15. INSPECTION:

The right of inspection of the Facilities by Railroad shall extend for an appropriate distance, inasmuch as the method of construction and the materials used in the construction, maintenance, repair, alteration, renewal, replacement, or relocation of the Facilities may have a significant impact upon the strength and stability of the Facilities over, under, upon, or in the property of the Railroad within the Corridor.

16. FLAGGING:

In addition to but not in limitation of Section 4., if at any time Railroad deems flaggers, watchers or inspectors necessary to protect Railroad's operations, property, employees, patrons, or licensees, during any work on the Facilities in the Corridor, Railroad shall have the right to place such flaggers, watchers or inspectors; at the sole risk, cost and expense of Utility. For the purposes of liability and risk assumption (only), such flaggers, watchers or inspectors shall be deemed to be the sole contractors of Utility while so furnished and engaged.

17. LIABILITY, INDEMNITY:

17.1 Utility's Indemnification. Recognizing that Railroad has owned and/or operated the Rail Corridor and Rights-of-Way for many years prior to the date of this Agreement and prior to entry thereupon by employees, agents, contractors or representatives of Utility, Utility hereby assumes, releases and agrees to defend, indemnify, protect and save Railroad harmless from and against:

(A) Claims, loss or damage arising from: (i) destruction of Utility Facilities, (ii) loss of service or use of Utility Facilities or loss of revenue or profit therefrom, (iii) injury to or death of Utility employees, including Contracted Employees, contractor(s), invitees or licensees of any party hereto, resulting from the maintenance, operation, use, repair, change, relocation and/or subsequent removal of Utility's Facilities or System, or any part thereof, or use of Railroad's Rail Corridor therefor, regardless of any approvals, reviews, controls or standards imposed by Railroad or other actions of Railroad, unless such claim, loss or damage results solely from willful misconduct or gross negligence of Railroad;

(B) Any loss or claim from any client, customer, patron or other purchaser of Utility's rights or services, regardless of cause thereof, including Railroad negligence (except gross negligence or willful misconduct);

(C) Failure of Utility to support track and/or roadbed;

(D) Claims, loss or damages arising from any slide or soil disturbance resulting from construction or placement of Utility Facilities, regardless of cause, including Railroad negligence (except gross negligence or willful misconduct);

(E) Failure of Utility to secure permit(s) under Article 6 hereof, regardless of cause, including Railroad negligence;

(F) Any claim (regardless of merit), loss or damages awarded (including treble damages), whether civil or criminal, under any anti-trust laws, or under any federal, state or local regulatory actions, related to this Agreement; in any such actions, Railroad shall have the right to designate and/or employ independent counsel, if deemed necessary by Railroad for its interest protection, and the expense of such representations shall be paid or reimbursed by Utility;

(G) Any claims or litigation concerning Utility's Occupancy and/or Railroad's grants made under this Agreement, or claims or litigation as may otherwise concern title to Railroad's Rail Corridor in, on or over which Utility has constructed Utility Facilities, including claims for punitive or special damages, but only if such claim arises from Utility's use or construction of such Facilities on such Rail Corridor;

(H) Claims or loss for any damages or injury (including loss of use or service thereof or loss of revenue or profit therefrom) to any facilities, cables, wires, pipes, casings or ducts of any other party or Conduit right-of-way operator, unless such injury or damage results solely from willful misconduct or gross negligence of Railroad; and

(I) All claim, loss or damages which are not expressly assumed by Railroad.

18. CLAIMS NOTICE:

If a claim or action is made or brought against Railroad, for which Utility may be responsible hereunder in whole or in part, Utility shall be promptly notified, and shall thereafter be responsible for the handling or defense of such matter. Utility shall not settle any such claim or action without the prior written consent of Railroad.

19. NONWAIVER:

Neither the failure by Railroad to make verbal or written complaints to Utility with respect to Utility's failure to carry out any obligation(s) under this Agreement, nor knowledge on the part of Railroad of such failure by Utility, shall be deemed to constitute acquiescence therein by Railroad or actionable negligence on the part of Railroad.

20. INSURANCE:

(A) Prior to commencement of any new construction, or any reconstruction, replacement, demolition or removal of the Facilities covered by this Agreement, within fifty feet (50') of any operated railroad track(s) or affecting any railroad bridge, trestle, tunnel, track(s), roadbed, overpass or underpass, Utility shall (1) notify Railroad and (2) procure and maintain, at its sole cost and expense, a policy of Railroad Protective Liability (RPL) Insurance, naming Railroad as insured, with coverage of not less than FIVE MILLION DOLLARS (\$5,000,000) Combined Single Limit per occurrence and TEN MILLION DOLLARS (\$10,000,000) aggregate for bodily injury liability and property damage liability.

(B) For and during all phases of this Agreement, Utility represents and warrants that it is either Self-Insured for or shall maintain the following coverage: Commercial General Liability (CGL) Insurance, with (a) Contractual Liability covering actions assumed herein by Utility, providing for a limit of not less than FIVE MILLION DOLLARS (\$5,000,000) Single Limit, Bodily Injury and/or Property Damage combined, for damages arising out of bodily injuries to or death of all persons in any one occurrence and for damage to or destruction of property, including the loss of use thereof, in any one occurrence, including Federal Employers Liability Act claims (FELA), or other liability arising out of or incidental to railroad operations; and (b) Contractor Liability Insurance, covering actions by Utility's contractors and agents, providing not less than FIVE MILLION DOLLARS (\$5,000,000) Single Limit, Bodily Injury and/or Property Damage combined, for damages arising out of bodily injuries to or death of all persons in any one occurrence and/or damage to or destruction of property, including the loss of use thereof, in any one occurrence.

(C) Railroad will be named as an additional insured pursuant to any policy issued under this Article 20. Copies of each Certificate of Insurance should be furnished to:

CSX Corporation
Manager – Risk Management
CSX Transportation, Inc.
500 Water Street, J907
Jacksonville, FL 32202

21. CONDEMNATION:

In the event of a taking of the Corridor or any portion thereof (or transfer in lieu thereof), by the exercise of the power of eminent domain by any governmental body, Railroad and Utility shall each retain their rights pursuant to the Eminent Domain Code of the state in which the Facilities exist.

22. TERMINATION, REMOVAL:

In the event Utility determines that all or part of any Occupancy under this Agreement is no longer necessary or essential, Utility shall (a) remove from the Corridor such of the Facilities as shall have been abandoned (unless said Facilities have been abandoned in place with the prior approval of Railroad), (b) restore the Corridor to a condition satisfactory to Railroad, and (c) deliver to Railroad a (complete or partial) Release of this Agreement satisfactory to Railroad, in recordable form, with respect to such Facilities.

23. FILING, COSTS:

Utility hereby agrees to pay all costs and fees in conjunction with the filing or recording of this Agreement, or any Memorandum thereof, in any public records or with any public agency or subdivision.

24. GENERAL PROVISIONS:

(A) If any part, section or paragraph of this Agreement is determined to be invalid, illegal, or unenforceable, for any reason, such determination shall not affect the validity, legality, or enforceability of all other parts of this Agreement.

(B) The words "Railroad" and "Utility" used herein shall be construed as if they read "Railroads" and "Utilities", respectively, whenever the sense of this Agreement so requires.

(C) Unless otherwise so designated in this Agreement, the terms and conditions of this Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

(D) This Agreement shall be governed by the Laws of the State in which the Corridor exists.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement in duplicate counterparts (any one of which may be recorded as an original but which shall constitute but one agreement), as of the day and year first written above.

Witness(es) for Railroad:

[Signature]
[Signature]

CSX TRANSPORTATION, INC.:

By: [Signature]
Title: VICE PRESIDENT + CORPORATE SEC

Witness(es) for Utility:

[Signature]
[Signature]

CITY OF MOUNT HOPE, WEST VIRGINIA

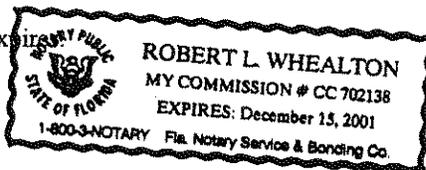
By: [Signature]
Title: Mayor
Attest [Signature] (SEAL)
Secretary

STATE OF FLORIDA)
) SS.
COUNTY OF DUVAL)

I, Robert L. Whealton, a Notary Public of the State of Florida, County of Duval, do certify that, on the date below, before me in said County came Alicia J. Aflora, satisfactorily proven to me by current evidence to be, or personally known to me to be the person whose name is subscribed to the above Nonexclusive Permanent Occupancy Agreement, who, being by me first duly sworn, did make oath, acknowledge, and say that: s/he resides in Jacksonville, Duval County, Florida; she/he is VICE PRESIDENT of CSX TRANSPORTATION, INC., the corporation described in and which executed said instrument; s/he and said corporation are fully informed of the contents of the instrument; s/he knows the seal of said corporation; the seal affixed to said instrument is such seal; it was so affixed by authority of the Board of Directors of said corporation; s/he also executed the same for said corporation pursuant to Board authority; and said instrument is the free act and deed of said corporation.

IN WITNESS WHEREOF, I hereunto set my hand and official seal this 17th day of May, 1999.

Robert L. Whealton (SEAL)
Notary Public
County of Duval

My commission expires: 

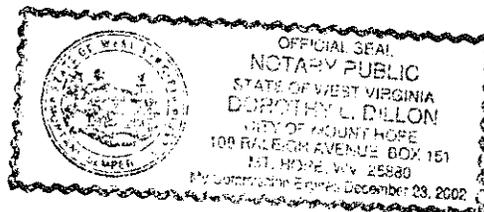
STATE OF WEST VIRGINIA)
) SS.
COUNTY OF Fayette)

I, Dorothy L. Dillon, a Notary Public of the State of West Virginia, and the County of Fayette, do certify that, on the date below, before me in said County came David Tompkins, () satisfactorily proven to me by current evidence to be, or () personally known to me to be the person whose name is subscribed to the above Nonexclusive Permanent Occupancy Agreement, who, being by me first duly sworn, did make oath, acknowledge and say that: s/he is Mayor of CITY OF MOUNT HOPE, WEST VIRGINIA, the municipal corporate entity described in and which executed said instrument; s/he and said corporation are fully informed of the contents of the instrument; s/he knows the seal of said corporate entity; the seal affixed to said instrument is such seal and was affixed thereto by proper authority of the corporate entity; s/he executed the instrument for said corporate entity pursuant to her/his authority; and said instrument is the free act and deed of said corporate entity.

IN WITNESS WHEREOF, I hereunto set my hand and official seal this 23 day of April, 1999.

Dorothy L. Dillon (SEAL)
Notary Public
County of Fayette

My commission expires:



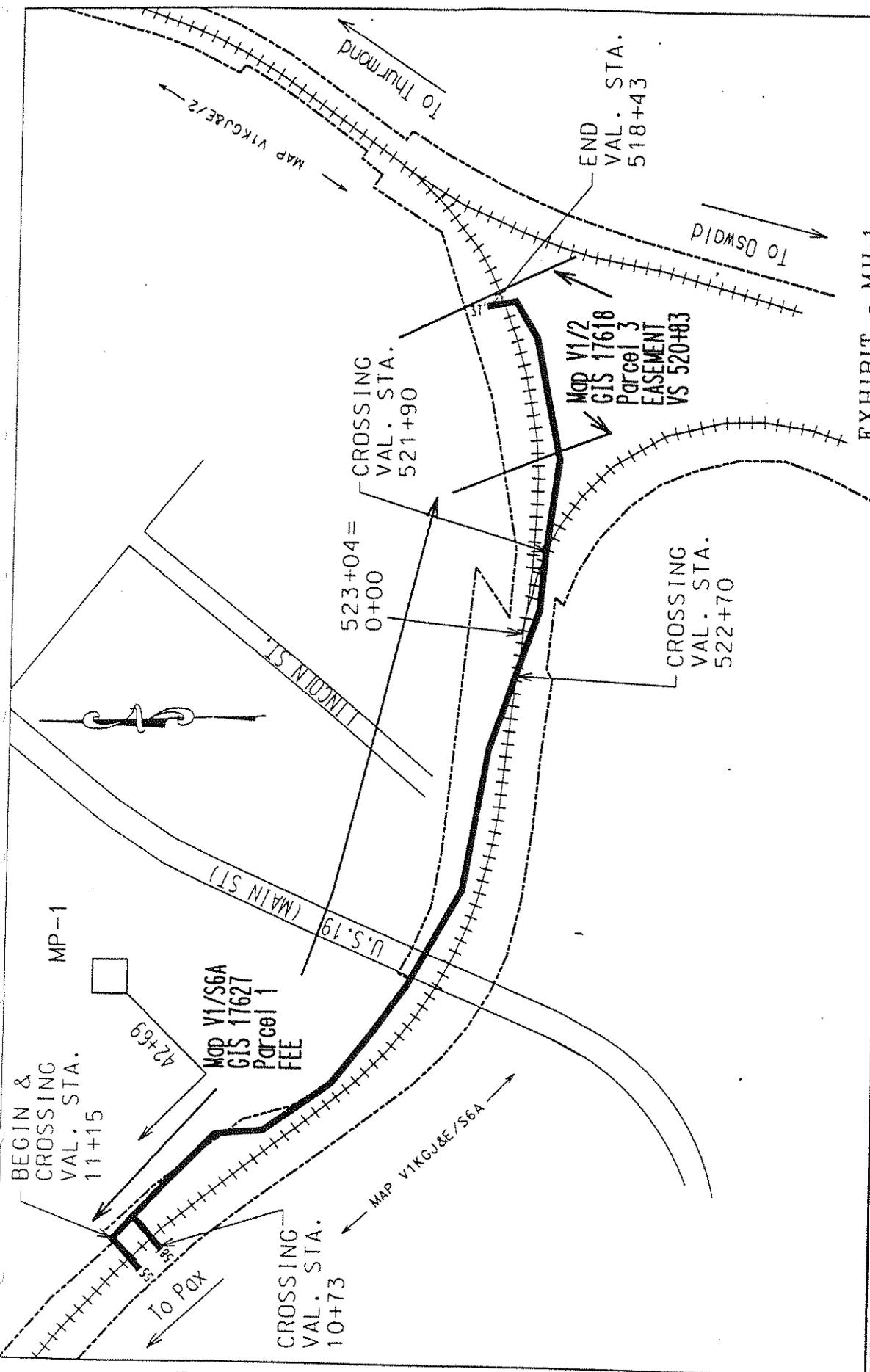


EXHIBIT - MH-1
CSX TRANSPORTATION, INC.

NON EXCLUSIVE UNDERGROUND OCCUPANCY
 FOR A 12" SEWAGE PIPELINE & 11 MANHOLES TO
 THE CITY OF MT. HOPE

MT. HOPE - FAYETTE COUNTY - WEST VIRGINIA

DATE: 10-07-98
 SCALE: 1" = 200'
 DRAWN BY: MJS
 REV.: 01-6-99

VALUATION SEC.
 V.S. VIKJAE/2 & VIKJAE/S6A
 GIS: 17618 & 17627
 COUNTY FIRS: 54019
 FILE: MHT.DGN

MT. HOPE, WEST VIRGINIA
AGREEMENT NO. CSX-013791

DATED: 11-07-90

THE CITY OF MT. HOPE DWG. NO. - 90061

LEGEND

————— OCCUPANCY LINE L = 1,726 FT.
 - - - - - CSX PROPERTY LINE
 + + + + + CSX TRACK

PART OF CSXT PROPERTY SITUATE IN MT. HOPE, FAYETTE COUNTY, WEST VIRGINIA, AND DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON CSX SOUTHERLY PROPERTY LINE, OPPOSITE VALUATION STATION 11+15, LOCATED 3,154 FT. MORE OR LESS, EAST OF MILE POST 1, THENCE; EXTENDING IN A EASTERLY DIRECTION 1,576 FT. MORE OR LESS, OPPOSITE VALUATION STATION 518+43; ALONG WITH A 55 FT. CROSSING OPPOSITE VALUATION STATION 11+15, AND A 37 FT. CROSSING OPPOSITE VALUATION STATION 518+43 FOR A TOTAL OCCUPANCY OF 1,726 FT.

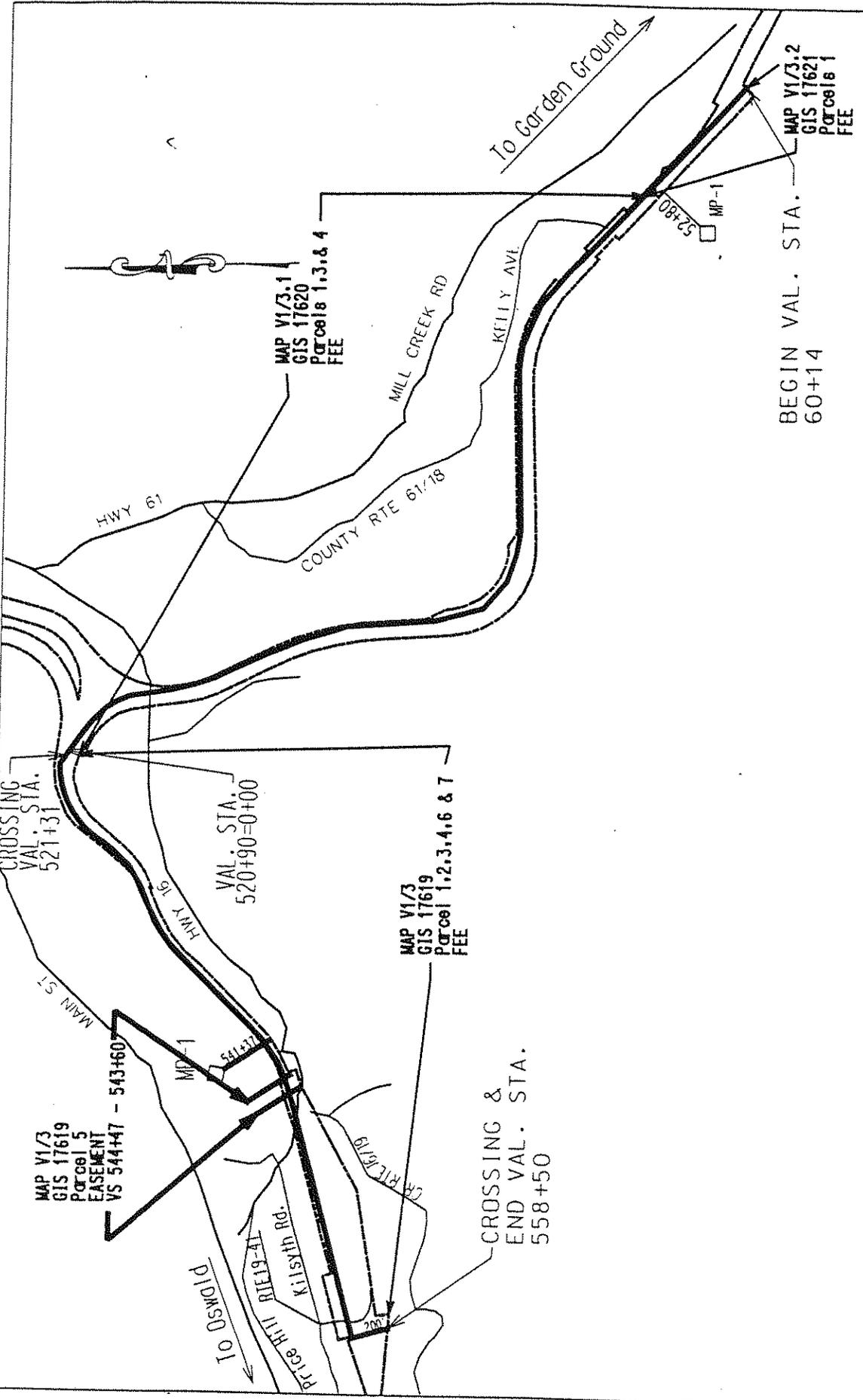


EXHIBIT - MH-2

CSX TRANSPORTATION, INC.
 NON EXCLUSIVE UNDERGROUND OCCUPANCY
 FOR A 6" WATER PIPELINE TO
THE CITY OF MT. HOPE
 RALEIGH COUNTY
 MT. HOPE - FAYETTE COUNTY - WEST VIRGINIA

DATE: 10-07-98
 SCALE: 1" = 800'
 DRAWN BY: MJS
 REV.: 01-06-99

VALUATION SEC.
 V.S. V1/3-3.1-3.2
 GIS: 17619 - 17620 - 17621
 COUNTY FIPS: 54019-54081
 FILE: MH2.DGN

MT. HOPE, WEST VIRGINIA
AGREEMENT NO. COL-21568
 DATED: 09-13-49
 THE CITY OF MT. HOPE DWG. NO. - (NONE)

LEGEND

- OCCUPANCY LINE L = 9,974 FT.
- - - CSX PROPERTY LINE
- +++++ CSX TRACK

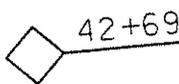
PART OF CSXT PROPERTY SITUATE IN MT. HOPE, FAYETTE AND RALEIGH COUNTIES, WEST VIRGINIA, AND DESCRIBED AS FOLLOWS:
 BEGINNING AT A POINT ON CSX NORTHEASTERLY PROPERTY LINE, OPPOSITE VALUATION STATION 60+14, LOCATED 734 FT. MORE OR LESS, EAST OF MILE POST-1 ON THE MILL CREEK SPIUR, THENCE; EXTENDING IN A WESTERLY DIRECTION 9,774 FT. MORE OR LESS, THENCE; CROSSING UNDERNEATH CSXT MAIN TRACK, A DISTANCE OF 200 FEET MORE OR LESS, OPPOSITE VALUATION STATION 558+50 FOR A TOTAL OCCUPANCY OF 9,974 FT.

NOTE:

THE LOCATION OF THE SEWER LINE CAN BE FOUND ON THE RECORD DRAWINGS TITLED, "CITY OF MT. HOPE WASTE WATER SYSTEM IMPROVEMENTS" BY WOOLPERT LLP, DATED NOVEMBER 1998.



MP-1



BEGIN VAL. STA.
25+92+/-

EXIT VAL. STA.
29+32+/-

APPROXIMATE
CROSSING #1
125'

SOMERSET DR.

POWER LINE CROSSING
150'

190'

447'

RE-ENTER VAL. STA.
31+02+/-

PAX AVE.

To Pax

END VAL. STA.
36+19+/-

MAP V11B/S5BA
GIS 13701
PARCEL 3
EASEMENT

APPROXIMATE
CROSSING #1
65'

MARYLAND AVE.

To Thurmond

PART OF CSXT PROPERTY SITUATE IN MT. HOPE, FAYETTE COUNTY, WEST VIRGINIA, AND DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON CSX NORTHERLY PROPERTY LINE, OPPOSITE VALUATION STATION 25+92, LOCATED 1,677 FT. MORE OR LESS, EAST OF MILE POST 1, THENCE, EXTENDING IN A WESTERLY DIRECTION 340 FT., OPPOSITE VALUATION STATION 29+32, EXITING CSXT PROPERTY, THENCE RE-ENTERING CSXT PROPERTY OPPOSITE VALUATION STATION 31+02, EXTENDING IN A WESTERLY DIRECTION 517 FT., ENDING OPPOSITE VALUATION STATION 36+19, ALONG WITH ONE 125 FT. CROSSING AND ONE 65 FT. CROSSING AS SHOWN IN DRAWING, FOR A TOTAL OCCUPANCY OF 1,047 FT.

MT. HOPE WEST VIRGINIA

LEGEND

- OCCUPANCY LINE L = 1,047 FT.
- - - CSX PROPERTY LINE
- +++++ CSX TRACK

EXHIBIT - MH-3

CSX TRANSPORTATION, INC.

NON EXCLUSIVE UNDERGROUND OCCUPANCY
FOR WASTEWATER SYSTEM RENOVATION
PARALLEL #1

THE CITY OF MT. HOPE

MT. HOPE - FAYETTE COUNTY - WEST VIRGINIA
DATE: 01-11-99
SCALE: 1" = 200'
DRAWN BY: MJS
REV.: 03-19-99
VALUATION SEC.
V.S. VIKGJAE/S6A
GIS:17627
COUNTY FIPS: 54019
FILE: MH3.DGN

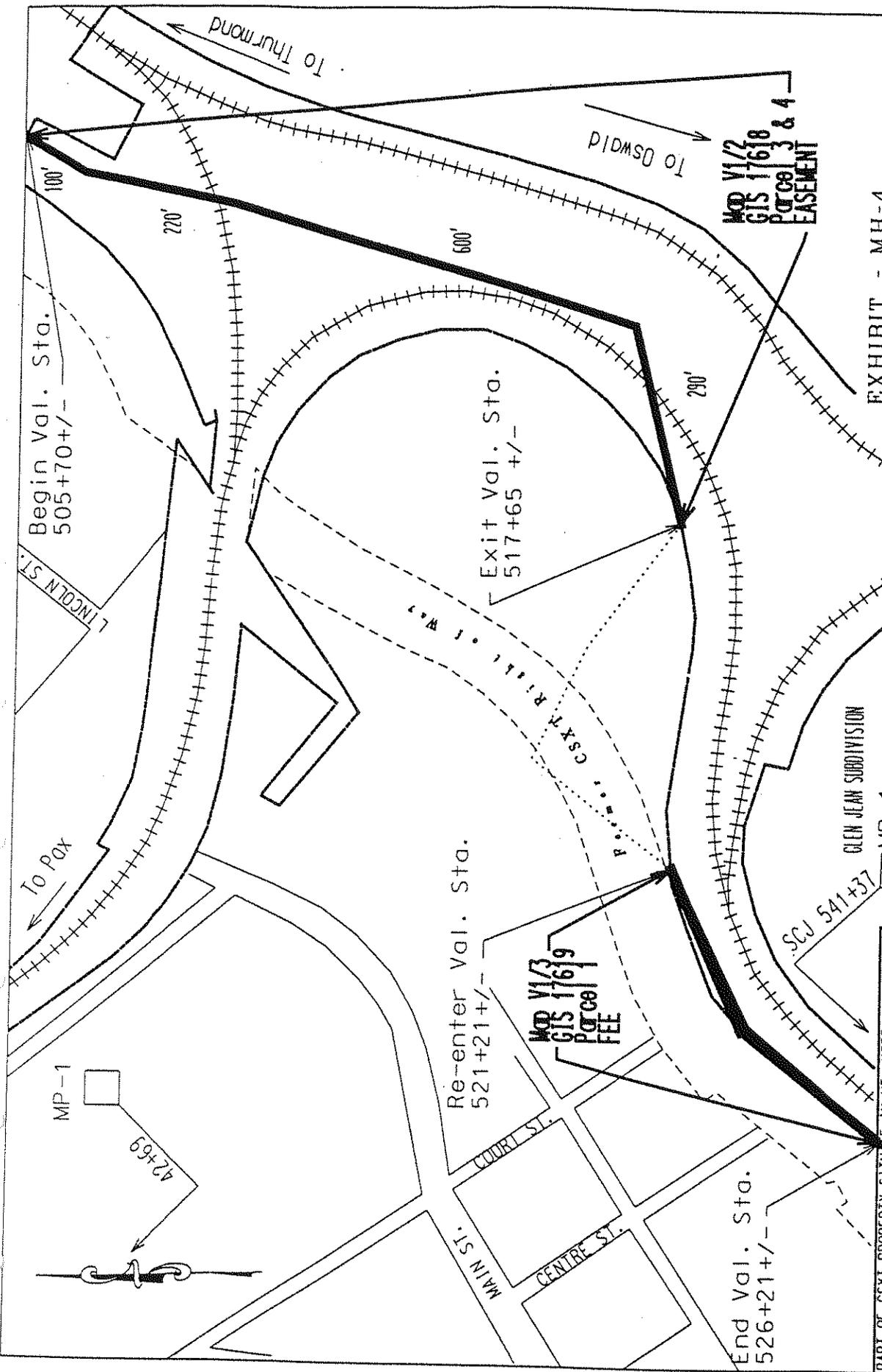


EXHIBIT - MH-4
CSX TRANSPORTATION, INC.
 NON EXCLUSIVE UNDERGROUND OCCUPANCY
 FOR WASTEWATER SYSTEM RENOVATION
 PARALLEL #2
 THE CITY OF MT. HOPE
 MT. HOPE - FAYETTE COUNTY - WEST VIRGINIA
 DATE: 10-07-98
 SCALE: 1" = 200'
 DRAWN BY: MJS
 REV.: 01-6-99
 VALUATION SEC.
 V-5. VIKGJAE/2 & VIKGJAE/3
 GJS: 17618 & 17619
 COUNTY FIPS: 54019
 FILE: MH4.DGN

MT. HOPE, WEST VIRGINIA
 LEGEND
 OCCUPANCY LINE L = 1,710 FT.
 CSX PROPERTY LINE
 CSX TRACK

PART OF CSXT PROPERTY SITUATE IN MT. HOPE, FAYETTE COUNTY, WEST VIRGINIA, AND DESCRIBED AS FOLLOWS:
 BEGINNING AT A POINT ON CSX NORTHERLY PROPERTY LINE, OPPOSITE VALUATION STATION 505+70, LOCATED 3,567 FT. MORE OR LESS, EAST OF MILE POST 1, THENCE: EXTENDING IN A WESTERLY DIRECTION 1,210 FT. MORE OR LESS, OPPOSITE VALUATION STATION 517+65, EXITING CSXT PROPERTY; (SEE EXHIBIT FOR EXACT MEASUREMENTS); THENCE: RE-ENTERING CSXT PROPERTY OPPOSITE VALUATION STATION 521+21, EXTENDING IN A WESTERLY DIRECTION 500 FT. MORE OR LESS, OPPOSITE VALUATION STATION 526+21 FOR A TOTAL OCCUPANCY OF 1,710 FT.

-1-

Name City of Mt. Hope Water Works & Sewerage
 System Revenue Bonds, Series 1999 A
 Bond Construction Trust Fund
 Account No _____ Date 5-20-99 69-349/515

Pay to the
 Order of CSX Transportation \$ 100,000.00
 One Hundred Thousand Dollars and no/100 _____ Dollars

Bank
 MOUNT HOPE

MEMBER FDIC
 602 MAIN STREET (304) 877-5551
 MOUNT HOPE, WV 25880

[Signature] Mayor
[Signature] Treas.
 MP

For _____

⑆05⑆50349⑆⑆ 40⑆⑆798⑆⑆4⑆⑆

© Clarke American GUARDIAN® SAFETY BLUE WBL

-2-

Name City of Mt. Hope Water Works & Sewerage
 System Revenue Bonds, Series 1999A
 Bond Construction Trust Fund
 Account No _____ Date 5-20-99 69-349/515

Pay to the CSX Transportation
 Order of _____ \$ 6,000.00
 Six Thousand Dollars and no/100 _____ Dollars

Bank
 MOUNT HOPE

MEMBER FDIC
 602 MAIN STREET (304) 877-5551
 MOUNT HOPE, WV 25880

[Signature] Mayor
[Signature] Treas.
 MP

For _____

⑆05⑆50349⑆⑆ 40⑆⑆798⑆⑆4⑆⑆

© Clarke American GUARDIAN® SAFETY BLUE WBL

-3-

Name City of Mt. Hope Water Works & Sewerage
 System Revenue Bonds, Series 1999 A
 Bond Construction Trust Fund
 Account No _____ Date 5-20-99 69-349/515

Pay to the Jackson & Kelly Attorneys at Law
 Order of _____ \$ 8,000.00
 Eight Thousand Dollars and no/100 _____ Dollars

Bank
 MOUNT HOPE

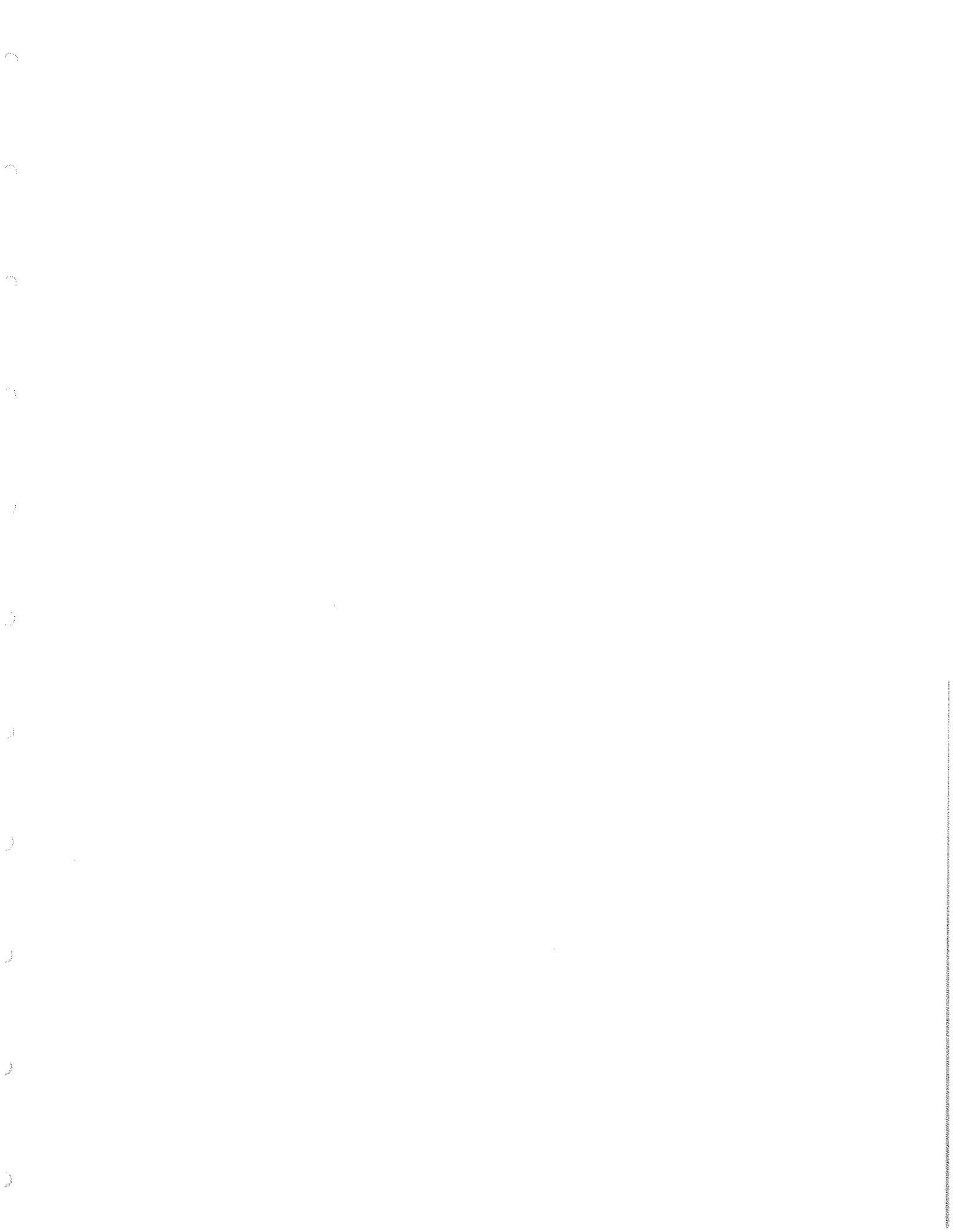
MEMBER FDIC
 602 MAIN STREET (304) 877-5551
 MOUNT HOPE, WV 25880

[Signature] Mayor
[Signature] Treas.
 MP

For _____

⑆05⑆50349⑆⑆ 40⑆⑆798⑆⑆4⑆⑆

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West Virginia Infrastructure & Jobs Development Council

Public Members:

James D. Williams, Chairman
St. Albans
James L. Harrison, Sr., Vice Chairman
Princeton
Lloyd P. Adams, P.E.
Wheeling
Sheirl L. Fletcher
Morgantown

980 One Valley Square
Charleston, West Virginia 25301
Telephone: (304) 558-4607
Facsimile: (304) 558-4609

Susan J. Riggs, Esquire
Executive Secretary

February 16, 1998

The Honorable Floyd Bonifacio
Mayor, City of Mount Hope
108 Raleigh Avenue
Mt. Hope, WV 25880

Re: City of Mount Hope
Wastewater System Upgrade Project (Resubmittal) 97S-316

Dear Mayor Bonifacio:

The West Virginia Infrastructure and Jobs Development Council (Council) has reviewed the City of Mount Hope's (City) resubmitted preliminary application regarding a proposed project to upgrade the City's wastewater system (Project). Based upon the findings of the Sewer 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 Sewer Technical Review Committee's enclosed comments and also their comments dated May 12, 1997, previously sent to you under cover dated May 16, 1997. The City may need to address certain issues raised in said comments as it proceeds with the Project.

Pursuant to its review of the resubmitted preliminary application, the Council recommends the City pursue a State Revolving Fund loan of \$1,968,000 to finance the Project. Please contact the Division of Environmental Protection (DEP) at 558-0641 for specific information on the steps the District follow to apply for this funding. The DEP will fully review the proposed Project budget prior to making any funding decisions with regard to the Project. **Please note that this letter does not constitute funding approval from the State Revolving Fund.**

If you have any questions regarding this matter, please contact Susan J. Riggs at the above telephone number.

Sincerely,


James D. Williams

JDW/bh
Enclosure

cc: Mike Johnson, P.E.
W. D. Smith





United States
Department of
Agriculture

Rural Development

Federal Building, Room 320
75 High Street
Morgantown, WV 26505
Telephone: (304) 291-4796
Fax: (304) 291-4159
TTY/TDD: (304) 284-5941

\$1,500,000
City of Mount Hope
Waterworks and Sewerage System Revenue Bonds
Series 1998A

CONSENT TO ISSUANCE OF PARITY BOND

United States of America, United States Department of Agriculture, Rural Utilities Service (the "Government"), as the registered owner of all the \$1,584,000 Waterworks and Sewerage Revenue Bonds, Series 1986, issued pursuant to an ordinance adopted February 20, 1986 (the "Series 1986 Bonds") and the \$412,500 Waterworks and Sewerage Revenue Bonds, Series 1991, issued pursuant to an ordinance adopted November 20, 1990 (the "Series 1991 Bonds," and collectively with the Series 1986 Bonds, the "Prior Bonds"), hereby consents to the issuance by the City of Mount Hope, West Virginia (the "City"), of not more than \$1,500,000 in aggregate principal amount of Waterworks and Sewerage System Revenue Bonds, Series 1998 A (the "Bonds") to be sold in one or more series to the West Virginia Water Development Authority. The Government hereby further consents that the Bonds are payable from the revenues of the system of the City and otherwise secured on a parity with the Prior Bonds. This consent is given pursuant to Sections 6.08 and 7.08, respectively, of the Prior Resolutions authorizing the Prior Bonds.

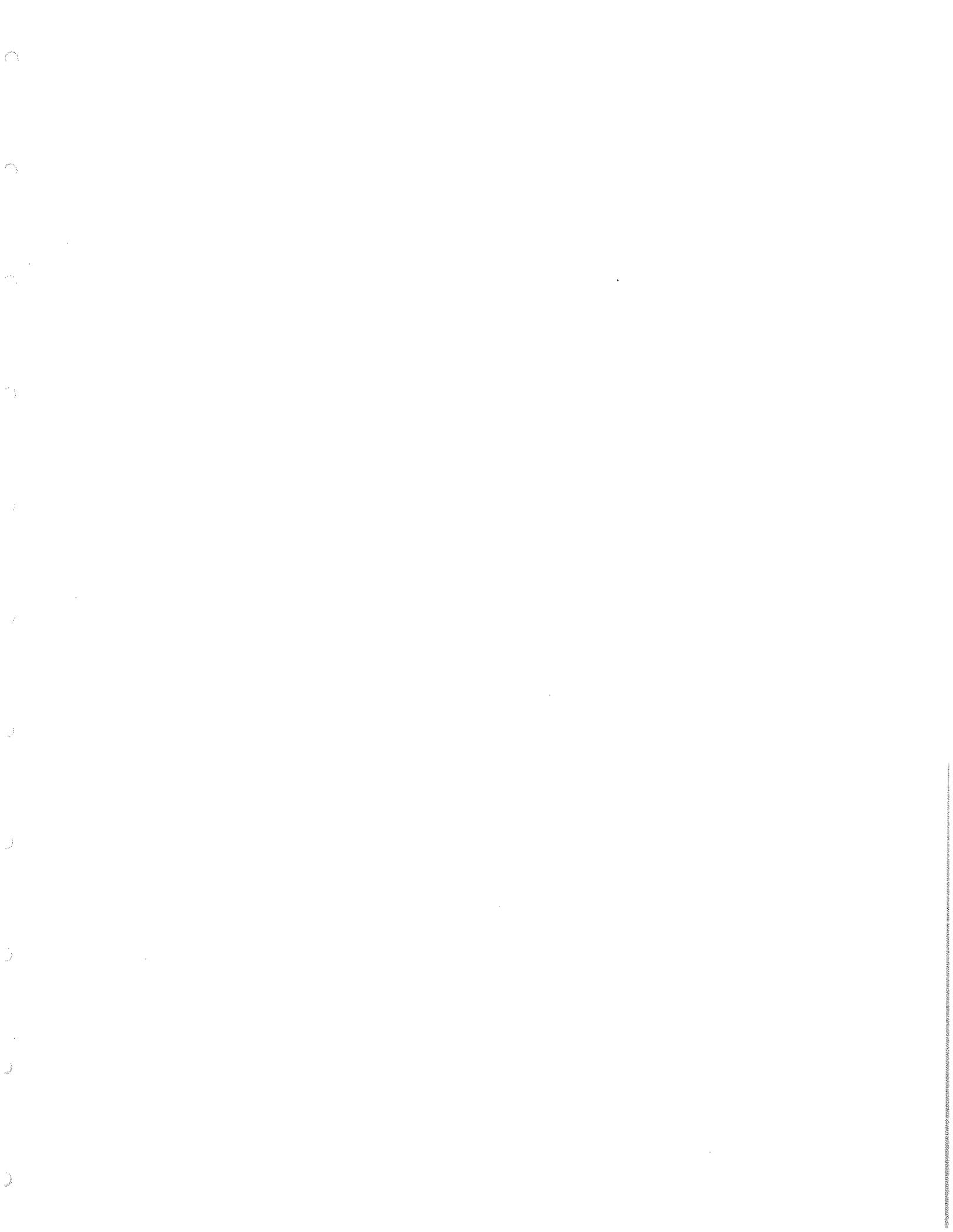
By the execution of this consent, the undersigned hereby certifies that he is fully empowered and authorized to execute this consent on behalf of the Government.

WITNESS my signature this 4th day of January, 1999.

UNITED STATES OF AMERICA
UNITED STATES DEPARTMENT OF
AGRICULTURE, Rural Development

By: 

Robert D. Lewis
State Director



CITY OF MOUNT HOPE
WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS,
SERIES 1999 A

CERTIFICATE OF:

1. TERMS
2. NO LITIGATION
3. GOVERNMENTAL APPROVALS AND BIDDING
4. NO ADVERSE FINANCIAL CHANGE; INDEBTEDNESS
5. SIGNATURES
6. PUBLIC SERVICE COMMISSION ORDER; RATES
7. INCUMBENCY AND OFFICIAL NAME
8. LAND AND RIGHTS-OF-WAY
9. MEETINGS
10. INSURANCE
11. LOAN AGREEMENT
12. TRUTH AND ACCURACY
13. SPECIMEN BONDS
14. BOND PROCEEDS
15. CONFLICT OF INTEREST
16. CLEAN WATER ACT
17. VERIFICATION OF SCHEDULE A
18. YEAR 2000 COMPLIANCE
19. COUNTERPARTS

We, the undersigned MAYOR and the undersigned RECORDER of the City of Mount Hope, West Virginia (herein called the "City"), and the undersigned ATTORNEY for the City, hereby certify in connection with the fully registered City of Mount Hope Waterworks and Sewerage System Revenue Bonds, Series 1999 A, numbered AR-1, dated the date hereof, in the principal amount of \$1,490,000, bearing no interest and subject to the SRF Administration Fee of one percent (1%) (the "Bonds"), as follows:

1. TERMS: All capitalized words and terms used in this Certificate and not otherwise defined shall have the same meaning as in the Bond Ordinance duly passed by the Council (the "Council") of the City on May 4, 1999, effective May 18, 1999, and the Supplemental Resolution adopted May 18, 1999, relating to the Bonds (collectively, the "Ordinance") and the Loan Agreement entered into among the City, the Division of Environmental Protection ("DEP") and the West Virginia Water Development Authority (the "Authority"), dated April 28, 1999, for the Bonds (the "Loan Agreement").

2. NO LITIGATION: No controversy or litigation of any nature is now pending, or, to the knowledge of any of the undersigned, threatened, restraining, enjoining or affecting the issuance and delivery of the Bonds; nor questioning the proceedings and authority by which the Council of the City authorized the issuance and sale of the Bonds; nor affecting the validity of the Bonds or any provisions made or authorized for the payment thereof; nor questioning the existence of the City or the title of the members or officers of the City or of the Council thereof to their respective offices; nor questioning the acquisition and construction of certain additions, extensions, betterments and improvements to the existing waterworks and sewerage system of the City (the "System") financed in part by the proceeds of sale of the Bonds (herein called the "Project"), nor operation by the City of the System, nor challenging the collection or use of the revenues of the System or the pledge of the revenues to the Bonds.

3. GOVERNMENTAL APPROVALS AND BIDDING: All applicable approvals and certificates required by law for the construction and acquisition of the Project, the operation of the System, and the issuance of the Bonds have been duly and timely obtained and remain in full force and effect, and competitive bids for construction of the Project have been solicited in accordance with Chapter 5, Article 22, Section 1, of the Code of West Virginia, 1931, as amended, which bids remain in full force and effect.

4. NO ADVERSE FINANCIAL CHANGE; INDEBTEDNESS: There has been no adverse change in the financial condition of the City since April 28, 1999. The City issued its Waterworks and Sewerage System Revenue Bonds, Series 1986, dated March 6, 1986, issued in the aggregate principal amount of \$1,584,000, to the United States Department of Agriculture, Farmers' Home Administration (now the Rural Utilities Service, or "RUS"). The City issued its Waterworks and Sewerage System Revenue Bonds, Series 1991, dated February 25, 1991, in the aggregate principal amount of \$412,500, to RUS. The City has received written consent from RUS with respect to the issuance of the Bonds on a parity as to lien and source of security with the Prior Bonds. The City is current on all payments on the Prior Bonds and is in compliance with all covenants with respect to the Prior Bonds. The Bonds are being issued for the purpose of paying costs of the Project. The Bonds are being issued as first lien bonds and will be on a parity as to liens, pledge and source of and security for payment on the Net Revenues of the System with the Prior Bonds.

5. SIGNATURES: The undersigned Mayor and Recorder are the duly elected or appointed, qualified and serving officers of the City as indicated by the official titles opposite their signatures below, and were duly authorized to execute and seal the Bonds for the City. The seal impressed upon the Bonds and this Certificate is the duly authorized, proper and only seal of the City.

6. PUBLIC SERVICE COMMISSION ORDER; RATES: The undersigned Counsel hereby certifies that the City has filed information with the Public Service

Commission (the "PSC") and taken all other action required to maintain the Recommended Decision dated February 2, 1999 issued in Case No. 98-1448-S-CN, which became the Final Order of the PSC on February 20, 1999 and which grants a Certificate of Convenience and Necessity for the acquisition and construction of the Project and approves the sale of the Bonds, in full force and effect, and has taken all other action required by applicable law. The rates were enacted by ordinance dated July 10, 1990, and the City has complied with all requirements of the Public Service Commission to make the rates valid and effective and such rates are in full force and effect. The time for appeal of such Ordinance has expired and there has been no appeal thereof.

7. INCUMBENCY AND OFFICIAL NAME: The proper corporate title of the "City of Mount Hope", and it is a municipal corporation of the State of West Virginia in Fayette County of said State. The governing body of the City is its Common Council, consisting of five Council members and the Mayor. The Recorder is the ex-officio Clerk of the Common Council. The names and dates of commencement and termination of terms of office for all such officials during these Bond proceedings, including current terms, are listed below:

<u>Office</u>	<u>Name</u>	<u>Date Of Commencement Of Office</u>	<u>Date Of Termination Of Office</u>
Mayor	Floyd Bonifacio	06/11/96	06/01/2000
Recorder	Frank W. Bergendahl, Jr.	06/11/96	06/01/2000
Council Member	Sudana Greene	06/04/96	06/01/2000
Council Member	Shane Wheeler	06/11/96	06/01/2000
Council Member	Lawrence Beverley	01/09/98	06/01/2000
Council Member	Todd Conelly	06/04/96	06/01/2000
Council Member	Jonathan Kesler	11/05/96	06/01/2000

The duly appointed and acting City Attorney is John H. Shumate, Jr., Esquire, Mount Hope, West Virginia.

8. LAND AND RIGHTS-OF-WAY: All land in fee simple and all rights-of-way and easements necessary for the construction of the Project and the operation and maintenance of the System have been acquired or can and will be acquired by purchase or, if necessary, by condemnation by the City, and are adequate for such purposes and are not or will not be subject to any liens, encumbrances, reservations or exceptions that would adversely affect or interfere in any way with the use thereof for such purposes. The costs thereof, including costs of any properties that may have to be acquired by condemnation

are, in the opinion of all the undersigned, within the ability of the City to pay for the same without jeopardizing the security of or payments on the Bonds.

9. MEETINGS: All actions, ordinances, resolutions, orders and agreements taken, adopted and entered into by or on behalf of the City in any way connected with the construction, acquisition, operation and financing of the Project were authorized or adopted at meetings of the Council duly and regularly or specifically called and held pursuant to all applicable statutes and the rules of procedure of Council, and a quorum of duly appointed, qualified and acting members of the Council was present and acting at all times during all such meetings. All notices required to be posted and/or published were so posted and/or published.

10. INSURANCE: The City will maintain or, as appropriate, will require all contractors to maintain Worker's Compensation, public liability and property damage insurance, standard hazard insurance, builder's risk insurance, flood insurance and business interruption insurance, where applicable, in accordance with the Ordinance.

11. LOAN AGREEMENT: As of the date hereof, (i) the representations of the City contained in the Loan Agreement are true and correct in all material respects as if made on the date hereof; (ii) the Loan Agreement does not contain any untrue statements of 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 City has occurred since April 28, 1999, which should be disclosed for the purpose for which it is to be used or which it is necessary to disclose therein in order to make the statements and information therein not misleading; and (iv) the City is in compliance with the Loan Agreement.

12. TRUTH AND ACCURACY: As of the date hereof, Floyd Bonifacio, Mayor and Frank W. Bergendahl, Jr., Recorder hereby certify that the copies of documents previously or on the date hereof certified by them as being true and accurate are true and accurate as of the date hereof and that none of such documents has been repealed, rescinded, amended or otherwise modified.

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

14. BOND PROCEEDS: On the date hereof, the City received \$114,000 from the Authority and the DEP, being a portion of the principal amount of the Bonds, and more than a de minimus amount of the proceeds of the Bonds. The balance of the principal

amount of the Bonds will be advanced to the City from time to time as acquisition and construction of the Project progresses.

15. CONFLICT OF INTEREST: No officer or employee of the City has a substantial financial interest, direct, indirect or by reason of ownership of stock in any corporation, in any contract with the City or in the sale of any land, materials, supplies or services to the City or to any contractor supplying the City, relating to the Bonds, the Ordinance, and/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.

16. CLEAN WATER ACT: The project as described in the Ordinance complies with Sections 208 and 303(e) of the Clean Water Act.

17. VERIFICATION OF SCHEDULE A: The final amended Schedule A to the SRF Loan Application, with the signature of the Mayor dated April 6, 1999, accurately represents the estimated costs of the Project, the sources of funds available to pay the costs of the Project, and the costs of financing. The City has made an irrevocable commitment of its \$232,500 contribution to the Project.

18. YEAR 2000 COMPLIANCE: The City represents that it has undertaken or will undertake an investigation to determine whether the operations of the System, including but not limited to any billing, collection and inventory computer programs of the System and any electronic or mechanical components of the System's wastewater collection and treatment facilities, are Year 2000 Compliant. The City further represents that if it determines as a result of this investigation that any Mission-Critical Component of the System is not Year 2000 Compliant, the City (i) will take timely and affirmative action to repair or replace any such component, and (ii) will perform adequate testing to ensure the sound operation and Year 2000 Compliant status of the repaired or replaced component. For purpose of this paragraph, "Year 2000 Compliant" means, with respect to the information technology the City uses or will use in the operation of the System (including any date-sensitive microprocessors embedded in electronic or mechanical components of the System), the information technology is designed to be used prior to, during and after calendar Year 2000 A.D., and the information technology used during each such time period will accurately receive, provide and process data-time data (including, but not limited to, calculating, comparing and sequencing) from, into and between the twentieth and twenty-first centuries, including the years 1999 and 2000, and leap-year calculations, and will not malfunction, cease to function, or provide invalid or incorrect results as a result of date-time data. For purposes of this paragraph, "Mission-Critical Component" means any component of the System that would be critical to (a) the System's continued operation after January 1, 2000; (b) the City's ability to continue to bill its customers and collect

amounts billed from those customers after January 1, 2000; or (c) the City's ability to make all principal and interest payments for the Bonds contemplated by the Ordinance as and when they become due.

19. COUNTERPARTS: This Certificate may be executed in counterpart and such parts shall be deemed to be the Certificate.

[Remainder of this page intentionally left blank]

WITNESS our signatures and the official corporate seal of the City of Mount Hope, West Virginia on this 20th day of May, 1999.

[SEAL]

<u>Signature</u>	<u>Official Title</u>
<u>Frank Amadio</u>	Mayor
<u>Frank W. Bergedall, Jr.</u>	Recorder
<u>John H. Bennett</u>	Attorney

CHASFS3:118889

NUMBER
AR-1



UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
COUNTY OF FAYETTE
CITY OF MOUNT HOPE
WATERWORKS AND SEWERAGE SYSTEM
REVENUE BONDS, SERIES 1999 A
(WEST VIRGINIA SRF PROGRAM)

No. AR-1

\$1,490,000

KNOW ALL MEN BY THESE PRESENTS: That the City of Mount Hope, a municipal corporation of the State of West Virginia, in Fayette County of said State (the "City"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the West Virginia Water Development Authority (the "Authority"), or registered assigns, the sum of One Million Four Hundred Ninety Thousand Dollars (\$1,490,000), or such lesser amount as is set forth on the Record of Advances attached hereto as Exhibit A and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year commencing December 1, 2000 as set forth on the "Schedule of Debt Service" attached as Exhibit B hereto and incorporated herein by reference, with no interest. The SRF Administrative Fee (as defined in the hereinafter described Bond Ordinance) shall also be payable quarterly on March 1, June 1, September 1 and December 1 of each year commencing December 1, 2000 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 principal, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the Paying Agent.

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and as otherwise provided by the Loan Agreement dated April 28, 1999 among the Authority, the DEP and the City.

This Bond is issued (i) to pay costs of acquisition and construction of certain additions, extensions, betterments and improvements to the existing wastewater collection and treatment facility of the City (the "Project") and (ii) to pay certain costs of issuance hereof and related costs. This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 8, Article 20 of the West Virginia Code of 1931, as amended (the "Act"), an Ordinance duly enacted by the City on May 4, 1999, effective May 18, 1999 and a Supplemental Resolution adopted by the City on May 18, 1999 (collectively called the "Ordinance"), and is subject to all the terms and conditions thereof. The Ordinance provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Ordinance.

THIS BOND RANKS EQUALLY AS TO LIEN AND SECURITY WITH THE CITY'S WATERWORKS AND SEWERAGE REVENUE BONDS, SERIES 1986, DATED MARCH 6, 1986 AND ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF \$1,584,000, AND THE CITY'S WATERWORKS AND SEWERAGE REVENUE BONDS, SERIES 1991, DATED FEBRUARY 25, 1991 AND ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF \$412,500 (THE "PRIOR BONDS").

This Bond is payable only from and secured by a pledge of a first lien on the Net Revenues, on a parity with the lien of the Prior Bonds, to be derived from the operation of the System, moneys in the Series 1999 A Reserve Account created under the Ordinance and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest, if any, on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the City within the meaning of any constitutional or statutory provisions or limitations, nor shall the City be obligated to pay the same or the interest, if any, thereon except from said special fund provided from the Net Revenues, the moneys in the Series 1999 A Reserve Account and unexpended Bond proceeds. Pursuant to the Ordinance, the City has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the amount required to pay the maximum amount due in any ensuing fiscal year of principal of and interest on all obligations on a parity with the Bonds, payable from such revenues, provided however, that so long as there exists in the Series 1999 A Reserve Account an amount equal to the maximum amount of principal and interest which will become due on the Bonds and any bonds on a parity therewith in any succeeding fiscal year, respectively, an amount equal to the requirement therefor, such percentage may be reduced to 110%. The City has entered into certain further covenants with the registered owners of the Bonds, for the terms of which, reference is made to the Ordinance. Remedies provided the registered

owners of the Bonds are exclusively as provided in the Ordinance, to which reference is here made for a detailed description thereof.

This Bond is transferable, as provided in the Ordinance, only upon the books of Bank of Mount Hope, Inc., Mount Hope, West Virginia (the "Registrar"), kept for that purpose at the office of the Registrar, by the registered owner or 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.

This Bond, under the provision of the Act is, and has provided all the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the State of West Virginia.

All money received from the sale of this Bond, after reimbursement and repayment of all amounts advanced for preliminary expenses as provided by law, shall be applied solely to the payment of the Costs of the Project described in the Ordinance or to the appurtenant sinking fund, and there shall be and hereby is created and granted a lien upon such moneys, until so applied, in favor of the owner of this Bond.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Bond have existed, have happened, and have been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other obligations of the City, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia and that a sufficient amount of the revenues of the System has been pledged to and will be set aside into said special fund by the City for the prompt payment of the principal of and interest, if any, on this Bond.

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

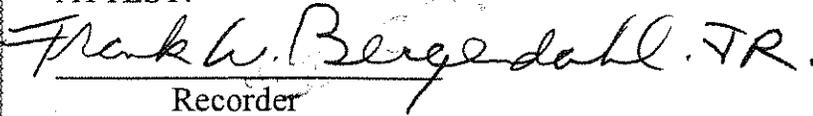
IN WITNESS WHEREOF, the City of Mount Hope has caused this Bond to be signed by its Mayor and its corporate seal to be hereunto affixed or imprinted hereon and attested by its Recorder, and has caused this Bond to be dated the 20th day of May, 1999.

[SEAL]



Mayor

ATTEST:

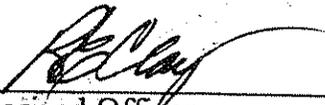


Recorder

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Original Bonds described in the within-mentioned Ordinance and has been duly registered in the name of the registered owner set forth above.

BANK OF MOUNT HOPE, INC.
as Registrar

By 
Its Authorized Officer

Dated: May 20, 1999

EXHIBIT A

RECORD OF ADVANCES

Amount	Date	Amount	Date
(1) \$ 114,000	March 20, 1999	(7) \$	
(2) \$		(8) \$	
(3) \$		(9) \$	
(4) \$		(10) \$	
(5) \$		(11) \$	
(6) \$		(12) \$	

Total \$ _____

EXHIBIT B

SCHEDULE OF ANNUAL DEBT SERVICE

Date	Principal	Coupon	Total P+I
6/01/1999	-	-	-
9/01/1999	-	-	-
12/01/1999	-	-	-
3/01/2000	-	-	-
6/01/2000	-	-	-
9/01/2000	-	-	-
12/01/2000	18,625.00	-	18,625.00
3/01/2001	18,625.00	-	18,625.00
6/01/2001	18,625.00	-	18,625.00
9/01/2001	18,625.00	-	18,625.00
12/01/2001	18,625.00	-	18,625.00
3/01/2002	18,625.00	-	18,625.00
6/01/2002	18,625.00	-	18,625.00
9/01/2002	18,625.00	-	18,625.00
12/01/2002	18,625.00	-	18,625.00
3/01/2003	18,625.00	-	18,625.00
6/01/2003	18,625.00	-	18,625.00
9/01/2003	18,625.00	-	18,625.00
12/01/2003	18,625.00	-	18,625.00
3/01/2004	18,625.00	-	18,625.00
6/01/2004	18,625.00	-	18,625.00
9/01/2004	18,625.00	-	18,625.00
12/01/2004	18,625.00	-	18,625.00
3/01/2005	18,625.00	-	18,625.00
6/01/2005	18,625.00	-	18,625.00
9/01/2005	18,625.00	-	18,625.00
12/01/2005	18,625.00	-	18,625.00
3/01/2006	18,625.00	-	18,625.00
6/01/2006	18,625.00	-	18,625.00
9/01/2006	18,625.00	-	18,625.00
12/01/2006	18,625.00	-	18,625.00
3/01/2007	18,625.00	-	18,625.00
6/01/2007	18,625.00	-	18,625.00
9/01/2007	18,625.00	-	18,625.00
12/01/2007	18,625.00	-	18,625.00
3/01/2008	18,625.00	-	18,625.00
6/01/2008	18,625.00	-	18,625.00
9/01/2008	18,625.00	-	18,625.00
12/01/2008	18,625.00	-	18,625.00
3/01/2009	18,625.00	-	18,625.00
6/01/2009	18,625.00	-	18,625.00
9/01/2009	18,625.00	-	18,625.00
12/01/2009	18,625.00	-	18,625.00
3/01/2010	18,625.00	-	18,625.00
6/01/2010	18,625.00	-	18,625.00
9/01/2010	18,625.00	-	18,625.00
12/01/2010	18,625.00	-	18,625.00

EXHIBIT B

SCHEDULE OF ANNUAL DEBT SERVICE

Date	Principal	Coupon	Total P+I
3/01/2011	18,625.00	-	18,625.00
6/01/2011	18,625.00	-	18,625.00
9/01/2011	18,625.00	-	18,625.00
12/01/2011	18,625.00	-	18,625.00
3/01/2012	18,625.00	-	18,625.00
6/01/2012	18,625.00	-	18,625.00
9/01/2012	18,625.00	-	18,625.00
12/01/2012	18,625.00	-	18,625.00
3/01/2013	18,625.00	-	18,625.00
6/01/2013	18,625.00	-	18,625.00
9/01/2013	18,625.00	-	18,625.00
12/01/2013	18,625.00	-	18,625.00
3/01/2014	18,625.00	-	18,625.00
6/01/2014	18,625.00	-	18,625.00
9/01/2014	18,625.00	-	18,625.00
12/01/2014	18,625.00	-	18,625.00
3/01/2015	18,625.00	-	18,625.00
6/01/2015	18,625.00	-	18,625.00
9/01/2015	18,625.00	-	18,625.00
12/01/2015	18,625.00	-	18,625.00
3/01/2016	18,625.00	-	18,625.00
6/01/2016	18,625.00	-	18,625.00
9/01/2016	18,625.00	-	18,625.00
12/01/2016	18,625.00	-	18,625.00
3/01/2017	18,625.00	-	18,625.00
6/01/2017	18,625.00	-	18,625.00
9/01/2017	18,625.00	-	18,625.00
12/01/2017	18,625.00	-	18,625.00
3/01/2018	18,625.00	-	18,625.00
6/01/2018	18,625.00	-	18,625.00
9/01/2018	18,625.00	-	18,625.00
12/01/2018	18,625.00	-	18,625.00
3/01/2019	18,625.00	-	18,625.00
6/01/2019	18,625.00	-	18,625.00
9/01/2019	18,625.00	-	18,625.00
12/01/2019	18,625.00	-	18,625.00
3/01/2020	18,625.00	-	18,625.00
6/01/2020	18,625.00	-	18,625.00
9/01/2020	18,625.00	-	18,625.00
Total	1,490,000.00	-	1,490,000.00 *

*Plus \$1,885.80 one-percent administrative fee paid quarterly. Total fee paid over the life of the loan is \$150,864.

[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 City, with full power of substitution in the premises.

Dated: _____, ____.

In the presence of:

CITY OF MOUNT HOPE
WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS
SERIES 1999 A

CERTIFICATE OF RECORDER AS TO TRUTH
AND ACCURACY OF DOCUMENTS DELIVERED

I, the undersigned Frank W. Bergendahl, Jr., the permanent, duly elected Recorder of the City of Mount Hope, West Virginia (the "City"), hereby certify that the copies of the following documents being delivered in connection with the closing of the sale of the \$1,490,000 City of Mount Hope Waterworks and Sewerage System Revenue Bonds, Series 1999 A (the "Series 1999 A Bonds"), are, as of the date hereof, a true and accurate copies of the originals of those documents maintained on file with the City and delivered in the transcript of proceedings, and that said documents are still in full force and effect as of the date hereof and have not been repealed, rescinded, superseded, amended or modified in any way unless the document effecting such repeal, rescission, supersedence, amendment or modification is also listed below:

1. Charter of the City, as amended.
2. Rules of Procedure.
3. Oaths of Office of the Mayor, Recorder, and members of Council.
4. Rate Ordinance, as amended.
5. Minutes of the regular Council meeting held April 20, 1999, regarding first reading of the Bond Ordinance.
6. Bond Ordinance (the "Ordinance") passed by Council on May 4, 1999.
7. Minutes of regular meeting held by Council on May 4, 1999, regarding second reading and passage of the Ordinance.
8. Supplemental Resolution adopted by Council on May 18, 1999, authorizing the sale of the above-referenced Bonds.
9. Excerpt of minutes of the May 18, 1999, public hearing and special Council meeting regarding the adoption of the Supplemental Resolution.
10. Loan Agreement, dated April 28, 1999, between the City, the West Virginia Water Development Authority (the "Authority") and the West Virginia Division of Environmental Protection ("DEP").

11. West Virginia Infrastructure and Jobs Development Council approval letter dated February 16, 1998.

12. Copy of the West Virginia Public Service Commission's (the Commission") Final Order dated February 22, 1999, granting the City a Certificate of Convenience and Necessity and approving the financing.

13. Non-exclusive Permanent Occupancy Agreement and Supplemental Agreement between the City and CSX Transportation, Inc.

[The rest of this page is intentionally left blank.]

WITNESS my signature and the official seal of the City of Mount Hope, West Virginia as of the 20th day of May, 1999.

Frank A. Berglund, JR.

Recorder
City of Mount Hope

(SEAL)

CHASFS3:118990

CERTIFICATE OF CONSULTING ENGINEER

CITY OF MOUNT HOPE WATERWORKS AND SEWERAGE SYSTEM
REVENUE BONDS, SERIES 1999 A

I, H. Phillip Keyes, Registered Professional Engineer, West Virginia License No. 013187, of Woolpert LLP, hereby certify as follows:

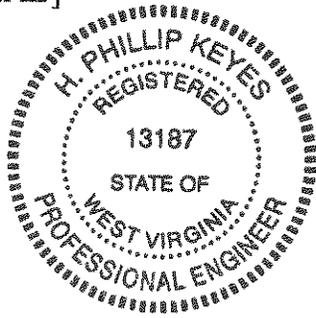
1. My firm is the engineer currently under contract for the design and construction observation of certain additions, extensions, betterments and improvements to the existing wastewater collection and treatment system (herein called the "Project") of the City of Mount Hope (the "Issuer"), to be constructed primarily in Fayette County, West Virginia, which is, to the best of my knowledge, information and belief, being permanently financed in part by the above-captioned bonds (the "Bonds") of the Issuer.

2. The Bonds are, to the best of my knowledge, information and belief, being issued for the purposes of (i) paying a portion of the costs of acquisition and construction of the Project and (ii) paying certain costs of issuance thereof and related costs, as shown on the final amended "Schedule A -- Total Cost of Project, Sources of Funds and Cost of Financing," a copy of which is attached as Exhibit A hereto.

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 is to be constructed by the Issuer and/or the successful bidder(s) in general accordance with the approved plans, specifications and designs prepared by my firm and approved by DEP 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 twenty (20) years, if properly constructed, operated and maintained, excepting anticipated replacements due to normal wear and tear; (iii) the Issuer has received bids for the acquisition and construction of the Project which are in an amount compatible with the plan of financing set forth in Schedule A attached hereto as Exhibit A; (iv) our records indicate that the successful bidder(s) received all addenda to the original bid documents; (v) the bid documents relating to the Project reflect the Project as approved by the DEP and the bid form(s) provided to the bidders contain, in my opinion, the critical designed operational components of the Project; (vi) the successful bid(s), as received, indicate prices for every separate line item listed on such bid form(s); (vii) uniform bid procedures were followed; (viii) in my professional opinion, the Issuer has obtained applicable permits required to this point in time 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; and (ix) the proceeds of the Bonds, together with all Sources of Funding as both set forth on Exhibit A are, in my opinion, sufficient to pay the Estimated Total Costs of Project plus the Cost of Financing as also indicated on Exhibit A.

WITNESS my signature and seal as of this 20th day of May, 1999.

[SEAL]



WOOLPERT LLP


By: H. Phillip Keyes, P.E.
West Virginia License No. 013187

144968

SCHEDULE

NAME OF GOVERNMENTAL AGENCY: DIVIS

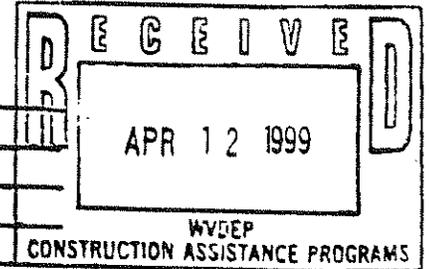
ESTIMATED TOTAL COST OF PROJECT, SOURCES OF FUNDS AND COST OF FINANCING

**CITY OF MT. HOPE
WASTEWATER SYSTEM IMPROVEMENTS**

1. Construction
2. Technical Services
3. Legal and Fiscal
4. Administrative
5. Site and Other Lands
6. Fac. Plan/Design or Other Loan
Repayment (Specify Type:
CSX Permit, Stormwater Permit)
7. Interim Financing Costs
8. Contingency
9. Total of Lines 1 Through 8

A. Cost of Project

\$	<u>1,279,260.00</u>
\$	<u>232,500.00</u>
\$	<u>15,300.00</u>
\$	<u>3,000.00</u>
\$	<u>-0-</u>
\$	<u>110,585.00</u>
\$	<u>0</u>
\$	<u>69,855.00</u>



\$1,710,500.00

B. Sources of Funds

10. Federal Grants:¹ _____ \$ _____
(Specify Sources) _____
11. State Grants:¹ _____ \$ _____
(Specify Sources) _____
12. Other Grants:¹ _____ \$ _____
(Specify Sources) _____
13. Any Other Source² City of _____ \$ _____
(Specify) Mt. Hope _____

\$	_____
\$	_____
\$	_____
\$	_____
\$	_____
\$	<u>232,500.00</u>

\$ 232,500.00

14. Total of Lines 10 Through 13
15. Net Proceeds Required from Bond Issue
(Line 9 minus Line 14)

\$ 1,478,000.00

C. Cost of Financing

16. Capitalized Interest
(Construction period plus six months) \$ 0
17. Funded Reserve Account:³ \$ -0-
18. Other Costs:⁴ Bond Counsel \$ 12,000.00
19. Total Cost of Financing (lines 16 - 18) \$ 12,000.00

20. Size of Bond Issue (Line 15 plus Line 19)

\$ 1,490,000.00

not allowable for State Revolving Fund Assistance

WDA loans are not allowable

Floyd Bonifacio
Signature of Applicant

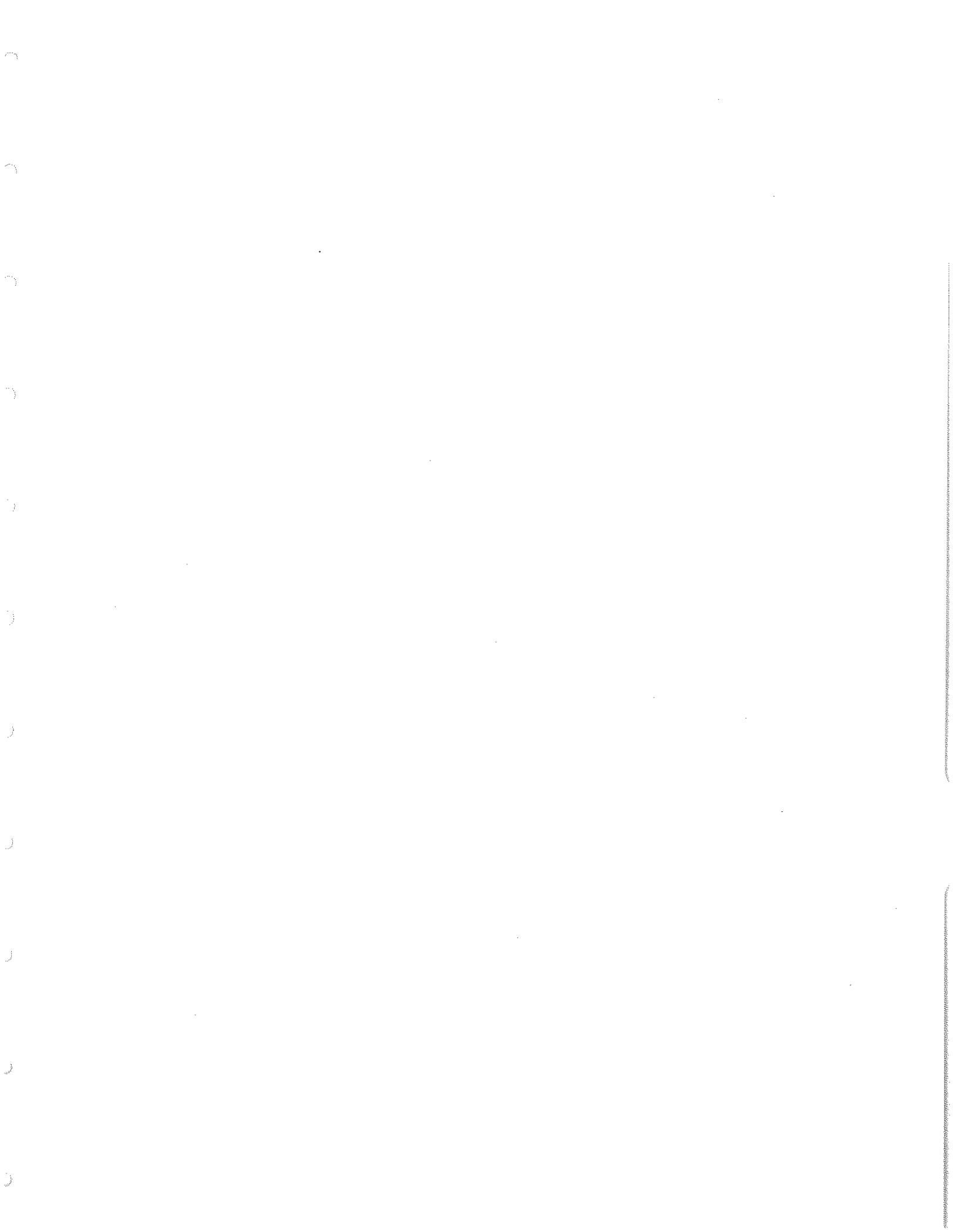
FLOYD BONIFACIO, MAYOR

Date 4/6/99

H. Phillip Keyes
Signature of Consulting Engineer

H. PHILLIP KEYES, P.E.

Date 4/2/99



LAWRENCE A. MISITI

CERTIFIED PUBLIC ACCOUNTANT

211 PERDUE STREET

BECKLEY, WEST VIRGINIA 25801

304/253-2401

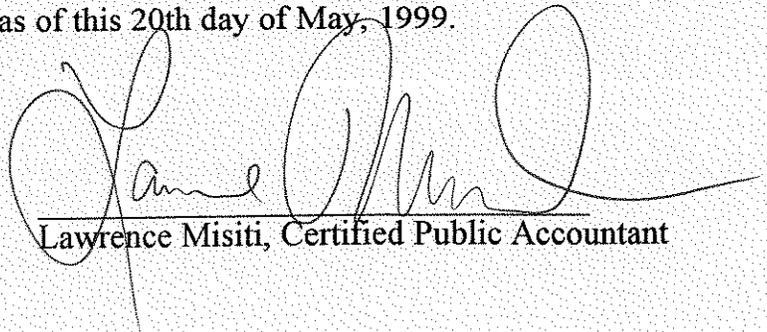
CITY OF MOUNT HOPE
WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS
SERIES 1999 A

CERTIFICATE OF ACCOUNTANT AS TO COVERAGE AND PARITY

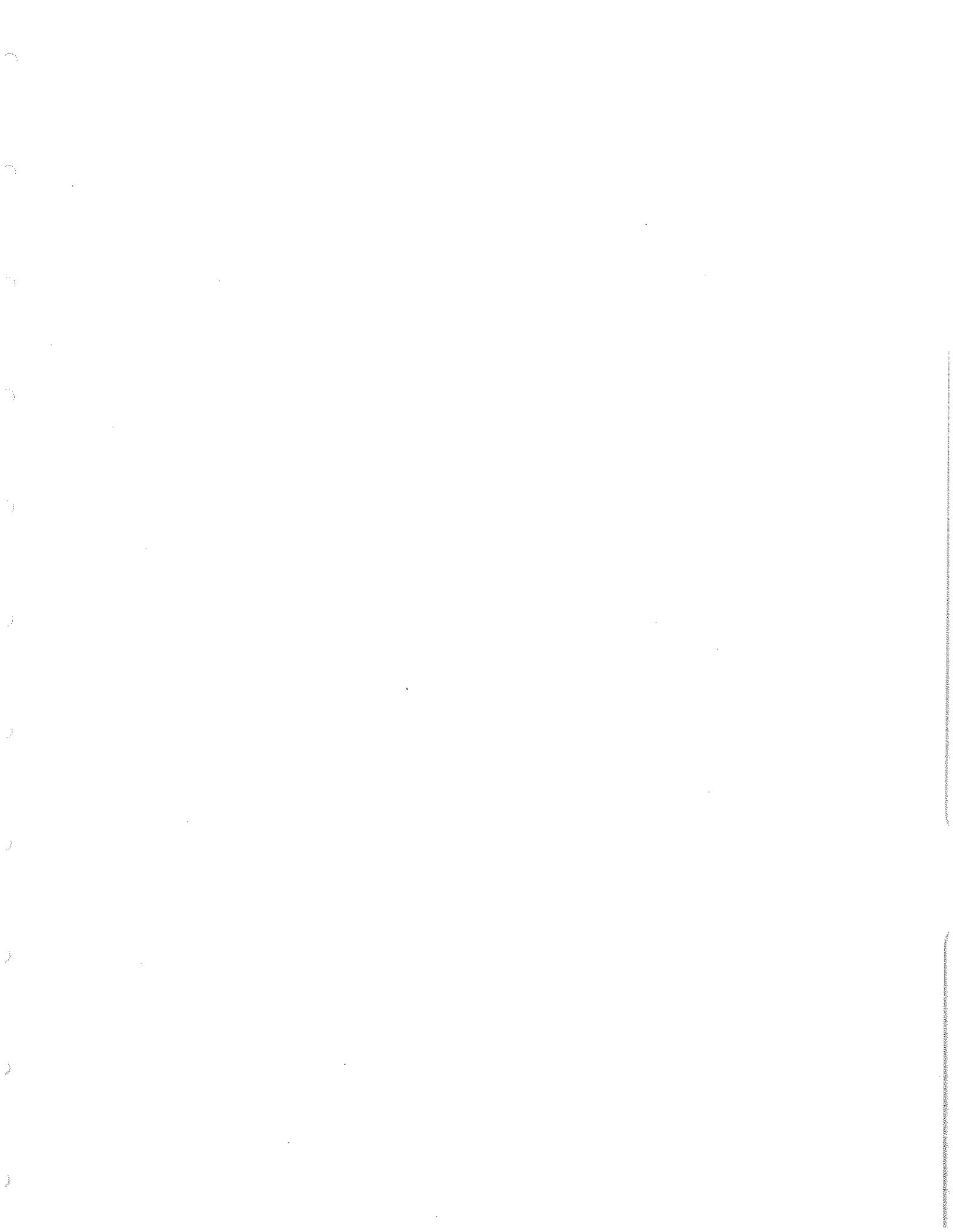
I, Lawrence Misiti, Certified Public Accountant, have reviewed the sewer service rates of the City of Mount Hope, West Virginia (the "City") and the estimated customer usage. It is my opinion that those rates are adequate (i) to provide for all reasonable Operating Expenses of the System, and (ii) to leave a balance each Fiscal Year equal to the maximum amount required in any succeeding Fiscal Year for the payment of principal of and interest on the City's Waterworks and Sewerage System Revenue Bonds, Series 1986, dated March 6, 1989 and the City's Waterworks and Sewerage System Revenue Bonds, Series 1991, dated February 25, 1991 (collectively, the "Prior Bonds") and to leave a balance each Fiscal Year equal to at least 110% of the average annual debt service on the Prior Bonds and of the average annual debt service of any other obligations of the City.

It is further my opinion that the Net Revenues actually derived from the System during the Fiscal Year immediately preceding the date of the issuance of the Waterworks and Sewerage System Revenue Bonds, Series 1999 A (the "Additional Bonds"), shall have been not less than one hundred twenty percent (120%) of the average aggregate amount which will mature or become due in any succeeding Fiscal Year for principal of and interest on the Prior Bonds and on all Bonds of all other outstanding series on a parity with the Prior Bonds, including the Additional Bonds.

WITNESS my signature as of this 20th day of May, 1999.



Lawrence Misiti, Certified Public Accountant



CITY OF MOUNT HOPE
WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS,
SERIES 1999 A

REGISTRAR'S AGREEMENT

THIS REGISTRAR'S AGREEMENT, dated as of the 20th day of May, 1999, by and between the CITY OF MOUNT HOPE, WEST VIRGINIA, a municipal corporation (the "Governmental Agency"), and BANK OF MOUNT HOPE, INC., a state banking association, Mount Hope, West Virginia (the "Registrar").

WHEREAS, the Governmental Agency has, contemporaneously with the execution hereof, issued and sold its \$1,490,000 City of Mount Hope Waterworks and Sewerage System Revenue Bonds, Series 1999 A (the "Series 1999 A Bonds"), in the form of one bond, numbered AR-1, in fully registered form pursuant to a Bond Ordinance duly passed May 4, 1999, effective May 18, 1999, and a Supplemental Resolution adopted May 18, 1999 (collectively, the "Ordinance");

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

WHEREAS, the Ordinance provides for an appointment by the Governmental Agency of a Registrar for the Bonds; and

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

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

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

2. The Registrar agrees to furnish the Governmental Agency with appropriate records of all transactions carried out by it as Registrar and to furnish the

Governmental Agency with the names and specimen signatures of the Registrar's authorized officers for the purposes of acting as the Registrar and with such other information and reports as the Governmental Agency may from time to time reasonably require.

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

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

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

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

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

GOVERNMENTAL AGENCY:

City of Mount Hope
City Hall
P.O. Box 151
Mount Hope, WV 25880
Attention: Floyd Bonifacio, Mayor

REGISTRAR:

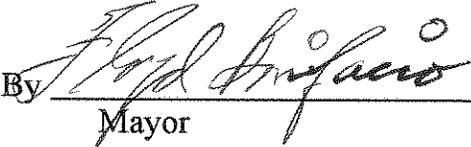
Bank of Mount Hope, Inc.
602 Main Street
P.O. Box 751
Mount Hope, WV 25880-0751
Attention: Corporate Trust

The Governmental Agency and the Registrar shall notify the other in writing of any change of address.

8. The Registrar is hereby requested and authorized to authenticate and deliver the Bonds in accordance with the Ordinance.

IN WITNESS WHEREOF, the CITY OF MOUNT HOPE and BANK OF MOUNT HOPE, INC., a state banking 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 MOUNT HOPE

By: 
Mayor

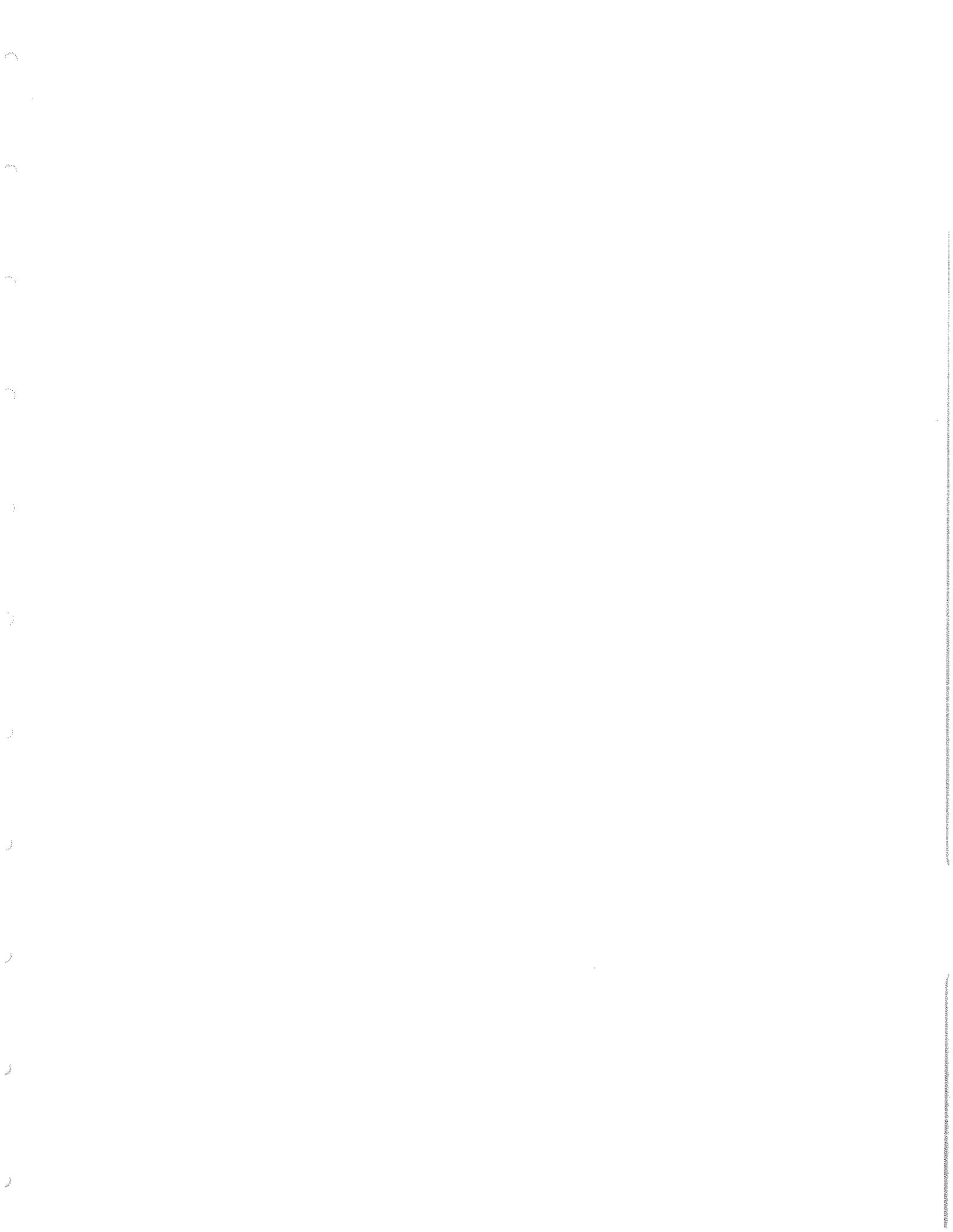
BANK OF MOUNT HOPE, INC.

By: 
Its authorized officer

CHASFS3:119058

EXHIBIT A

See Bond Ordinance (Tab No. 6)
See Supplemental Resolution (Tab No. 8)



CITY OF MOUNT HOPE
WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS,
SERIES 1999 A

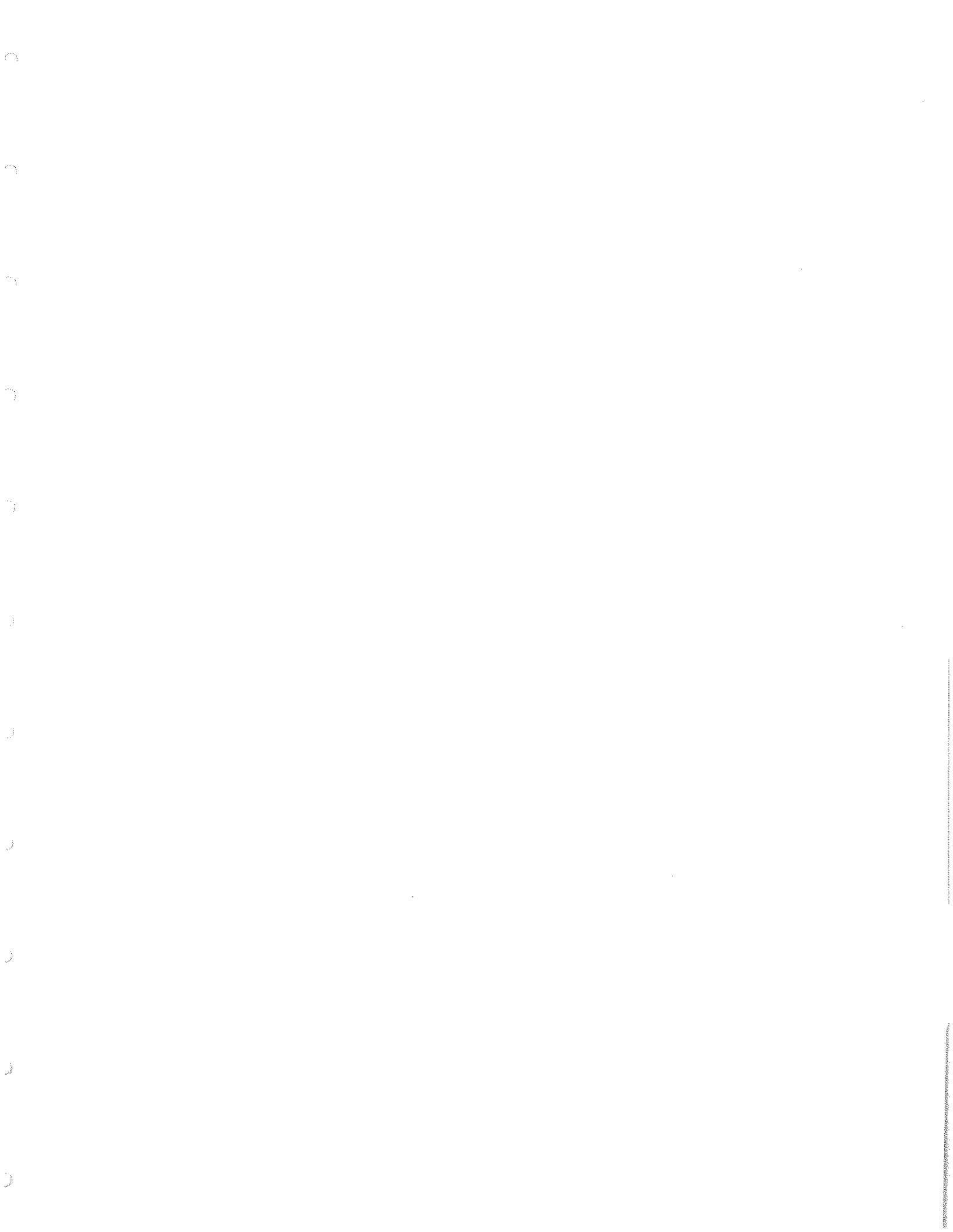
ACCEPTANCE OF DUTIES OF DEPOSITORY BANK

Bank of Mount Hope, Inc., with its office in Mount Hope, West Virginia, hereby accepts appointment as Depository Bank in connection with a Bond Ordinance of the City of Mount Hope, West Virginia duly passed on May 4, 1999, effective May 18, 1999, and the Supplemental Resolution adopted May 18, 1999 (collectively, the "Ordinance"), authorizing issuance of the City of Mount Hope Waterworks and Sewerage System Revenue Bonds, Series 1999 A, in the aggregate principal amount of \$1,490,000, dated May 20, 1999 (collectively, the "Bonds") and agrees to perform all duties of Depository Bank, all as set forth in said Ordinance.

Witness my signature as of the 20th day of May, 1999.

BANK OF MOUNT HOPE, INC.

By 
Its Authorized Officer



CITY OF MOUNT HOPE
WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS,
SERIES 1999 A

REQUEST AND AUTHORIZATION AS TO AUTHENTICATION
AND DELIVERY OF THE BONDS

May 20, 1999

Bank of Mount Hope, Inc.
P.O. Box 751
Mount Hope, WV 25880-0751
Attention: Corporate Trust

Ladies and Gentlemen:

We herewith hand to you, duly executed, the \$1,490,000 City of Mount Hope Waterworks and Sewerage System Revenue Bonds, Series 1999 A, in the form of one bond numbered AR-1, (the "Bonds") of the City of Mount Hope, West Virginia (the "City"), authorized to be issued under and pursuant to the Bond Ordinance, duly passed by the Council of the City on May 4, 1999, effective May 18, 1999, and a Supplemental Resolution adopted by the Council on May 18, 1999 (collectively, the "Ordinance").

You are hereby requested and authorized to register, authenticate and deliver the Bonds on behalf of the City to the West Virginia Water Development Authority.

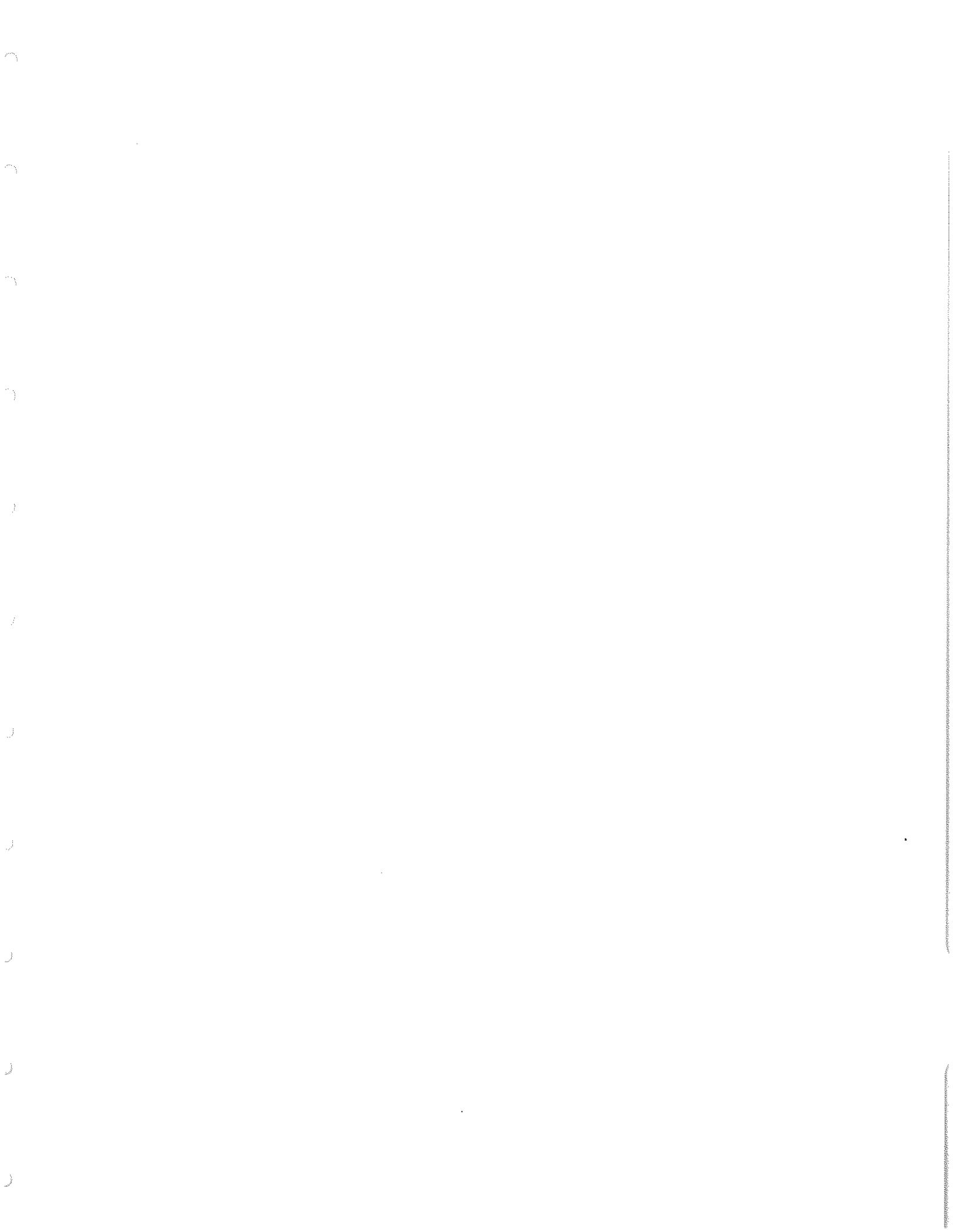
CITY OF MOUNT HOPE

By 
Mayor

(SEAL)

Attest:


Recorder



CITY OF MOUNT HOPE
WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS,
SERIES 1999 A

CERTIFICATE OF REGISTRATION OF BONDS

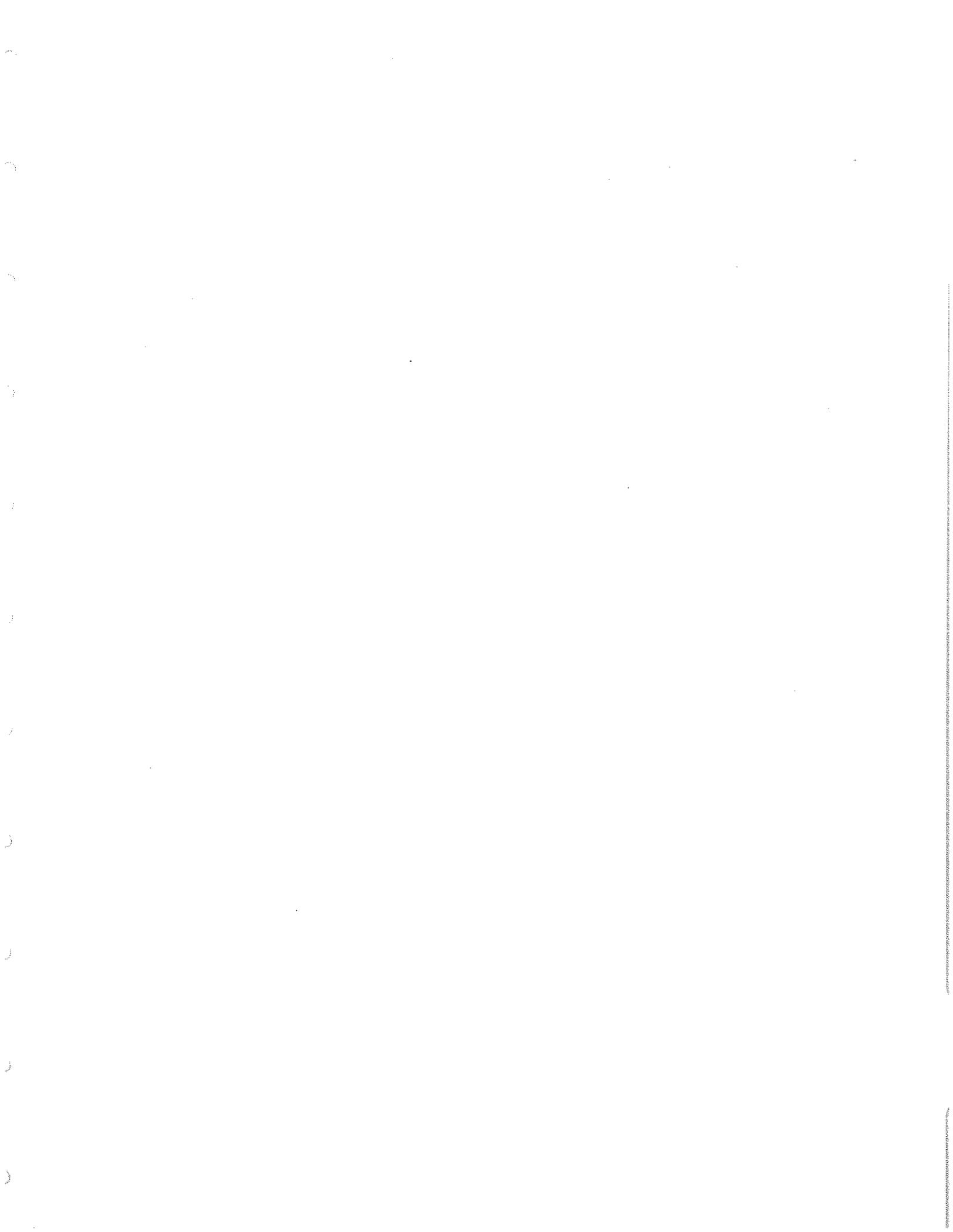
I, Ronald E. Clay, President of Bank of Mount Hope, Inc., Mount Hope, West Virginia, as Registrar (the "Registrar"), hereby certify that on the 20th day of May, 1999, the bonds of the City of Mount Hope, West Virginia, in the principal amount of \$1,490,000, designated the "City of Mount Hope Waterworks and Sewerage System Revenue Bonds, Series 1999 A" (the "Series 1999 A Bonds"), and numbered AR-1, dated as of the date hereof, were registered as to principal and interest, if any, in the name of "West Virginia Water Development Authority" in the books of the City kept for that purpose at our office, by a duly authorized officer on behalf of Bank of Mount Hope, Inc., a state banking association, as Registrar.

WITNESS my signature as of the 20th day of May, 1999.

BANK OF MOUNT HOPE, INC.,
as Registrar

By: _____


Its Authorized Officer



CITY OF MOUNT HOPE
WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS,
SERIES 1999 A

RECEIPT FOR BONDS

The undersigned, Barbara B. Meadows, Secretary-Treasurer of the West Virginia Water Development Authority, for and on behalf of the West Virginia Water Development Authority (the "Authority"), hereby certifies as follows:

1. On the 20th day of May, 1999, in Charleston, West Virginia, the Authority received the entire original issue of \$1,490,000 in aggregate principal amount of the City of Mount Hope Waterworks and Sewerage System Revenue Bonds, Series 1999 A (the "Bonds"), said Bonds being dated the 20th day of May, 1999, and issued in the form of one bond, fully registered to the Authority, and numbered AR-1.

2. At the time of receipt of the Bonds, they had been executed by Floyd Bonifacio, as Mayor of the City of Mount Hope, by manual signature, and attested by Frank W. Bergendahl, Jr., as Recorder of the City of Mount Hope, by manual signature, and the official seal of said City had been impressed upon each Bond.

IN WITNESS WHEREOF, Barbara B. Meadows duly signed and delivered this receipt on behalf of the West Virginia Water Development Authority on the 20th day of May, 1999.

WEST VIRGINIA WATER DEVELOPMENT
AUTHORITY

By Barbara B Meadows
Secretary-Treasurer



CITY OF MOUNT HOPE
WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS,
SERIES 1999 A

RECEIPT FOR BOND PROCEEDS

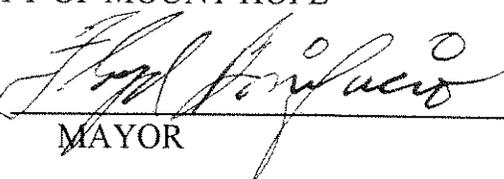
The undersigned Floyd Bonifacio, Mayor of the City of Mount Hope (the "City), hereby certifies as follows:

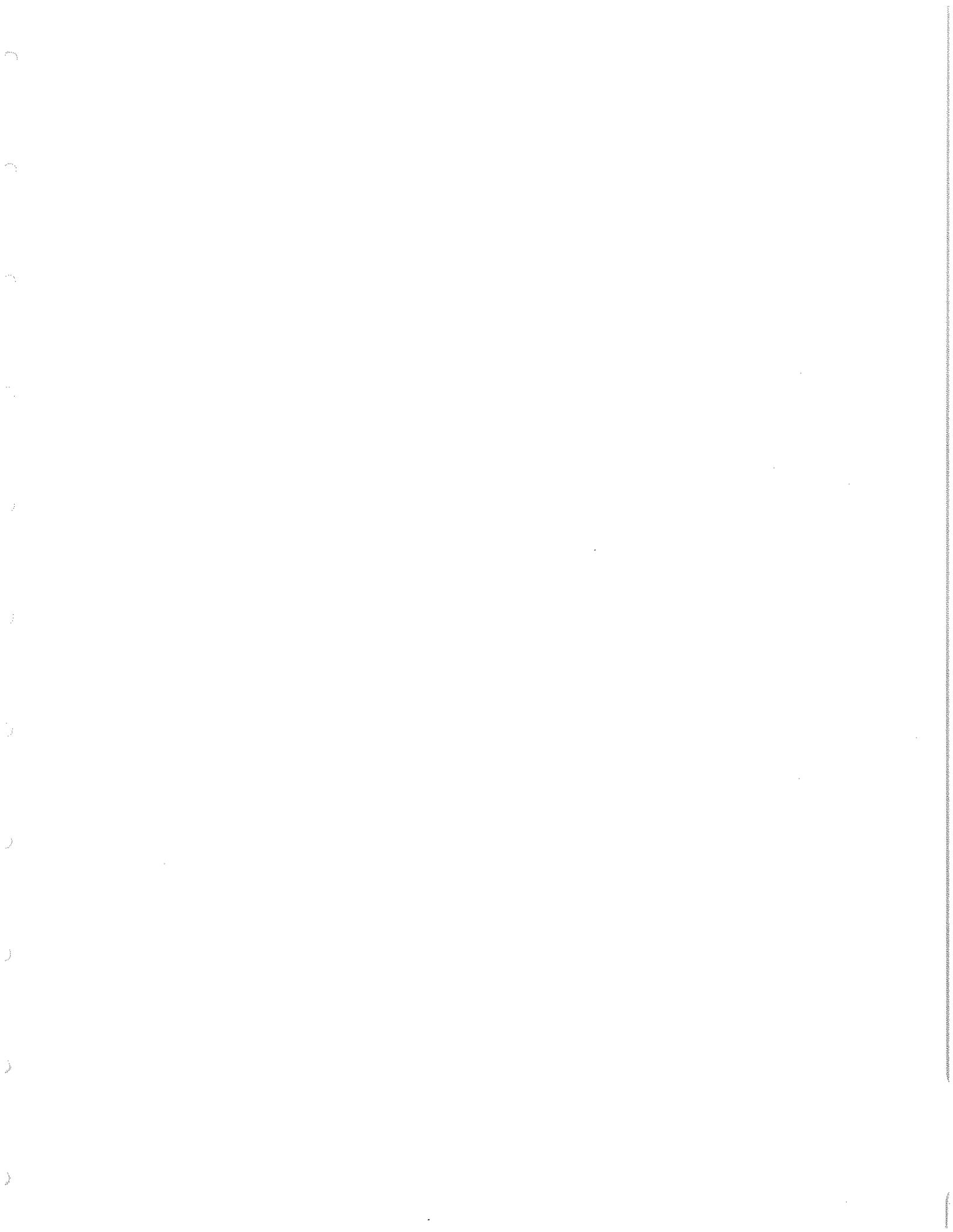
1. The City has received and hereby acknowledges receipt from the West Virginia Water Development Authority (the "Authority"), as original purchaser of the \$1,490,000 City of Mount Hope Waterworks and Sewerage System Revenue Bonds, Series 1999 A (the "Bonds"), of \$114,000, being more than a de minimis portion of the purchase price of the Bonds. The City understands that the remaining proceeds will be advanced to the City from time to time as construction proceeds to completion.

IN WITNESS WHEREOF, the City of Mount Hope has caused this receipt to be executed by its Mayor on this 20th day of May, 1999.

CITY OF MOUNT HOPE

By


MAYOR



Wastewater treatment plant comprised of a grit chamber, a mechanical bar screen, and a manual bar screen located prior to the main lift station, an oxidation ditch with a volume of 312,800 gallons, two(2) clarifiers with a volume of 33,600 gallons each and a surface area of 452 square feet each, ultraviolet disinfection facilities, a post aeration chamber with a volume of 4,500 gallons, an aerobic sludge digester with a volume of 69,000 gallons, two(2) wedgewater sludge dewatering beds with a surface area of 400 square feet each, and all requisite appurtenances.

These facilities are to serve a population equivalent of approximately 3,581 persons in the City of Mount Hope and environs, and discharge treated wastewater to Dunloup Creek, approximately 9.5 miles from its mouth, of the New River of the Kanawha River.

This Permit is subject to the following terms and conditions:

The information, submitted on and with Permit Application No. WV0021776, dated the 24th day of February 1993, is all hereby made terms and conditions of this Permit with like effect as if all such Permit application information was set forth herein, and with other conditions set forth in Sections A, B, C, D, E, F and G.

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PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

FINAL

Entered: February 2, 1999

2-22-99

CASE NO. 98-1448-S-CN

CITY OF MOUNT HOPE
P.O. Box 151, Mount Hope,
Fayette County.

Application for a certificate of convenience and necessity to construct and repair existing wastewater collection system within the corporate limits of the City of Mount Hope.

RECOMMENDED DECISION

On December 1, 1998, the City of Mount Hope (City or Mt. Hope) filed an application, duly verified, for a certificate of convenience and necessity to replace and/or rehabilitate its existing sanitary sewer collection system. The proposed project will consist of implementation of one of the following options, to-wit:

Option 1: Replacement of approximately 8,236 linear feet of 8" sewer line; 2,578 linear feet of 10" sewer line; 3,105 linear feet of 12" sewer line and 92 manholes; or

Option 2: Replacement of approximately 5,261 linear feet of 8" sewer line; 2,558 linear feet of 10" sewer line; 1,705 linear feet of 12" sewer line; and 71 manholes, together with rehabilitation of approximately 1,383 linear feet of 12" sewer line; 2,818 linear feet of 8" sewer line and 22 manholes.

The estimated construction cost of Option 1 is \$1,278,712, while the estimated construction cost of Option 2 is \$1,240,715, with a total estimated project cost, using the more costly Option 1 construction cost, of \$1,717,000. Mt. Hope planned to finance the project with a loan from the State Revolving Fund in the amount of \$1,490,000, with a City grant in the amount of \$227,000. The City does not anticipate any need for interim financing and is not requesting a rate increase. Since the City is not raising its rates, it requested a waiver of Rule 42 filing requirements, although it did submit a pro forma cash flow statement.

By Order dated December 1, 1998, Mt. Hope was required to give notice of the filing of its application by publishing a copy of said Order, once in a newspaper, duly qualified by the Secretary of State, published and of general circulation in Fayette County, making due return to the Commission of proper certification of publication. The notice directed that anyone desiring to make objection to the application had to do so, in writing, within thirty (30) days after publication of said notice. The notice further provided that, if no protests were received within the thirty-day period, the Commission could waive formal hearing and grant the application based upon the evidence submitted in the application and the Commission's review thereof.

On December 16, 1998, the City filed a copy of a letter it had received, dated December 14, 1998, on behalf of the West Virginia State Revolving Loan Fund (the Fund), the West Virginia Water Development Authority (WDA) and West Virginia Division of Environmental Protection (DEP), confirming approval of the City's loan application from the Fund in the amount of \$1,490,000, at an annual interest rate of zero percent (0%), plus an annual administrative fee of one percent (1%), for a term not to exceed twenty (20) years. The final loan amount, interest rate, and administrative fee will be established after the bids are received and the project costs are finalized. The City also filed a letter, signed by Floyd Bonifacio, Mayor, confirming that it had committed \$227,000 toward the proposed project and, in fact, had already expended \$153,000 in engineering fees.

On December 18, 1998, Mt. Hope filed with the Commission a proper affidavit of publication, indicating that the Notice of Filing was published once in The Fayette Tribune, a newspaper of general circulation in Fayette County, on December 10, 1998. No protests have been filed, either within the thirty-day protest period or as of the date of this Order.

On December 22, 1998, Staff Attorney Cassius H. Toon, Esquire, filed an Initial Joint Staff Memorandum to which was attached an Initial Internal Memorandum dated December 10, 1998, from Randy Lengyel, Utilities Analyst II, and Joseph A. Marakovits, Technical Analyst, Water and Wastewater Division. Staff reported that it had contacted the City and scheduled a meeting to review the certificate application process and acquire additional needed documentation from the City. A final recommendation on the merits of the application would be issued within the time guidelines established by the Commission. Referral to the Division of Administrative Law Judges was recommended.

By Order dated December 30, 1998, the Commission referred this matter to the Division of Administrative Law Judges for disposition and ordered that an Administrative Law Judge's decision be rendered on or before June 28, 1999.

On January 8, 1999, Mr. Toon filed a Final Joint Staff Memorandum to which was attached a Final Internal Memorandum dated December 23, 1998, from Mr. Lengyel and Mr. Marakovits. Staff reported that the Facilities Plan Report (Plan) for the project, dated February 1997, was approved by the DEP and West Virginia Infrastructure and Jobs Development Council prior

to the design of the project. The Plan included an infiltration and inflow analysis of the collection system to identify problem areas.

The need for the project was adequately documented by the project engineer, Woolpert LLP. According to the engineering design manual submitted with the application, improvements to the City's existing sewer system were mandated by the DEP through its WV/NPDES Permit No. WV0021776, issued on June 27, 1994, and Administrative Order No. 3,569. Specifically, the City's collection and treatment facilities are overloaded due to infiltration and inflow in the system which results in the discharge of raw sewage into area streams. The replacement/rehabilitation of the sewage collection system will allow the City to eliminate the health hazards associated with the raw sewage discharge.

According to the engineering design manual, operation and maintenance expenses will not increase as a result of this project and should actually decrease. The City's current rates will provide an adequate cash flow surplus based upon the financial information submitted. Funding commitment letters from all of the requisite parties were also submitted. Accordingly, Staff recommended that: (1) since the City has all of its funding commitment letters and an adequate cash flow surplus, the certificate application be approved; (2) the Fund loan in the amount of \$1,490,000 and commitment of City funds in the amount of \$227,000 be approved; (3) if there are any changes in the scope of the project or increased financing is required, the City obtain prior Commission approval before proceeding; and (4) the City's request for a waiver of Rule 42 filing requirements be granted.

FINDINGS OF FACT

1. On December 1, 1998, the City of Mount Hope filed an application, duly verified, for a certificate of convenience and necessity to replace and/or rehabilitate its existing sanitary sewer collection system. (See, December 1, 1998 filing).

2. On December 18, 1998, the City filed a proper affidavit of publication, indicating that proper publication had been made of the Notice of Filing in The Fayette Tribune, a newspaper of general circulation in Fayette County. (See, affidavit filed December 18, 1998).

3. No protests were filed to the application filed herein within the thirty (30) day response period which expired on January 10, 1999, or as of the date of this Order. (See, case file, generally).

4. The District's existing sewage collection and treatment facilities are overloaded due to inflow and infiltration and are polluting area streams. (See, Final Joint Staff Memorandum filed January 8, 1999).

5. The West Virginia Division of Environmental Protection has approved the plans and specifications for the proposed project. (See, West Virginia Division of Environmental Protection letter dated January 5, 1999).

6. The City has received funding commitments for the full cost of the project. (See, letters filed December 16, 1998; Final Joint Staff Memorandum filed January 8, 1999).

7. The City's existing rates are adequate to cover the project's costs. (See, Final Joint Staff Memorandum filed January 8, 1998).

8. Commission Staff recommended that the certificate of convenience and necessity be granted. (See, Final Joint Staff Memorandum and attachments filed January 8, 1999).

CONCLUSIONS OF LAW

1. The public convenience and necessity require the proposed project.

2. The project is adequately financed and economically feasible.

3. A certificate of convenience and necessity should be granted for the proposed project, as recommended by Commission Staff.

ORDER

IT IS, THEREFORE, ORDERED that the application filed herein on December 1, 1998, by the City of Mount Hope for a certificate of convenience and necessity to replace and/or rehabilitate its existing sanitary sewer collection system, be, and hereby is, granted.

IT IS FURTHER ORDERED that the financing for the proposed project, consisting of a loan from the State Revolving fund in the amount of \$1,490,000, at 0% interest, with a 1% administrative fee, and a twenty-year term, and City funds on hand of \$227,000, be, and hereby is, approved.

IT IS FURTHER ORDERED that the City's request for a waiver of Rule 42 filing requirements be, and hereby is, granted.

IT IS FURTHER ORDERED that, in the event that the project's costs, scope, terms and conditions or financing change, the City shall obtain prior Commission approval of said change(s), before commencing construction.

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

The Executive Secretary is hereby ordered to serve a copy of this order upon the Commission by hand delivery, and upon all parties of record by United States Certified Mail, return receipt requested.

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

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

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

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



Melissa K. Marland
Chief Administrative Law Judge

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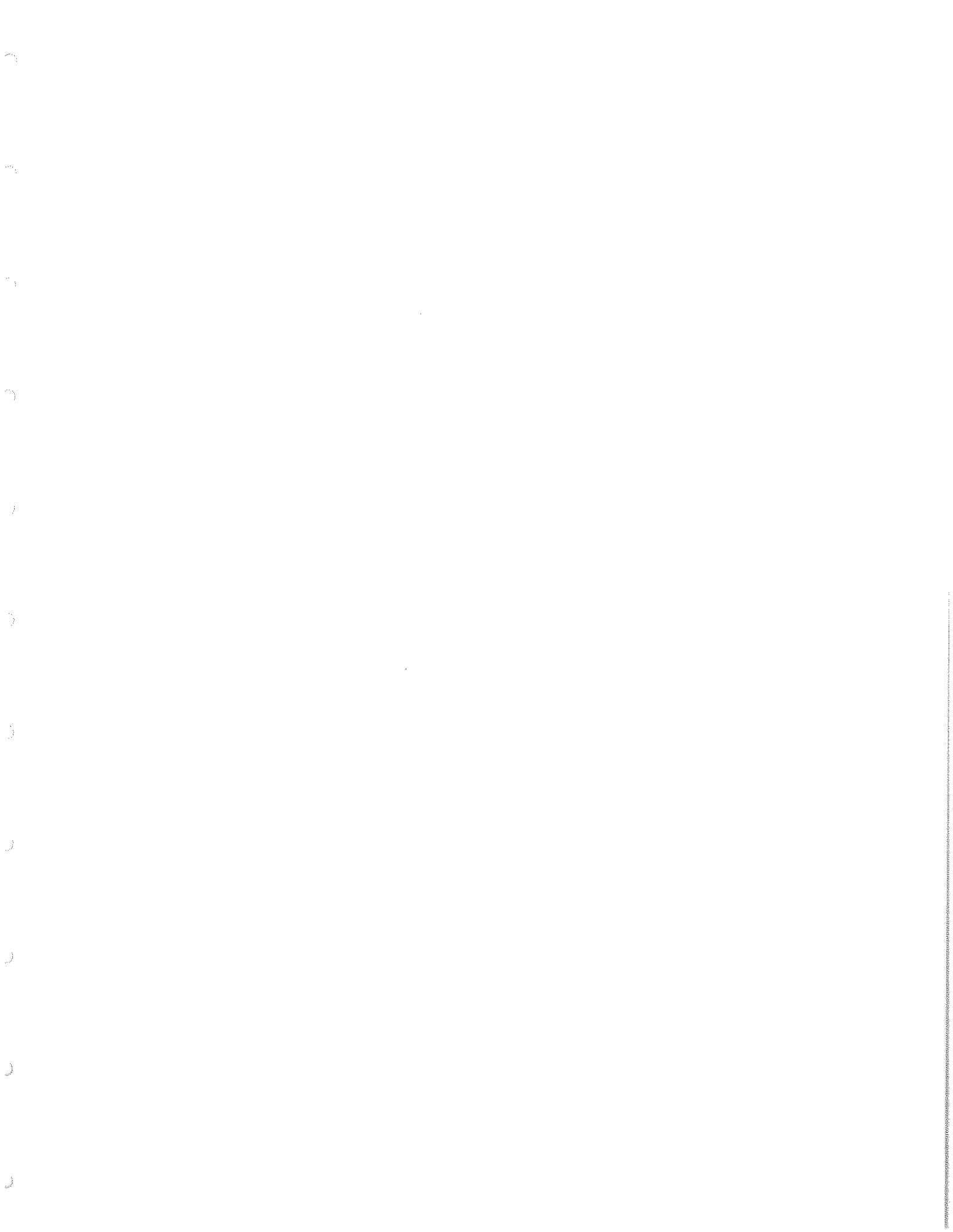
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JACKSON & KELLY PLLC

ATTORNEYS AT LAW

1600 LAIDLEY TOWER

P. O. BOX 563

CHARLESTON, WEST VIRGINIA 25322

TELEPHONE 304-340-1000

TELECOPIER 304-340-1130

<http://www.jacksonkelly.com>

1144 MARKET STREET
WHEELING, WEST VIRGINIA 26003
TELEPHONE 304-233-4000

1860 LINCOLN STREET
DENVER, COLORADO 80264
TELEPHONE 303-390-0003

175 EAST MAIN STREET
LEXINGTON, KENTUCKY 40595
TELEPHONE 606-265-9500

2401 PENNSYLVANIA AVENUE N.W.
WASHINGTON, D.C. 20037
TELEPHONE 202-973-0200

MEMBER OF LEX MUNDI,
THE WORLD'S LEADING ASSOCIATION
OF INDEPENDENT LAW FIRMS.

300 FOXCROFT AVENUE
MARTINSBURG, WEST VIRGINIA 25401
TELEPHONE 304-263-8800

256 RUSSELL AVENUE
NEW MARTINSVILLE, WEST VIRGINIA 26155
TELEPHONE 304-455-1751

6000 HAMPTON CENTER
MORGANTOWN, WEST VIRGINIA 26505
TELEPHONE 304-599-3000

412 MARKET STREET
PARKERSBURG, WEST VIRGINIA 26101
TELEPHONE 304-424-3490

1000 TECHNOLOGY DRIVE
FAIRMONT, WEST VIRGINIA 26554
TELEPHONE 304-368-2000

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May 20, 1999

West Virginia Division of Environmental
Protection
Division of Water Resources
617 Broad Street
Charleston, WV 25301

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

Re: City of Mount Hope Waterworks and Sewerage System Revenue
Bonds, Series 1999 A

Ladies and Gentlemen:

We are bond counsel to the City of Mount Hope (the "Local Government"), a municipal corporation.

We have examined a certified copy of proceedings and other papers relating to (i) the authorization of a loan agreement dated April 28, 1999, including all schedules and exhibits attached thereto, by and among the Local Government, the West Virginia Division of Environmental Protection (the "DEP") and the West Virginia Water Development Authority (the "Authority") for the Series 1999 A Bonds (the "Loan Agreement") and (ii) the issue of a series of revenue bonds of the Local Government, dated May 20, 1999 (the "Bonds"), to be purchased by the Authority in accordance with the provisions of the Loan Agreement. The Bonds are in the principal amount of \$1,490,000 and issued in the form of one bond registered as to principal to the Authority, with the principal payable March 1, June 1, September 1, and December 1 of each year, beginning December 1, 2000. The Bonds bear no interest and are subject to payment of the SRF Administrative Fee as set forth in "Schedule Y" to the Loan Agreement.

The Bonds are issued for the purpose of paying a portion of the costs of the acquisition and construction of certain additions, extensions, betterments and improvements to the existing waterworks and sewerage system of the Local Government (the "Project") and 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 2 of the Code of West Virginia, 1931, as amended (the "Local Statute"), and the Bond Ordinance duly passed by the Local Government on May 4, 1999, effective May 18, 1999, as supplemented on May 18, 1999 (collectively, the "Local Act"), pursuant to and under which Local Statute and Local Act the Bonds are authorized and issued, and the Loan Agreement that has been undertaken. The Bonds are subject to redemption prior to maturity to the extent, at the time, under the conditions and subject to the limitations set forth in the 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 Government and is a valid and binding special obligation of the Local Government enforceable in accordance with the terms thereof.
2. The Loan Agreement inures to the benefit of the Authority and the DEP and cannot be amended so as to affect adversely the rights of the Authority or diminish the obligations of the Local Government without the consent of the Authority and the DEP.
3. The Local Government 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 and to operate and maintain the System referred to in the Loan Agreement and to issue and sell the Bonds, all under the Local Statute and other applicable provisions of law.
4. The Local Government has legally and effectively enacted the Local Act and all other necessary resolutions in connection with the issuance and sale of the Bonds. The Local Act contains provisions and covenants substantially in the form of those set forth in Section 4.1 of the Loan Agreement.
5. The Bonds are valid and legally enforceable special obligations of the Local Government, payable from the net revenues of the System referred to in the Local Act on a parity with the Prior Bonds and secured by a first lien on and pledge of the net revenues

West Virginia Division of Environmental Protection
West Virginia Water Development Authority
May 20, 1999
Page 3

of said System, all in accordance with the terms of the Bonds and the Local Act, and have been duly issued and delivered to the Authority.

6. The Local Government has reserved the right to issue additional bonds ranking on a parity with the Bonds, as provided in the Local Statute pursuant to the Local Act.

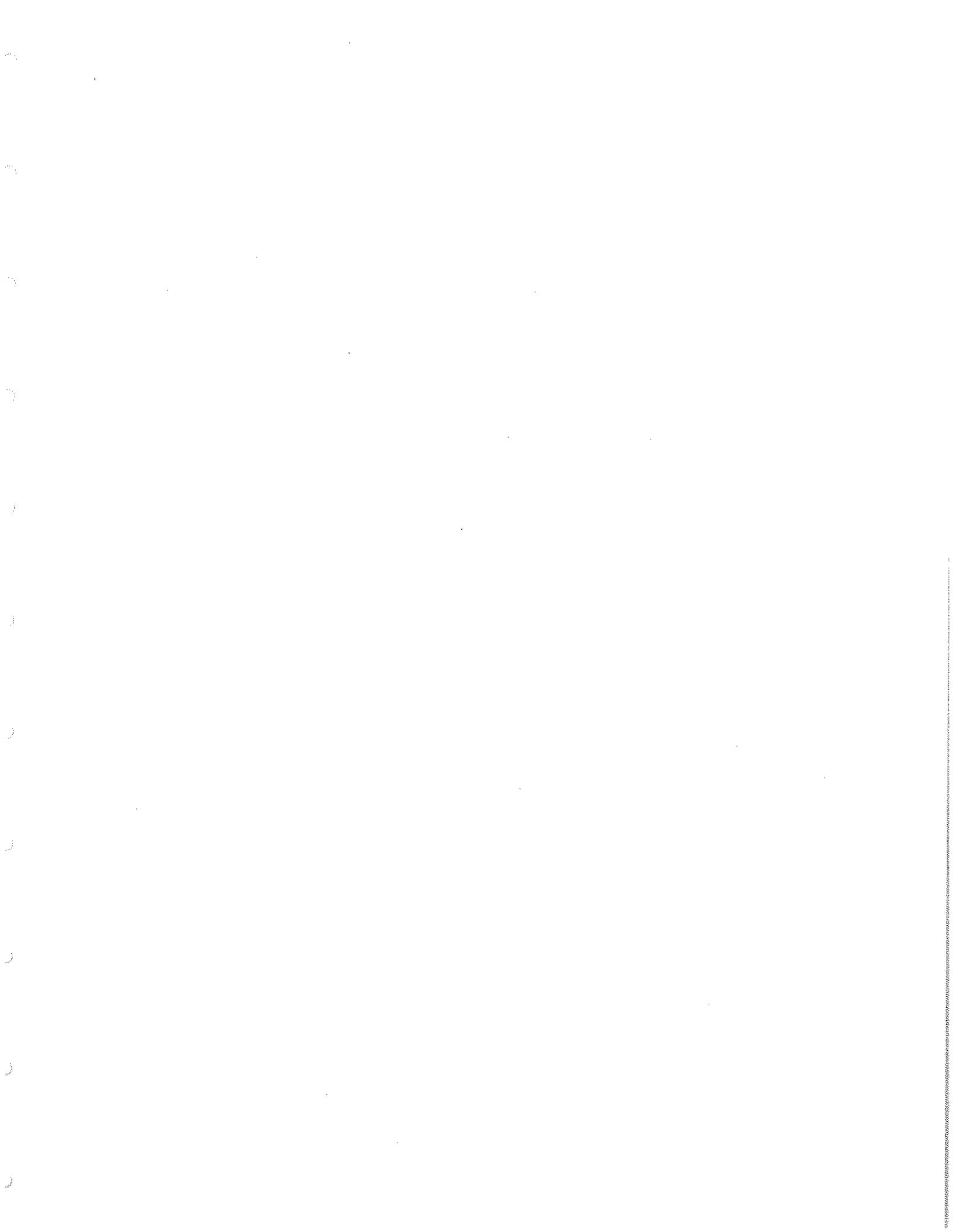
7. The Bonds and the interest thereon are, under the Act, exempt from all taxation by the State of West Virginia, or any county, municipality, political subdivision, or agency thereof.

No opinion is given herein as to the effect upon enforceability of the 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 Bond numbered AR-1 and in our opinion the form of said bond and its execution and authentication is regular and proper.

Very truly yours,

Jackson & Kelly PLLC



John H. Shumate, Jr.

*Attorney At Law
P. O. Drawer 231 • 526 Main Street
Masonic Building
Mount Hope, West Virginia 25880*

May 18, 1999

Telephone (304) 877-5516

877-5517

Fax (304) 877-6055

West Virginia Division of Environmental
Protection
Division of Water Resources
617 Broad Street
Charleston, WV 25301

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

Jackson & Kelly PLLC
P. O. Box 553
Charleston, WV 25322

Re: City of Mount Hope Waterworks
and Sewerage System Revenue
Bonds, Series 1999 A

Ladies and Gentlemen:

I am counsel to the City of Mount Hope, West Virginia (the "City"). As such counsel, I have examined copies of the approving opinions of Jackson & Kelly PLLC, as bond counsel, relating to the above-captioned bonds of the City (the "Bonds"), the Loan Agreement by and among the West Virginia Water Development Authority (the "Authority"), the West Virginia Division of Environmental Protection (the "DEP"), and the City, dated April 28, 1999, for the Bonds, and a Bond Ordinance duly passed by the Council (the "Council") of the City on May 4, 1999, effective May 18, 1999, as supplemented by a Supplemental Resolution adopted May 18, 1999 (collectively, the "Ordinance"), and other documents relating to the Bonds. Terms used in said opinions, the Loan Agreement, and Ordinance and not otherwise defined herein have the same meanings herein.

I am of the opinion that:

1. The City 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 and to operate and maintain the System referred to in the Loan Agreement and to issue and sell the Bonds, all under the Local Statute and other applicable provisions of law.

2. The Loan Agreement has been duly authorized, executed and delivered by the City and, assuming due authorization, execution and delivery by the Authority, constitutes a valid and binding agreement of the City in accordance with its terms.

3. The members and officers of the Council of the City (the "Council") have been duly, lawfully and properly elected, have taken the requisite oaths, and are authorized to act in their respective capacities on behalf of the City.

4. The Ordinance has been duly adopted by the City and is in full force and effect.

5. The execution and delivery of the Bonds and the Loan Agreement and the consummation of the transactions contemplated by the Bonds, the Loan Agreement and the Resolution, and the carrying out of the terms thereof, do not and will not, in any material respect, conflict with or constitute, on the part of the City, a breach or default under any agreement, document or instrument to which the City is a party or by which the City or its properties are bound or any existing law, regulation, rule, order or decree to which the City is subject.

6. The City has received all permits, licenses, approvals, consents, exemptions, orders, certificates and authorizations necessary for the creation and existence of the City, 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 County Commission of Fayette County, the West Virginia Infrastructure and Jobs Development Council and the Public Service Commission of West Virginia, and the City has taken any other action required for the imposition of such rates and charges, including, without limitation, the adoption of a resolution prescribing such rates and charges. The City has received the Final Order of the Public Service Commission of West Virginia entered on February 22, 1999 granting to the City a certificate of public convenience and necessity for the Project and approving the financing for the

Project. The time for appeal of such Final Order has expired prior to the date hereof without any appeal.

7. The City has duly published a notice of the acquisition and construction of the Project, the issuance of the Bonds and related matters, as required under the Act and has duly complied with the provisions thereof.

8. To the best of my knowledge, there is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body, pending or threatened, wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated by the Loan Agreement, the Bonds and the Resolution, 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 Net Revenues therefor.

9. Based upon my review of the contracts, the surety bonds and the policies or other evidence of insurance coverage in connection with the Project, I am of the opinion that such surety bonds and policies (1) are in compliance with the contracts; (2) are adequate in form, substance and amount to protect the various interest of the City; (3) have been executed by duly authorized representatives of the proper parties; (4) meet the requirements of the Act, the Ordinance and the Loan Agreement; and (5) all such documents constitute valid and legally binding obligations of the parties thereto in accordance with the terms, conditions and provisions thereof.

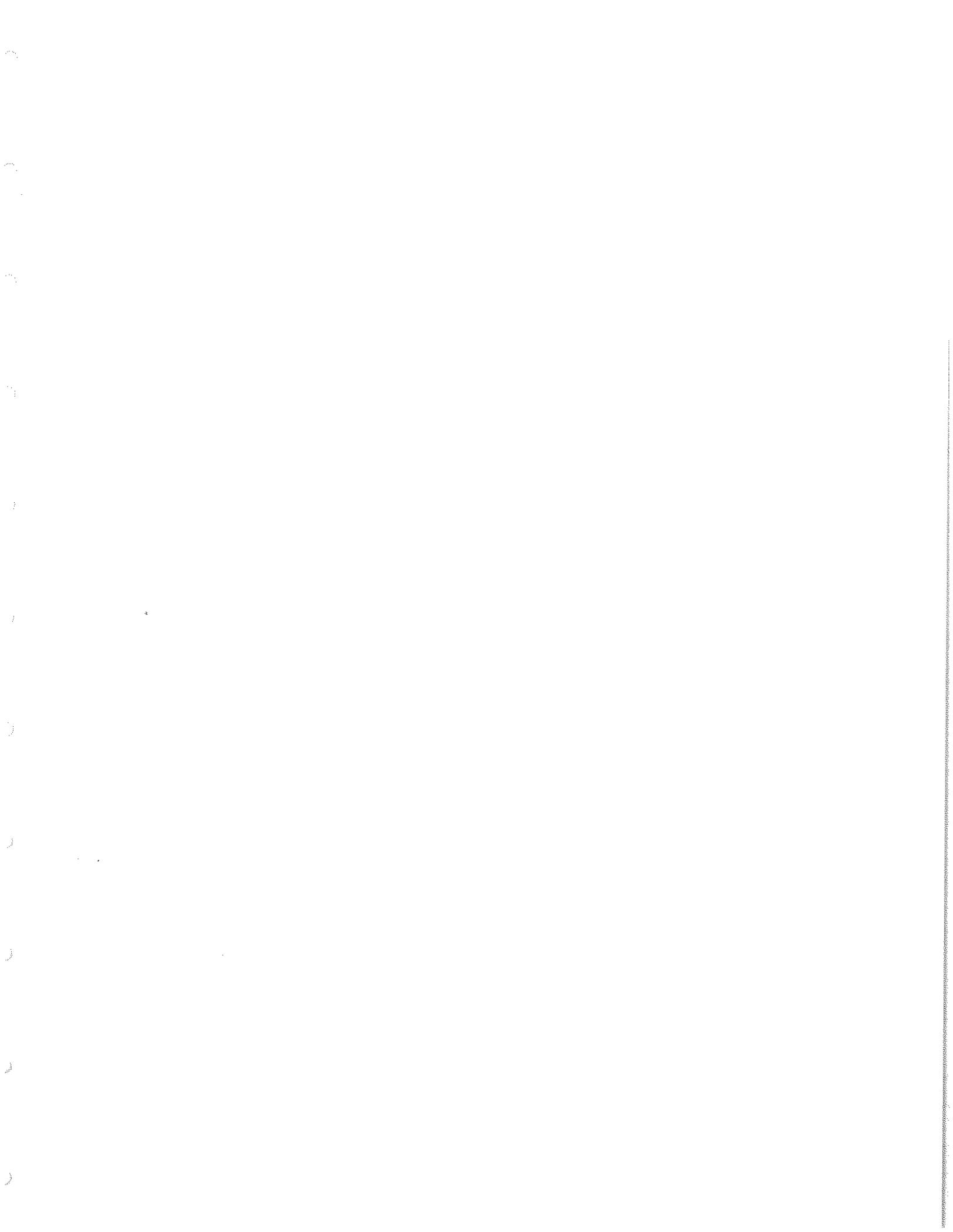
All counsel to this transaction may rely upon this opinion as if specifically addressed to them.

Very truly yours,



John H. Shumate, Jr.
City Attorney

JHS/lmm



John H. Shumate, Jr.

*Attorney At Law
P. O. Drawer 231 • 526 Main Street
Masonic Building
Mount Hope, West Virginia 25880*

*Telephone (304) 877-5516
877-5517
Fax (304) 877-6055*

May 18, 1999

Susan J. Riggs, Executive Secretary
West Virginia Infrastructure and
Jobs Development Council
980 One Valley Square
Charleston, WV 25301

West Virginia Division of Environmental
Protection
Office of Water Resources
617 Broad Street
Charleston, WV 25301

West Virginia Water Development Authority
180 Association Drive
Charleston, WV 25311-1571

Jackson & Kelly, PLLC
P.O. Box 553
Charleston, WV 25322

RE: City of Mount Hope
Sanitary Sewer Project

Ladies and Gentlemen:

I, John H. Shumate, Jr., represent the City of Mount Hope with regard to a proposed project to construct certain additions, betterments and improvements to the combined waterworks and sewerage system of the City of Mount Hope (the "Project") and provide this final title opinion on behalf of the said City of Mount Hope to satisfy the requirements of the West Virginia Infrastructure and Jobs Development Council (the "Council"), with regard to the Infrastructure Fund financing proposed for the Project. Please be advised of the following:

1. That I am of the opinion that the City of Mount Hope is a duly created and existing municipal corporation possessed with all the powers and authority granted to municipal corporations

under the laws of the State of West Virginia and has the full power and authority to construct, operate and maintain the Project as approved by the Division of Environmental Protection.

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

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

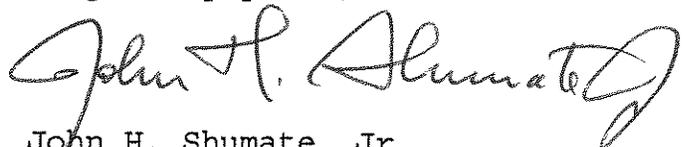
4. That I have examined the records in the Office of the Clerk of the County Commission of Fayette County, West Virginia, the county in which the Project is to be located, and, in my opinion, the City of Mount Hope has acquired legal title or such other estate or interest in the necessary site components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

The filings have been made to acquire the following listed properties by eminent domain and the City of Mount Hope's title thereto is defeasible in the event said City of Mount Hope does not satisfy any resulting judgment and/or award in the proceedings for acquisition of said properties, and our certification is subject to the pending litigation:

See Attached Exhibit A

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

Very truly yours,



John H. Shumate, Jr.
Attorney for the City
of Mount Hope

EXHIBIT A

City of Mount Hope, a municipal corporation
Final Listing of Condemnations
May 18, 1999

<u>NAME</u>	<u>MAP NUMBER</u>	<u>PARCEL NUMBER</u>
Cyrus Williams	53D	33
White Oak Lumber Company	6	157
Benny and Odis Brown	6	160
Rush Lee Cyrus	53H	1
Sheila Jones	9	458
Joan Karen Cutlip and Earl Buckley	9	459
James F. Cox, et ux	9	442